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d'argument de publicité

Luxembourg, le 2016-05-25

Commission de Surveillance du Secteur Financier



HSBC Global Investment Funds

Investment Company with Variable Capital
Incorporated in Luxembourg

PROSPECTUS

MAY 2016

HSBC 
Global Asset Management

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IMPORTANT INFORMATION

HSBC GLOBAL INVESTMENT FUNDS is an investment company ("*Société d'Investissement à Capital Variable*") incorporated in the Grand Duchy of Luxembourg and qualifies as an Undertaking for Collective Investment in Transferable Securities (UCITS) complying with the provisions of Part I of the 2010 Law.

No dealer, salesman or any other person has been authorised to give any information or to make any representations, other than those contained in this Prospectus and in the documents referred to herein, in connection with the offer hereby made, and, if given or made, such information or representations must not be relied upon as having been authorised by the Company.

The delivery of this Prospectus (whether or not accompanied by any reports) or the issue of Shares shall not, under any circumstances, create any implication that the affairs of the Company have not changed since the date hereof.

This Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation.

The Company is a recognised collective investment scheme in the United Kingdom under the Financial Services and Markets Act 2000 (the "Act").

The distribution of this Prospectus and the offering of the Shares may be restricted in certain jurisdictions. It is the responsibility of any persons in possession of this Prospectus and any persons wishing to apply for Shares to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdictions. Prospective subscribers for Shares should inform themselves as to legal requirements so applying and any applicable exchange control regulations and taxes in the countries of their respective citizenship, residence or domicile.

The key investor information document of each Class of each sub-fund ("Key Investor Information Document"), the latest annual and any semi-annual reports of the Company are available at the registered office of the Company and will be sent to investors upon request. Such reports shall be deemed to form part of this Prospectus.

The Key Investor Information Documents are available on www.assetmanagement.hsbc.com/fundinfo. Before subscribing to any Class and to the extent required by local laws and regulations each investor shall consult the Key Investor Information Documents. The Key Investor Information Documents provide information in particular on historical performance, the synthetic risk and reward indicator and charges. Investors may download the Key Investor Information Documents on the website mentioned above or obtain them in paper form or on any other durable medium agreed between the Management Company or the intermediary and the investor.

► United States of America

The Shares in the Company have not been and will not be registered under the United States Securities Act of 1933 (the "Securities Act") or under the securities laws of any state and the Company has not been and will not be registered under the Investment Company Act 1940 (the "Investment Company Act"). This document may not be distributed, and the Shares in the Company may not be offered or sold within the United States or to US Persons, (as specified under the "US Person" definition in the Glossary of the Prospectus), except in a transaction not subject to, or pursuant to an exemption from, the registration requirements of the Securities Act and any applicable state securities laws and which would not require the Company to register under the Investment Company Act.

► Canada

The Shares described in this Prospectus may be distributed in Canada exclusively through HSBC Global Asset Management (Canada) Limited by way of exempt distribution to accredited investors as defined in National Instrument 45-106 Prospectus and Registration Exemption who qualify as permitted clients under National Instrument 31-103 - Registration Requirements, Exemptions and On-going Registrant Obligation. This Prospectus may not be used to solicit, and will not constitute a solicitation of, an offer to buy Shares in Canada unless such solicitation is made by HSBC Global Asset Management (Canada) Limited.

► Hong Kong

In Hong Kong, the Company and a number of its sub-funds have been authorised by the Securities and Futures Commission ("SFC"). SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of the scheme or its performance. It does not mean the Company is suitable for all investors nor it is an endorsement of its suitability for any particular investor or class of investors.

Investors in Hong Kong should read a separate Explanatory Memorandum of the Company obtainable from the Hong Kong Representative at HSBC Main Building, 1 Queen's Road Central, Hong Kong.

The Company is authorised and regulated in the Grand Duchy of Luxembourg. HSBC Holding plc ("HSBC") is the parent company of a number of affiliates involved in the management, investment management and distribution of the Company. HSBC is regulated by the Federal Reserve in the United States as a Financial Holding Company ("FHC")

under the Bank Holding Company Act (and its associated the rules and regulations) (the "BHCA"). As an FHC, the activities of HSBC and its affiliates are subject to certain restrictions imposed by the BHCA.

▶ **Bank Holding Company Act**

Although HSBC does not own a majority of the Shares, the relationship with HSBC means that HSBC may be deemed to "control" the Company within the meaning of the BHCA. Investors should note that certain operations of the Company, including its investments and transactions, may therefore be restricted in order to comply with the BHCA.

For example, in order to comply with the BHCA a sub-fund may be:

1. restricted in its ability to make certain investments;
2. restricted in the size of certain investments;
3. subject to a maximum holding period on some or all of its investments; and/or
4. required to liquidate certain of its investments.

In addition, certain investment transactions made between the Company and the Investment Advisers, the Board of Directors, HSBC and their affiliates may be restricted.

Any actions required pursuant to the BHCA will be executed in compliance with applicable law and in a manner consistent with the best interests of the shareholders of each sub-fund. Investors should also refer to Section 2.17 "Conflicts of Interest".

There can be no assurance that the bank regulatory requirements applicable to HSBC and/or indirectly to the Company, will not change, or that any such change will not have a material adverse effect on the investments and/or investment performance of the sub-funds. Subject to applicable law, HSBC and the Company may in the future, undertake such actions as they deem reasonably necessary (consistent with ensuring any actions remain in the best interests of the shareholders of the sub-funds) in order to reduce or eliminate the impact or applicability of any bank regulatory restrictions on the Company and its sub-funds.

▶ **Telephone Recording and Data Protection**

Shareholders are informed that, as a matter of general practice, telephone conversations and instructions may be recorded as proof of a transaction or related communication. Such recordings will benefit from the same protection under Luxembourg law as the information contained in the Application Form and shall not be released to third parties, except in cases where the Company, the Management Company or/and the Depositary Bank are compelled or entitled by law or regulation to do so.

Shareholders are informed that the information contained in the Application Form, together with any information that is provided in connection with your account such as information entered in the Company's register of shareholders, including, but not limited to, personal data (the "Information"), shall be stored in electronic form and may be processed in particular by the Company and the Management Company acting as joint data controllers, as well as their service providers acting as data processors, mainly the Investment Advisers including, but not limited to, HSBC Global Asset Management, the distributors and HSBC Bank plc., Luxembourg branch acting as depositary bank, administration agent and registrar and transfer agent as well as the affiliates or delegate(s) of the above entities including, but not limited to, HSBC Private Bank (Switzerland) S.A. ("HSBC Switzerland") and HSBC Group Shared Services Offices which are subsidiaries or members of the HSBC Group (as defined below) including, but not limited to, any entity in Malaysia and in any other country as may be decided from time to time (all the above entities together the "Recipients").

Personal data is processed in compliance with data protection law applicable in Luxembourg (including, but not limited to, the Luxembourg Law of 2 August 2002 on the Protection of Persons with regard to the Processing of Personal Data, as amended from time to time).

The Information may be processed for the purposes of carrying out the services of the Recipients, statistical analysis, marketing and other related activities and in order for the Recipients to comply with applicable legal/regulatory obligations such as obligations under company law and anti-money laundering law and tax law (such as, but not limited to, the Foreign Account Tax Compliance Act and legislation for the purpose of the application of the CRS (as defined in Section 2.18 "Taxation" or similar laws and regulations) or to perform email screening and related data controls to reduce the risks (for data integrity and confidentiality) relating to communication via email. The Information may also be used in connection with the Company's investments in other investment fund(s) managed, administered or advised by any of the Recipients including for direct marketing purposes.

Any data processing by Recipients that are part of the HSBC Group is subject to local data protection laws, as well as the HSBC Group Data Protection standards. The Company, the Management Company and/or HSBC Bank plc., Luxembourg Branch will ensure that the level of protection of your data is similar to the data protection level provided in the European Economic Area.

The Information may be disclosed to third parties where this is necessary for legitimate business interests and/or compliance with legal/regulatory obligations. In particular, this may include disclosure to auditors, regulators or tax authorities which may include responding to any mandatory questions in compliance with the Foreign Account Tax Compliance Act and the CRS. You may also be contacted by any HSBC entity (the "HSBC Group") by mail, telephone, e-mail or fax to inform you of other products offered by companies within the HSBC Group.

Shareholders who do not consent to the disclosure to and/or use of the Information by the Recipients, (including the processing of the personal data for direct marketing purposes), should contact the Management Company, the Registrar and Transfer Agent or alternatively your normal contact within the distributors.

The Information shall not be held for longer than necessary for the purposes of the data processing or as required by law.

By subscribing and/or holding Shares in the Company, shareholders consent to the aforementioned processing of their Information including the disclosure and transfer of the Information to the Recipients which may include entities situated in countries outside the European Union which may not offer the same level of confidentiality and protection of personal data as Luxembourg law (such as, but not limited to, Malaysia). A complete list of the Information, the Recipients and their locations, as well as of the categories of personal data that may be disclosed, transferred and otherwise processed may be obtained by contacting the Management Company or the Registrar and Transfer Agent.

Shareholders' Information disclosed and transferred to the Recipients may include the personal data of their representatives and/or authorised signatories and/or beneficial owners and Shareholders therefore need to secure the consent of these persons to the aforementioned processing including disclosure and transfer of their personal data to the Recipients which may include entities situated in countries outside the European Union which may not offer the same level of confidentiality and protection of personal data as Luxembourg law (such as, but not limited to, Malaysia).

Shareholders especially acknowledge that failure to provide relevant personal data requested by the Company, the Management Company and/or the Registrar and Transfer Agent in the course of their relationship with the Company may prevent them from maintaining their holdings in the Company and may be reported by the Company, the Management Company and/or the Registrar and Transfer Agent to the relevant Luxembourg authorities.

Shareholders especially acknowledge that the Company, the Management Company or the Registrar and Transfer Agent may have to report any relevant information in relation to its investment in the Company to the Luxembourg tax authorities which will exchange this information on an automatic basis with the competent authorities in the United States or other permitted jurisdictions as agreed in the FATCA Law, CRS on OECD and EU levels or equivalent Luxembourg legislation.

Shareholders may request access to, rectification of, or deletion of any of their Information provided to any of the Recipients, or stored by any of the Recipients in accordance with applicable data protection law, by contacting the Management Company or the Registrar and Transfer Agent. Furthermore, it is incumbent on shareholders to inform their representatives and/or authorised signatories and/or beneficial owners about the processing, including disclosure and transfer of the personal data of these persons and the existence of their corresponding rights of access, rectification and deletion.

The Recipients will accept no liability with respect to any unauthorised third party receiving, obtaining knowledge of, or having access to the Information, except in the case of proven gross negligence or serious misconduct by the Recipients.

The Recipients will take reasonable measures to ensure confidentiality and technical and organisational security of the Information. However, due to the fact that the Information is transferred electronically and made available outside of Luxembourg, the same level of confidentiality and protection of personal data as provided by Luxembourg law may not be guaranteed while the Information is stored abroad.

► **Luxembourg Stock Exchange**

At the discretion of the Management Company, Share Classes of the sub-funds may be listed on the Luxembourg Stock Exchange. For so long as the Shares of any sub-fund are listed on the Luxembourg Stock Exchange, the Company shall comply with the requirements of the Luxembourg Stock Exchange relating to those Shares.

► **Additional Information**

The Board of Directors and the Management Company draw the investors' attention to the fact that any investor will only be able to fully exercise his/her/its investor rights directly against the Company, notably the right to participate in general meetings of shareholders if the investor is registered himself/herself/itself and in his/her/its own name in the Company's register of shareholders maintained by the Registrar and Transfer Agent. In cases where an investor invests in the Company through an intermediary investing into the Company in his/her/its own name but on behalf of the investor, it may not always be possible for the investor to exercise certain shareholder rights directly against the Company. Investors should seek advice from their salesman or intermediary on their rights in the Company.

Statements made in this Prospectus are, except where otherwise stated, based on the law and practice currently in force in Luxembourg and are subject to changes therein.

The Board of Directors and the Management Company accept full responsibility for the accuracy of the information contained in this document and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts or omissions of which would make any statement misleading.

If you are in any doubt as to the contents of this Prospectus, you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser.

It should be remembered that the price of Shares and the income from them can go down as well as up and that investors may not receive, on redemption of their Shares, the amount that they originally invested.

GLOSSARY

The following summarises the principal features of the Company and should be read in conjunction with the full text of this Prospectus.

1915 Law	Luxembourg Law of 10 August 1915 relating to Commercial Companies, as amended.
2010 Law	Luxembourg Law of 17 December 2010 on undertakings for collective investment, implementing UCITS IV directive 2009/65/EC into the Luxembourg law.
Administration Agent	HSBC Bank plc, Luxembourg Branch.
Application Form	The application form available from distributors and the Registrar and Transfer Agent.
Articles of Incorporation	The articles of incorporation of the Company, as amended from time to time.
ASEAN	The Association of Southeast Asian Nations.
Asia	China, Hong Kong, India, Indonesia, Japan, Korea, Malaysia, the Philippines, Singapore, Taiwan, Thailand and other economies in the Asian continent including but not limited to Bangladesh, Brunei, Cambodia, Pakistan, Mongolia, Myanmar, Nepal, Sri Lanka, Bhutan, East Timor, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan and Vietnam.
Asia-Pacific	China, Hong Kong, India, Indonesia, Japan, Korea, Malaysia, the Philippines, Singapore, Taiwan, Thailand, Australia, New Zealand and other economies in the Asian continent including but not limited to Bangladesh, Brunei, Cambodia, Pakistan, Mongolia, Myanmar, Nepal, Sri Lanka, Bhutan, East Timor, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan and Vietnam
Board of Directors	The board of directors of the Company.
BRIC	Brazil, Russia, India and China (including Hong Kong SAR).
Business Day	A day on which banks are open for normal banking business in Luxembourg.
CAAP	Means a China A-shares Access Product, i.e. a security (such as a note, warrant, option, participation certificate) linked to a China A-share or portfolios of China A-shares which aims to synthetically replicate the economic benefit of the relevant China A-share or portfolios of China A-shares.
CHF	Swiss Franc.
China or PRC	The People's Republic of China, but for the purposes of the sub-fund's investment objective and investment approach only, excludes Hong Kong SAR, Macau Special Administrative Region and Taiwan.
China A-shares	Shares issued by companies listed on the Shanghai or Shenzhen stock exchange and denominated in RMB.
China B-shares	Shares issued by companies listed on the Shanghai or Shenzhen stock exchange and denominated in USD or HKD.
Class(es) of Shares/ Share Class(es)/ Class(es)	Pursuant to the Articles of Incorporation, the Board of Directors may decide to issue, within each sub-fund, separate classes of Shares (hereinafter referred to as a "Share Class" or "Class of Shares" or "Class", as appropriate) whose assets will be commonly invested but where a specific initial or redemption charge structure, fee structure, minimum subscription amount, currency, dividend policy or other feature may be applied. If different Classes are issued within a sub-fund, the details of each Class are described under Section "1.3. Description of Share Class".
Company	HSBC Global Investment Funds.
Connected Person	In relation to a company means: <ul style="list-style-type: none"> ▪ any person or company beneficially owning, directly or indirectly, 20% or more of the ordinary share capital of that company or able to exercise directly or indirectly, 20% or more of the total votes in that company; or ▪ any person or company controlled by a person who or which meets one or both of the descriptions given in (a); or ▪ any member of the group of which that company forms part; or ▪ any director or officer of that company or of any of its connected persons as defined in (a), (b) or (c).
CSRC	China Securities Regulatory Commission.
CSSF	<i>Commission de Surveillance du Secteur Financier</i> , the Luxembourg supervisory authority.

Currency Hedged Share Class	Currency hedged means that the risk of currency fluctuation to which the sub-fund is exposed because its assets are denominated in one currency, for example, in USD whereas the sub-fund's shares are denominated in another currency, for example, in EUR, is reduced as much as possible. Currency hedging is achieved by the sub-fund entering into foreign currency transactions such as currency forward transactions, currency futures or other form of financial derivative instruments. Currency positions are not actively managed but rather applied passively at the level Currency Hedged Share Class.
Currency Overlay Share Class	Currency overlay, in contrast to Currency Hedging, means that a currency exposure is added irrespective of the currency exposure of the sub-fund's underlying assets. The aim is to provide a return which is consistent with the return achieved by the Share Class denominated in the Reference Currency of the sub-fund. Currency overlay is achieved in a similar way to currency hedging, by the sub-fund entering into foreign currency transactions such as currency forward transactions, currency futures or other form of financial derivative instruments. Currency positions are not actively managed but rather applied passively at the level Currency Overlay Share Class.
Dealing Day	<p>Unless otherwise provided in Section 3.2 "Sub-Fund Details" in relation to the "Net Asset Value Calculation" for a specific sub-fund, Dealing Day means any Business Day (other than days during a period of suspension of dealing in Shares) and which is also for each sub-fund, a day where stock exchanges and Regulated Markets in countries where the sub-fund is materially invested are open for normal trading.</p> <p>The Business Days which are not Dealing Days will be listed in the annual report and semi-annual reports and available at the registered office of the Company. Any amendments to such lists are also available at the registered office of the Company.</p>
Depository Bank	HSBC Bank plc, Luxembourg Branch.
distributors	Entities listed in Appendix 6. "Directory".
Duration	The weighted average maturity of the present value of all future cash flows of a security.
Eligible State	Any Member State of the EU or any other state in Eastern and Western Europe, Asia, Africa, Australia, North America, South America and Oceania.
Emerging Markets	Emerging markets are those markets in countries that are not amongst the following groups of industrialised countries: United States and Canada, Switzerland and Members of the European Economic Area, Japan, Australia and New Zealand, and may include those countries in the preceding groups that do not have fully developed financial markets.
Equitisation	A process of simulating equity exposure within an investment portfolio using derivatives. This is often done with cash holdings so as to maximise the investment opportunity within a portfolio as cash typically provides lower returns than equities. Investment of idle cash balances in equity-based instruments, such as index futures or exchange-traded funds, according to mandated instructions. Equity risk is taken against idle cash balances, with the prospect of generating additional gains from long-term growth in equity markets.
EU	European Union.
EUR	Euro.
Europe	Countries of the EU including the United Kingdom and Greece (irrespective of their continued participation in the EU) plus Iceland, Macedonia, Montenegro, Serbia and Turkey.
FII	Foreign Institutional Investor, as defined in the Regulations issued by the Securities and Exchange Board of India.
Frontier Markets	Include but are not limited to the following countries: Argentina, Bahrain, Bangladesh, Botswana, Bulgaria, Cambodia, Colombia, Croatia, Cyprus, Ecuador, Egypt, Estonia, Georgia, Ghana, Indonesia, Ivory Coast, Jamaica, Jordan, Kazakhstan, Kuwait, Latvia, Lebanon, Lithuania, Morocco, Namibia, Nigeria, Oman, Pakistan, Panama, Peru, Philippines, Qatar, Romania, Serbia, Slovakia, Slovenia, Sri Lanka, Trinidad and Tobago, Tunisia, United Arab Emirates, Venezuela, Vietnam, Zambia and Zimbabwe.
GBP	Pound Sterling.
GEM	Global Emerging Markets.
Global Distributor	HSBC Investment Funds (Luxembourg) S.A., acting as global distributor of the Company.
G20	The informal group of twenty finance ministers and central bank governors from twenty major economies: Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russia, Saudi Arabia, South Africa, South Korea, Turkey, UK, USA and the European Union.
HKD	Hong Kong Dollar.

Hong Kong SAR	Hong Kong Special Administrative Region.
Investment Grade	Fixed income securities that are at least rated Baa3/BBB- by Moody's, Standard & Poor's, or another recognised credit rating agency.
INR	Indian Rupee.
JPY	Japanese Yen.
Latin America	Consists of South America, Central America, Mexico and parts of the Caribbean.
Management Company	HSBC Investment Funds (Luxembourg) S.A.
Member State	A Member State of the European Union. The States that are contracting parties to the Agreement creating the European Economic Area other than the Member States of the European Union, within the limits set forth by this Agreement and related acts, are considered as equivalent to Member States of the European Union.
Mémorial	<i>Mémorial C, Recueil des Sociétés et Associations</i> , Luxembourg legal gazette.
money market instruments	Instruments normally dealt in on the money market which are liquid, and have a value which can be accurately determined at any time.
NAV	Net Asset Value.
Net Asset Value(s) per Share	In relation to any Shares of any Class, the value per Share determined in accordance with the relevant provisions described under the heading "NAV Calculation Principles" under Section 2.8. "Prices of Shares and Publication of Prices and NAV".
Non-Investment Grade	Fixed income securities that are rated Ba1/BB+ or lower by Moody's, Standard & Poor's or another recognised credit rating agency.
OECD	Organisation for Economic Co-operation and Development.
QFII(s)	Qualified foreign institutional investor approved by the China Securities Regulatory Commission (CSRC) pursuant to the Administration of Domestic Securities Investments Measures 2006.
Real	Brazilian Real (the currency in Brazil).
Reference Currency	The Reference Currency is <ul style="list-style-type: none"> ▪ the base currency of a sub-fund meaning the currency in which the Net Asset Value of the sub-fund will be expressed and calculated; or ▪ the currency denomination in which the Net Asset Value per Share of a Reference Currency Share Class, Currency Hedged Share Class or Currency Overlay Share Class will be expressed and calculated. <p>However it does not necessarily correspond to the currency in which the sub-fund's assets are invested at any point in time.</p>
Registrar and Transfer Agent	HSBC Bank plc, Luxembourg Branch.
Regulated Market	A regulated market as defined in the directive 2004/39/EC of 21 April 2004 on markets in financial instruments (Directive 2004/39/EC), namely a market which appears on the list of the regulated markets drawn up by each Member State, which functions regularly, is characterized by the fact that regulations issued or approved by the competent authorities define the conditions for the operation of the market, the conditions for access to the market and the conditions that must be satisfied by a financial instrument before it can effectively be dealt in on the market, requiring compliance with all the reporting and transparency requirements laid down by the Directive 2004/39/EC and any other market which is regulated, operates regularly and is recognised and open to the public in an Eligible State.
REIT	An entity that is dedicated to owning, and in most cases, managing real estate. This may include, but is not limited to, real estate in the residential (apartments), commercial (shopping centres, offices) and industrial (factories, warehouses) sectors. Certain REITs may also engage in real estate financing transactions and other real estate development activities.
RMB	The official currency of the People's Republic of China (PRC) - to be read as a reference to onshore Renminbi (CNY) and/or offshore Renminbi (CNH) as the context requires.
SAT	State Administration of Taxation of the PRC.
Savings Directive	Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments.

SEBI	Securities and Exchange Board of India.
SEK	Swedish Krona.
SGD	Singapore Dollar.
Shares	Shares in the Company.
Subsidiaries	Mauritian companies wholly-owned by the Company in which a sub-fund intends to invest part or all of the net proceeds of the issue of Shares, as further detailed in the relevant investment policy.
Shariah	Divine Islamic 'law' as revealed in (i) the <i>Qur'an</i> , which is the holy book of Islam, (ii) the <i>sunna</i> , or binding authority of the dicta and decisions of the Prophet Mohammed (peace be upon him), (iii) <i>ijma</i> , or 'consensus' of the community of Islamic scholars, and (iv) the <i>qiyas</i> , or analogical deductions and reasoning of the Islamic scholars with respect to the foregoing (collectively, the " <i>Shariah</i> ") and as interpreted by the Shariah Committee.
Shariah Committee	Executive Shariah Committee of HSBC Saudi Arabia. It oversees the operations of the Shariah compliant sub-funds and ensures compliance with Shariah precepts.
Shariah Investment Restrictions	All investments made by the Shariah compliant sub-funds shall be subject to the Shariah Screens. The Shariah Committee shall advise appropriate Shariah Screens to the Shariah compliant sub-funds or shall approve a provider of the Shariah Screens which the relevant Shariah compliant sub-funds then expect to adopt. The Shariah Screens are applied by the Investment Advisers and are subject to change as recommended by the Shariah Committee from time to time. In particular, the relevant Shariah compliant sub-fund will adhere to the guidelines laid out by the Shariah Committee in all aspects of its activities, including (without limitation) the investment methodologies to be adopted in connection with the acquisition and disposal of assets and investments. The Shariah Screens may consist of sectoral, financial and any other screens as determined by the Shariah Committee, from time to time.
Shariah Screens	The Company intends that its policies, activities and investments regarding Shariah compliant sub-funds will be in compliance with the principles and precepts of Shariah and will be conducted under the supervision and guidelines (the "Shariah Screens") established by the Shariah Committee. Therefore, based upon current Shariah Screens criteria and subject to the standards established from time to time by the Shariah Committee, investments made by Shariah compliant sub-funds will be Shariah-compliant.
Total return	When used in an investment objective, total return means capital appreciation plus income such as interest or dividends.
Total Return strategy	When used in the name of a sub-fund and in an investment objective, Total Return strategy means a strategy that aims to capture the majority of the upside in the investment universe while limiting the downside risk. However, the sub-fund remains exposed to market risk and risk of loss of capital at any time. Typically, such a strategy has a flexible asset allocation across the full spectrum of available investments.
Total Return Swap	<p>A Total Return Swap ("TRS") is the generic name for any non-traditional swap agreement where one party agrees to pay the other the "total return" of a defined underlying asset, usually in return for receiving a stream of fixed or variable rate cash-flows. The TRS may be applied to any underlying asset but is most commonly used with equity indices, single stocks, bonds and defined portfolios of loans and mortgages.</p> <p>For all sub-funds using instruments that might swap the performance of one asset into the performance of another (a TRS), the underlying exposure(s) of the TRS, or an instrument with similar characteristics, is taken into account when considering the sub-funds' investment limits.</p>
transferable securities	Shares and other securities equivalent to shares, bonds and other debt instruments and any other negotiable securities which carry the right to acquire any such transferable securities by subscription or exchange, excluding techniques and instruments relating to transferable securities and money market instruments.
UCITS	An Undertaking for Collective Investment in Transferable Securities authorised pursuant to directive 2009/65/EC, as amended.

other Eligible UCI	<p>An open-ended Undertaking for Collective Investment within the meaning of Article 1 paragraph (2) points a) and b) of Directive 2009/65/EC and complying with the following:</p> <ul style="list-style-type: none"> ▪ it is authorised under laws which provide that it is subject to supervision considered by the CSSF to be equivalent to that laid down in Community law, or if cooperation between authorities is sufficiently ensured; ▪ the level of protection for its unitholders is equivalent to that provided for unitholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of the UCITS Directive 2009/65/EC, as amended; ▪ its business is reported in semi-annual and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period; ▪ no more than 10% of its assets can, according to its management regulations or instruments of incorporation, be invested in aggregate in units of other UCITS or other UCIs. <p>Closed-ended UCIs are not considered as other Eligible UCIs, but may qualify as transferable securities.</p>
USD	United States Dollar.
US	The United States of America (including the States and the District of Columbia), its territories, possessions and all other areas subject to its jurisdiction.
US Law	The laws of the United States of America (including the States and the District of Columbia), its territories, possessions and all other areas subject to its jurisdiction. US Law shall additionally include all applicable rules and regulations, as supplemented and amended from time to time, as promulgated by any US regulatory authority, including, but not limited to, the Securities and Exchange Commission and the Commodity Futures Trading Commission.
US Person	<p>Shares of the Company may not be offered or sold to any "US Person" ("USP"), for the purposes of this restriction, the term US Person shall mean the following:</p> <ol style="list-style-type: none"> 1) An individual who is a resident of the US under any US Law. 2) A corporation, partnership, limited liability company, collective investment vehicle, investment company, pooled account, or other business, investment, or legal entity: <ol style="list-style-type: none"> a. created or organized under US Law; b. created (regardless of domicile of formation or organisation) principally for passive investment (e.g. an investment company, fund or similar entity excluding employee benefit or pension plans): <ol style="list-style-type: none"> i) and owned directly or indirectly by one or more USPs who hold, directly or indirectly, in aggregate a 10% or greater beneficial interest, provided that any such USP is not defined as a Qualified Eligible Person under CFTC Regulation 4.7(a); ii) where a USP is the general partner, managing member, managing director or other position with authority to direct the entity's activities; iii) where the entity was formed by or for a USP principally for the purpose of investing in securities not registered with the SEC unless such entity is comprised of Accredited Investors, as defined in Regulation D, 17 CFR 230.501(a), and no such Accredited Investors are individuals or natural persons; or iv) where more than 50% of its voting ownership interests or non-voting ownership interests are directly or indirectly owned by USPs; c. that is an agency or branch of a non-US entity located in the US; or d. that has its principal place of business in the US. 3) A trust: <ol style="list-style-type: none"> a. created or organized under US Law; or b. where, regardless of domicile of formation or organisation: <ol style="list-style-type: none"> i. any settlor, founder, trustee, or other person responsible in whole or in part for investment decisions for the trust is a USP; ii. the administration of the trust or its formation documents are subject to the supervision of one or more US courts; or iii. the income of which is subject to US income tax regardless of source. 4) An estate of a deceased person: <ol style="list-style-type: none"> a. who was a resident of the US at the time of death or the income of which is subject to US income tax regardless of source; or b. where, regardless of the deceased person's residence while alive, an executor or administrator having sole or shared investment discretion is a USP or the estate is governed by US Law.

- 5) An employee benefit or pension plan that is:
 - a. established and administered in accordance with US Law; or
 - b. established for employees of a legal entity that is a USP or has its principal place of business in the US.

- 6) A discretionary or non-discretionary or similar account (including a joint account) where:
 - a. one or more beneficial owners is a USP or held for the benefit of one or more USPs; or
 - b. the discretionary or similar account is held by a dealer or fiduciary organized in the US.

If, subsequent to a shareholder's investment in the Company, the shareholder becomes a US Person, such shareholder (i) will be restricted from making any additional investments in the Company and (ii) as soon as practicable have its shares compulsorily redeemed by the Company (subject to the requirements of the Articles of Incorporation and the applicable law).

The Company may, from time to time, waive or modify the above restrictions.

SECTION 1. GENERAL INFORMATION

The Company offers investors, within the same investment vehicle, a choice of investments in one or more sub-funds (each a "sub-fund"), in respect of which a separate portfolio of investments is held, which are distinguished among others by their specific investment policy and objective and/or by their Reference Currency.

Within each sub-fund, Shares may be offered in different Classes which are distinguished by specific features, as more fully described in Section 3.2. "Sub-Fund Details".

In accordance with Article 181 (5) of the 2010 Law, the assets of a sub-fund are exclusively available to satisfy the rights of shareholders in relation to that sub-fund and the rights of creditors whose claims have arisen in connection with the creation, operation or liquidation of that sub-fund.

In this Prospectus and in the reports, the short names of the sub-funds are used. They should be read with HSBC Global Investment Funds preceding them.

1.1. Investment Objectives and Policies of the Company

The Company aims to provide investors with access to a choice of sub-funds offering diverse investment objectives including, but not limited to, total return, capital growth and/or income by investing in transferable securities and other eligible assets. Unless otherwise provided for a sub-fund in Section 3.2 "Sub-Fund Details", all of the Company's sub-funds may invest in ancillary liquid assets and from time to time in other permitted assets with a short remaining maturity, especially in times of rising interest rates.

In carrying out the investment objectives of the Company, the Board of Directors at all times seeks to maintain an appropriate level of liquidity in the assets of the sub-funds so that redemptions of Shares under normal circumstances may be made without undue delay upon request by shareholders.

Whilst using their best endeavours to attain the investment objectives, the Board of Directors cannot guarantee the extent to which these objectives will be achieved. The value of the Shares and the income from them can fall as well as rise and investors may not realise the value of their initial investment. Changes in the rates of exchange between currencies may also cause the value of the Shares to diminish or to increase.

On occasion, sub-funds may include capital provided by an entity of the HSBC Group as an initial investment, otherwise known as 'seed capital'. This seed capital allows HSBC to support the operations of the sub-fund in its early existence prior to material external investment. As the size of the sub-fund increases, the relevant entity of the HSBC Group will have the right to withdraw all seed capital, but will manage any withdrawal with the best interests of the remaining shareholders in mind.

The Board of Directors may from time to time, by amendment of this Prospectus, establish further sub-funds which may have different investment objectives and policies to those detailed in Section 3.2. "Sub-Fund Details", subject however to these conforming to the UCITS status of the Company.

1.2. Profile of the Typical Investor Categories

To determine if specific sub-funds are suitable, it is recommended that investors consult a stockbroker, bank manager, solicitor, accountant, representative bank or other financial adviser.

The following five categories have been defined - Stable, Core, Core Plus, Dynamic and Unconstrained - when describing the investment horizon for the investor, the likely returns and anticipated volatility of the sub-funds.

Category	Definition
Stable	<p>Sub-funds in the Stable category may be suitable for investors with a short to medium term investment horizon.</p> <p>These sub-funds are intended for investors aiming for a low expectation of capital loss and income levels expected to be regular and stable.</p> <p>These sub-funds may be suitable for investors looking for an alternative to cash deposits or temporary cash investments.</p>
Core	<p>Sub-funds in the Core category may be suitable for investors with a medium to long term investment horizon.</p> <p>These sub-funds are intended for investors aiming for exposure to the fixed income securities markets but where assets are principally invested in bonds rated Investment Grade in markets which may be subject to moderate volatility.</p> <p>These sub-funds may be suitable for investors looking for a core investment in their portfolio.</p>

Category	Definition
Core Plus	<p>Sub-funds in the Core Plus category may be suitable for investors with a medium to long term investment horizon.</p> <p>These sub-funds are intended for investors aiming for an investment where a high proportion of the assets may be invested in equity, equity-related securities or in bonds rated below Investment Grade in markets which may be subject to moderately high volatility.</p> <p>These sub-funds may be suitable for investors looking for an investment to complement an existing core portfolio or as a standalone investment to gain exposure to a specific asset class.</p>
Dynamic	<p>Sub-funds in the Dynamic category may be suitable for investors with a long term investment horizon.</p> <p>These sub-funds are intended for more experienced investors aiming for an investment where a high proportion of the assets may be invested in Emerging Markets and smaller capitalisation securities, which may reduce liquidity and increase the volatility of return.</p> <p>These sub-funds may be suitable for investors looking for an investment to diversify an existing core portfolio.</p>
Unconstrained	<p>Sub-funds in the Unconstrained category may be suitable for investors with a long term investment horizon.</p> <p>These sub-funds are intended for sophisticated investors aiming for an investment providing exposure to different asset classes. The asset allocation is mainly achieved by using financial derivative instruments. These sub-funds may invest in assets which may reduce liquidity and increase the volatility of returns.</p> <p>These sub-funds may be suitable for investors looking for a single strategy fund to add to an existing diversified portfolio.</p>

The descriptions and suitability defined in the above categories should be considered as indicative and do not provide any indication of likely returns. They should only be used for comparison with other sub-funds of the Company.

The Profile of the Typical Investor for an individual sub-fund is indicated in Section 3.2. "Sub-Fund Details".

1.3. Description of Share Classes

Within each sub-fund, separate Classes of Shares may be created, whose assets are commonly invested in an underlying portfolio of investments but where a specific fee structure, Reference Currency, currency exposure, distribution policy or any other characteristic as determined by the Board of Directors may be applied.

Shares have equal rights and are, upon issue, entitled to participate equally in the profits (such as the distribution of dividends) and liquidation proceeds relating to the relevant Share Class.

The Shares carry no preferential or pre-emptive rights and each whole Share is entitled to one vote at all meetings of shareholders.

List of Share Classes

As at the date of this Prospectus, the following Share Classes may be made available. Further details are provided for in Section 3.2 "Sub-Fund Details", which sets out the specific Share Classes which may be made available in relation to each sub-fund.

An up-to-date list of launched Share Classes can be obtained from the registered office of the Company or the Management Company.

Class	Description	Minimum Initial Investment Minimum Holding (in US Dollar or equivalent amount in a major currency)	
Class A	A Shares are available to all investors.	USD	5,000 Unless otherwise provided in Section 3.2. "Sub-Fund Details"
Class B	B Shares are available in the United Kingdom, Jersey and the Netherlands through specific distributors selected by the Global Distributor. B Shares may also be available in other countries through specific distributors, selected by the Global Distributor on application to the Company, who have a separate fee arrangement with their clients.	USD	5,000 Unless otherwise provided in Section 3.2. "Sub-Fund Details"
Class E	E Shares are available in certain countries, subject to the relevant regulatory approval, through distributors selected by the Global Distributor. E Shares will incur annual management fees equivalent to that of the Class A Shares plus 0.3% to 0.5% per annum of the Net Asset Value of Class E Shares, which may be payable to the selected distributors in certain countries.	USD	5,000 Unless otherwise provided in Section 3.2. "Sub-Fund Details"
Class I	I Shares are available to all investors through distributors selected by the Global Distributor on application to the Company.	USD	1,000,000
Class J*	J Shares are available to funds of funds managed by the HSBC Group or managed by specific entities selected by the Global Distributor on application to the Company.	USD	100,000 Unless otherwise provided in Section 3.2. "Sub-Fund Details"
Class L*	L Shares are available through distributors selected by the Global Distributor, provided that the investors qualify as institutional investors within the meaning of article 174 of the 2010 Law.	USD	1,000,000
Class M*	M Shares are available to all investors.	USD	5,000 Unless otherwise provided in Section 3.2. "Sub-Fund Details"
Class N*	N Shares are available in the United Kingdom, Jersey and the Netherlands through specific distributors selected by the Global Distributor. N Shares may also be available in other countries through specific distributors, selected by the Global Distributor on application to the Company, who have a separate fee arrangement with their clients.	USD	5,000
Class P	P Shares are available in certain countries or through certain distributors selected by the Global Distributor on application to the Company.	USD	50,000 Unless otherwise provided in Section 3.2. "Sub-Fund Details"
Class R*	R Shares are available in certain countries, subject to the relevant regulatory approval, through distributors selected by the Global Distributor on application to the Company. R Shares will incur annual management fees equivalent to that of the Class M Shares plus 0.3% to 0.5% per annum of the Net Asset Value of Class R Shares, which may be payable to specific distributors in certain countries.	USD	5,000 Unless otherwise provided in Section 3.2. "Sub-Fund Details"
Class S**	S Shares are available in certain countries and/or through distributors selected by the Global Distributor provided that the investors qualify as institutional investors within the meaning of article 174 of the 2010 Law.	USD	100,000 Unless otherwise provided in Section 3.2. "Sub-Fund Details"

Class	Description	Minimum Initial Investment Minimum Holding (in US Dollar or equivalent amount in a major currency)	
Class W	W Shares are available through distributors that will also be members or affiliated entities of the HSBC Group as selected by the Global Distributor provided that the investors qualify as institutional investors within the meaning of article 174 of the 2010 Law. No Operating, Administrative and Servicing Expenses will be charged to Class W Shares. All the fees and charges allocated to this Class will be paid directly by members or affiliated entities of the HSBC Group.	USD	100,000 Unless otherwise provided in Section 3.2. "Sub-Fund Details"
Class X	X Shares are available through distributors selected by the Global Distributor provided that the investors qualify as institutional investors within the meaning of article 174 of the 2010 Law and fall into one of the following categories: companies or company pension funds, insurance companies, registered charities or funds managed or advised by an HSBC Group entity and other such institutional investors, as agreed by the Board of Directors.	USD	10,000,000 Unless otherwise provided in Section 3.2. "Sub-Fund Details"
Class Y	Y Shares are available in certain countries through distributors selected by the Global Distributor on application to the Company.	USD	1,000
Class YP*	YP Shares are available in certain countries through distributors selected by the Global Distributor on application to the Company.	USD	1,000
Class Z	Z Shares are available to investors who have entered into a discretionary management agreement with an HSBC Group entity and to investors subscribing via distributors selected by the Global Distributor provided that such investors qualify as institutional investors within the meaning of article 174 of the 2010 Law.	USD	1,000,000
Class ZP*	ZP Shares are available to investors who have entered into a discretionary management agreement with an HSBC Group entity and to investors subscribing via distributors selected by the Global Distributor provided that such investors qualify as institutional investors within the meaning of article 174 of the 2010 Law.	USD	1,000,000

* Successive J, L, M, R, YP and ZP Share Classes in a given sub-fund may be numbered 1, 2, 3 ... and would be referred to as J1, J2, J3, (...), L1, L2, L3 (...), M1, M2, M3 (...), N1, N2, N3, (...), R1, R2, R3, (...), YP1, YP2, YP3 (...) and ZP1, ZP2, ZP3 (...), respectively (see Section 3.2. "Sub-Fund Details" for further information on the different Share Classes offered in relation to each sub-fund).

** Successive S Shares Classes will be issued in one or different sub-funds, numbered 1, 2, 3 etc. and named S1, S2, S3, etc. for the first, second and third S Class launched respectively (see Section 3.2. "Sub-Fund Details" for further information on the different Share Classes offered in relation to each sub-fund).

Restrictions apply to the purchase of B, E, I, J, L, N, P, R, S, W, X, Y, YP, Z and ZP Share Classes and may apply to the purchase of Currency Hedged Share Classes, Currency Overlay Share Classes as well as certain type of Distribution Share Classes. Investors subscribing for the first time should contact their local distributor before submitting an Application Form for these Classes of Shares.

The minimum initial investment amount may be waived or reduced at the discretion of the Company or the Management Company.

There is no minimum investment amount applied to subsequent investments. However, certain distributors may impose different minimum initial investment, minimum subsequent investment and minimum holding amounts. Further details may be obtained from the relevant distributors.

Share Class Characteristics

Each of the Share Classes described in the table above may be made available as Capital-Accumulation Shares and/or as Distribution Shares, denominated in different Reference Currencies and/or as Currency Hedged or Currency Overlay Share Classes, as further described below.

► Capital-Accumulation Share Classes and Distribution Share Classes

Capital-Accumulation Shares are identifiable by a "C" following the sub-fund and Class names (e.g. Class AC) and normally do not pay any dividends.

Distribution Shares may declare and pay out dividends at least annually. Each sub-fund may offer Distribution Shares which calculate dividend payments based upon various methodologies. Please refer to Section 2.9 "Dividends" for further information.

► Reference Currency Share Classes

Within a sub-fund, separate Share Classes may be issued with different Reference Currencies.

Investors in such classes may be exposed to currency fluctuations between the main currency that an investor uses on a day-to-day basis (the "Home Currency") which may be the same as the Reference Currency of the Reference Currency Share Class and either (i) the sub-fund's underlying portfolio currencies or (ii) the sub-fund's Reference Currency (in the case of sub-funds which aim to hedge portfolio currencies to the sub-fund's Reference Currency).

A Reference Currency Share Class is identified by a standard international currency acronym added as a suffix, e.g. "ACEUR" for a Capital-Accumulation Share Class denominated in Euro.

Each Reference Currency Share Class is also identified by an International Securities Identification Number (ISIN).

Subscriptions and redemptions are settled only in the Reference Currency of the Reference Currency Share Class.

► Currency Hedged Share Classes and Currency Overlay Share Classes

Within a sub-fund, separate Currency Hedged Share Classes or Currency Overlay Share Classes may be issued. Both types of Share Class seek to minimise the effect of currency fluctuations between the Reference Currency of the Share Class and the Reference Currency of the relevant sub-fund.

Whether a sub-fund offers Currency Hedged Share Classes or Currency Overlay Share Classes depends upon the currency exposure and/or currency hedging policy of the sub-fund itself, as described below. Investors should be aware that the implementation of Currency Hedged Share Classes and/or Currency Overlay Share Classes by the Administration Agent (or other appointed parties) is separate from the various strategies the Investment Advisers may seek to implement at a sub-fund level to manage currency risks within each sub-fund.

Movements in currency exchange rates can materially impact investment returns and investors should ensure they fully understand the difference between investment in Currency Hedged or Currency Overlay Share Classes versus investment in those Share Classes which are neither Currency Hedged nor Currency Overlay (i.e. those Share Classes denominated in the Reference Currency of the sub-fund as well as Reference Currency Share Classes).

Currency Hedged or Currency Overlay Share Classes are not recommended for investors whose Home Currency is different to the Reference Currency of the Currency Hedged or Currency Overlay Share Class. Investors who choose to convert their Home Currency to the Reference Currency of a Currency Hedged or Currency Overlay Share Class and subsequently invest in such a Share Class should be aware that they may be exposed to higher currency risks and may suffer material losses as a result of exchange rate fluctuations between the Reference Currency of the Currency Hedged or Currency Overlay Share Class and their Home Currency.

There can be no assurance or guarantee that the Administration Agent or other appointed parties will be able to successfully implement currency hedging for Currency Hedged and/or Currency Overlay Share Classes at any time or at all. Furthermore, investors should note that there may be occasions when the Share Classes are either under-hedged or over-hedged which may be due to factors which cannot be controlled such as investor trade activity, volatility in the NAV per Share and/or currency volatility.

Any transaction costs and gains or losses from currency hedging shall be accrued to and therefore reflected in the NAV per Share of the relevant Currency Hedged or Currency Overlay Share Class. Currency Hedged and Currency Overlay Share Classes will be hedged irrespective of whether the target currency is declining or increasing in value.

Currency Hedged Share Classes and Currency Overlay Share Classes are identifiable as follows:

Currency Hedged Share Class	Currency Overlay Share Class*
Suffixed by "H" followed by the standard international currency acronym into which the sub-fund's Reference Currency is hedged.	Suffixed by "O" followed by the standard international currency acronym into which the sub-fund's Reference Currency is hedged.
Example: ACHEUR means Class A, Capital-Accumulation, Euro Hedged Share Class.	Example: ACOEUR means Class A, Capital-Accumulation, Euro Overlay Share Class.

* Currency Overlay Share Classes in existence as at the date of the Prospectus and identified by the suffix "H" followed by the standard international currency acronym into which the sub-fund's Reference Currency is hedged will be renamed in accordance with the naming convention defined in the table above on 20 June 2016.

Each Currency Hedged Share Class or Currency Overlay Share Class is also identified by an International Securities Identification Number (ISIN).

- Subscriptions and redemptions are settled only in the Reference Currency of the Currency Hedged Share Class or Currency Overlay Share Class.

- **Currency Hedged Share Classes**

Currency Hedged Share Classes are offered for sub-funds:

- i) where the underlying portfolio consists of assets which are wholly, or almost wholly, denominated in the sub-fund's Reference Currency and/or the underlying portfolio of assets are hedged (either wholly, or almost wholly) to the sub-fund's Reference Currency;

or

- ii) which seek to obtain a return calculated in their Reference Currency whilst the underlying assets of the sub-fund may be exposed to multiple currencies.

- **Currency Overlay Share Classes**

Currency Overlay Share Classes are offered for sub-funds where the underlying portfolio has a material exposure to assets which are denominated in a currency (or currencies) which is different to the sub-fund's Reference Currency.

Currency Overlay Share Classes seek to provide a return which is consistent with the return on a Share Class with a Reference Currency which is the same as the sub-fund's Reference Currency. However, the returns may differ due to various factors including interest rate differentials between the Reference Currency of the Currency Overlay Share Class and the sub-fund's Reference Currency and transaction costs.

Investors in these Share Classes will be exposed to currency exchange rate movements of the underlying portfolio currencies against the sub-fund's Reference Currency rather than being exposed to the underlying portfolio currencies against the Reference Currency of the Share Class.

For example, in the case of a EUR Currency Overlay Share Class of Global Emerging Markets Local Currency Rates (which invests in assets denominated in Emerging Market currencies and operates with a USD Reference Currency) where the return to be hedged is the return in USD, the Administration Agent (or other appointed parties) will, following a EUR subscription into the EUR Currency Overlay Share Class, convert EUR to USD whilst entering into a USD/EUR currency forward transaction with the aim of creating an overlay currency exposure.

This means an investor in this Currency Overlay Share Class will be exposed to the movement of the underlying portfolio currencies (Emerging Market currencies) relative to USD rather than being exposed to the underlying portfolio currencies (Emerging Market currencies) relative to EUR. There is no guarantee that the underlying portfolio currencies will appreciate against the Reference Currency of the Currency Overlay Share Class and depending upon currency movements, an investor's return may be less than if they had invested in a non-Currency Overlay Share Class denominated in their Home Currency.

- **Operating Currency Hedging/Overlay Fees**

For a Currency Hedged Share Class or Currency Overlay Share Class, the Administration Agent or other appointed parties are entitled to any fees relating to the execution of the currency hedging policy, which will be borne by the Currency Hedged Share Class or Currency Overlay Share Class. These fees are applied in addition to the Operating, Administrative and Servicing Expenses (See Section 2.10. "Charges and Expenses" for further information).

- ▶ **Dealing Currencies**

Share Classes issued in the Reference Currency of a sub-fund may also be available in other dealing currencies ("Dealing Currencies").

Dealing Currencies may be available only in certain Classes or through selected distributors and/or in certain countries. The available Dealing Currencies are listed in the Application Form.

Where Share Classes are issued in different Dealing Currencies, the sub-fund's portfolio remains exposed to the currencies of the underlying holdings. No hedging is undertaken for those Share Classes.

1.4. General Risk Considerations

Investment in any sub-fund carries with it a degree of risk, including, but not limited to, those referred to below. Potential investors should review the Prospectus in its entirety and the relevant Key Investor Information Document and consult with their legal, tax and financial advisors prior to making a decision to invest.

There can be no assurance that the sub-funds of the Company will achieve their investment objectives and past performance should not be seen as a guide to future returns. An investment may also be affected by any changes in exchange control regulation, tax laws, withholding taxes and economic or monetary policies.

Specific risk considerations are defined in Section 3.3. "Sub-Fund Specific Risk Considerations".

Market risk

The value of investments and the income derived therefrom may fall as well as rise and investors may not recoup the original amount invested in the Company. In particular, the value of investments may be affected by uncertainties such as international, political and economic developments or changes in government policies.

Emerging Markets

Because of the special risks associated with investing in Emerging Markets, sub-funds which invest in such securities should be considered speculative. Investors in such sub-funds are advised to consider carefully the special risks of investing in emerging market securities. Economies in Emerging Markets generally are heavily dependent upon international trade and, accordingly, have been and may continue to be affected adversely by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. These economies also have been and may continue to be affected adversely by economic conditions in the countries in which they trade.

Brokerage commissions, custodial services and other costs relating to investment in Emerging Markets generally are more expensive than those relating to investment in more developed markets. Lack of adequate custodial systems in some markets may prevent investment in a given country or may require a sub-fund to accept greater custodial risks in order to invest, although the Depositary Bank will endeavour to minimise such risks through the appointment of correspondents that are international, reputable and creditworthy financial institutions. In addition, such markets have different settlement and clearance procedures. In certain markets there have been times when settlements have been unable to keep pace with the volume of securities transactions, making it difficult to conduct such transactions. The inability of a sub-fund to make intended securities purchases due to settlement problems could cause the sub-fund to miss attractive investment opportunities. Inability to dispose of a portfolio security caused by settlement problems could result either in losses to a sub-fund due to subsequent declines in value of the portfolio security or, if a sub-fund has entered into a contract to sell the security, could result in potential liability to the purchaser.

The risk also exists that an emergency situation may arise in one or more developing markets as a result of which trading of securities may cease or may be substantially curtailed and prices for a sub-fund's securities in such markets may not be readily available.

Investors should note that changes in the political climate in Emerging Markets may result in significant shifts in the attitude to the taxation of foreign investors. Such changes may result in changes to legislation, the interpretation of legislation, or the granting of foreign investors the benefit of tax exemptions or international tax treaties. The effect of such changes can be retrospective and can (if they occur) have an adverse impact on the investment return of shareholders in any sub-fund so affected.

Investors in Emerging Markets sub-funds should be aware of the risk associated with investment in Russian equity securities. Markets are not always regulated in Russia and, at the present time, there are a relatively small number of brokers and participants in these markets and when combined with political and economic uncertainties this may temporarily result in illiquid equity markets in which prices are highly volatile.

The relevant sub-funds will therefore only invest up to 10% of their net asset value directly in Russian equity securities (except if they are listed on the MICEX - RTS Exchange in Russia and any other Regulated Markets in Russia which would further be recognised as such by the Luxembourg supervisory authority) while the sub-funds will invest in American, European and Global Depositary Receipts, respectively ADRs, EDRs or GDRs, where underlying securities are issued by companies domiciled in the Russian Federation and then trade on a Regulated Market outside Russia, mainly in the USA or Europe. By investing in ADRs, EDRs and GDRs, the sub-funds expect to be able to mitigate some of the settlement risks associated with the investment policy, although other risks, e.g. the currency risk exposure, shall remain.

The sub-funds' investments are spread among a number of industries however the BRIC countries' markets are comprised of significant weightings in the natural resources sectors. This means that the sub-fund's investments may be relatively concentrated in these sectors and the performance of the sub-fund could be sensitive to movements in these sectors. Risks of sector concentration are outlined below. In selecting companies for investment, a company's financial strength, competitive position, profitability, growth prospects and quality of management will typically be evaluated.

Interest rate risk

A sub-fund that invests in bonds and other fixed income securities may fall in value if interest rates change. Generally, the prices of debt securities rise when interest rates fall, whilst their prices fall when interest rates rise. Longer term debt securities are usually more sensitive to interest rate changes.

Credit risk

A sub-fund, which invests in bonds and other fixed income securities, is subject to the risk that issuers may not make payments on such securities. An issuer suffering an adverse change in its financial condition could lower the credit quality of a security, leading to greater price volatility of the security. A lowering of the credit rating of a security may also offset the security's liquidity, making it more difficult to sell. Sub-funds investing in lower quality debt securities are more susceptible to these problems and their value may be more volatile.

Foreign exchange risk

Because a sub-fund's assets and liabilities may be denominated in currencies different to the Reference Currency, the sub-fund may be affected favourably or unfavourably by exchange control regulations or changes in the exchange rates between the Reference Currency and other currencies. Changes in currency exchange rates may influence the value of a sub-fund's Shares, the dividends or interest earned and the gains and losses realised. Exchange rates between currencies are determined by supply and demand in the currency exchange markets, the international balance of payments, governmental intervention, speculation and other economic and political conditions.

If the currency in which a security is denominated appreciates against the Reference Currency, the value of the security will increase. Conversely, a decline in the exchange rate of the currency would adversely affect the value of the security.

A sub-fund may engage in foreign currency transactions in order to hedge against currency exchange risk, however there is no guarantee that hedging or protection will be achieved. This strategy may also limit the sub-fund from benefiting from the performance of a sub-fund's securities if the currency in which the securities held by the sub-fund are denominated rises against the Reference Currency. In case of a hedged class, (denominated in a currency different from the Reference Currency), this risk applies systematically.

Counterparty risk

The Company on behalf of a sub-fund may enter into transactions in over-the-counter markets, which will expose the sub-fund to the credit of its counterparties and their ability to satisfy the terms of such contracts.

For example, the Company on behalf of the sub-fund may enter into repurchase agreements, forward contracts, options and swap arrangements or other derivative techniques, each of which expose the sub-fund to the risk that the counterparty may default on its obligations to perform under the relevant contract. In addition, some fixed income structures such as asset backed securities can incorporate swap contracts that involve counterparty risk. In the event of a bankruptcy or insolvency of a counterparty, the sub-fund could experience delays in liquidating the position and significant losses, including declines in the value of its investment during the period in which the Company seeks to enforce its rights, inability to realise any gains on its investment during such period and fees and expenses incurred in enforcing its rights.

There is also a possibility that the above agreements and derivative techniques are terminated due, for instance, to bankruptcy, supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated. In such circumstances, investors may be unable to cover any losses incurred. Derivative contracts such as direct swap contracts or swap contracts embedded in other fixed income structures entered into by the Company on behalf of a sub-fund on the advice of the Investment Adviser involve credit risk that could result in a loss of the sub-fund's entire investment as the sub-fund may be fully exposed to the credit worthiness of a single Approved Counterparty where such an exposure will be collateralised.

The Company employs a variety of mechanisms to manage and mitigate Counterparty Risk including but not limited to the following:

- Counterparty approval using external credit ratings and/or a credit review consisting of three years' worth of audited financial accounts;
- Counterparties are also reviewed at least annually to ensure that they remain appropriate for the requirements of the business. Counterparties are monitored on a continual basis and any adverse information concerning the credit worthiness of approved counterparties is considered as a matter of urgency;
- Counterparty exposures are monitored on a daily basis by a function independent of the front office;

Exposures may also be managed through a collateral and margining arrangement supported by appropriate and legally enforceable trading agreements.

Sovereign risk

Certain developing countries and certain developed countries are especially large debtors to commercial banks and foreign governments. Investment in debt obligations ("Sovereign Debt") issued or guaranteed by governments or their agencies ("governmental entities") of such countries involves a high degree of risk. The governmental entity that controls

the repayment of Sovereign Debt may not be able or willing to repay the principal and/or interest when due in accordance with the terms of such debt. A governmental entity's willingness or ability to repay principal and interest due in a timely manner may be affected by, among other factors, its cash flow situation, the extent of its foreign reserves, the availability of sufficient foreign exchange on the date a payment is due, the relative size of the debt service burden to the economy as a whole, the governmental entity's policy towards the International Monetary Fund and the political constraints to which a governmental entity may be subject.

Governmental entities may also be dependent on expected disbursements from foreign governments, multilateral agencies and others abroad to reduce principal and interest arrearage on their debt. The commitment on the part of these governments, agencies and others to make such disbursements may be conditioned on a governmental entity's implementation of economic reforms and/or economic performance and the timely service of such debtor's obligations. Failure to implement such reforms, achieve such levels of economic performance or repay principal or interest when due may result in the cancellation of such third parties' commitments to lend funds to the governmental entity, which may further impair such debtor's ability or willingness to service its debt on a timely basis. Consequently, governmental entities may default on their Sovereign Debt. Holders of Sovereign Debt, including a sub-fund, may be requested to participate in the rescheduling of such debt and to extend further loans to governmental entities. There is no bankruptcy proceeding by which Sovereign Debt on which a governmental entity has defaulted may be collected in whole or in part.

Where a sub-fund may have investment exposure to Europe in the context of its investment objective and strategy, in light of the fiscal conditions and concerns on sovereign debt of certain European countries, such a sub-fund may be subject to a number of risks arising from a potential crisis in Europe. The risks are present both in respect of direct investment exposure (for example if the sub-fund holds a security issued by a sovereign issuer and that issuer suffers a downgrade or defaults) and indirect investment exposure, such as the sub-fund facing an increased amount of volatility, liquidity, price and currency risk associated with investments in Europe.

Should any country cease using the Euro as its local currency or should a collapse of the Eurozone monetary union occur, such countries may revert back to their former (or another) currency, which may lead to additional performance, legal and operational risks to the sub-fund and may ultimately negatively impact the value of the sub-fund. The performance and value of the sub-fund may potentially be adversely affected by any or all of the above factors, or there may be unintended consequences in addition to the above arising from the potential European crisis that adversely affect the performance and value of the sub-fund.

Risks Associated with Government or Central Banks' Intervention

Changes in regulation or government policy leading to intervention in the currency and interest rate markets (e.g. restrictions on capital movements or changes to the way in which a national currency is supported such as currency de-pegging) may adversely affect some financial instruments and the performance of the sub-funds of the Company.

Non-Investment Grade Debt

A sub-fund which invests in Non-Investment Grade fixed-income securities carries higher credit risk (default risk and downgrade risk), liquidity risk and market risk than a sub-fund that invests in investments in Investment Grade fixed-income securities.

Credit risk is greater for investments in fixed-income securities that are rated below Investment Grade or which are of comparable quality than for Investment Grade securities. It is more likely that income or capital payments may not be made when due. Thus the risk of default is greater. The amounts that may be recovered after any default may be smaller or zero and the sub-fund may incur additional expenses if it tries to recover its losses through bankruptcy or other similar proceedings.

Adverse economic events may have a greater impact on the prices of Non-Investment Grade fixed-income securities. Investors should therefore be prepared for greater volatility than for Investment Grade fixed-income securities, with an increased risk of capital loss, but with the potential of higher returns.

The market liquidity for Non-Investment Grade fixed-income securities can be low and there may be circumstances in which there is no liquidity of for these securities, making it more difficult to value and/or sell these securities. As a result of significant redemption applications received over a limited period in a sub-fund invested in Non-Investment Grade fixed-income securities, the Board of Directors may invoke the procedure permitting the deferral of shareholder redemptions (See Section "Deferral of Redemption" in Section 2.4. "How to Buy Shares" for further information).

High Yield Debt

A sub-fund which invests in high yield fixed-income securities carries higher credit risk (default risk and downgrade risk), liquidity risk and market risk than a sub-fund that invests in Investment Grade fixed-income securities.

High yield fixed income securities include fixed income securities rated below Investment Grade (i.e. Non-Investment Grade) and higher yielding fixed income securities rated Investment Grade but of comparable credit quality to Non-Investment Grade rated securities.

Credit risk is greater for investments in high yield fixed-income securities than for Investment Grade securities. It is more likely that income or capital payments may not be made when due. Thus the risk of default is greater. The amounts that

may be recovered after any default may be smaller or zero and the sub-fund may incur additional expenses if it tries to recover its losses through bankruptcy or other similar proceedings.

Adverse economic events may have a greater impact on the prices of high yield fixed-income securities. Investors should therefore be prepared for greater volatility than for Investment Grade fixed-income securities, with an increased risk of capital loss, but with the potential of higher returns.

The market liquidity for high yield securities can be low and there may be circumstances in which there is no liquidity for these securities, making it more difficult to value and/or sell these securities. As a result of significant redemption applications received over a limited period in a sub-fund invested in high yield fixed-income securities, the Board of Directors may invoke the procedure permitting the deferral of shareholder redemptions (See Section 2.4 (6). "Deferral of Redemption").

Convertible Securities

Convertible securities are fixed income securities, preferred stocks or other securities that may be converted or exchanged (by the holder or by the issuer) into shares of the underlying common stock (or cash or securities of equivalent value) at a stated price or rate. Their price may decline as interest rates increase and, conversely, increase as interest rates decline. The convertible bond market value tends to reflect the market price of the common stock of the issuing company when that stock price approaches or is greater than the conversion price of the convertible security. Convertible securities tend to be subordinate to other debt securities issued by the same issuer. The difference between the conversion value and the price of convertible securities will vary over time depending on changes in the value of the underlying common stocks and interest rates. Consequently, the issuer's convertible securities generally entail less risk than its common stock but more risk than its debt obligations.

Callable Bonds

Call risk refers to the possibility that an issuer may exercise its right to redeem a fixed income security earlier than expected (at a date planned in the schedule of callable dates). The redemption of a callable bond having a higher than average yield may cause a decrease in the sub-fund's yield.

Volatility

The price of a financial derivative instrument can be very volatile. This is because a small movement in the price of the underlying security, index, interest rate or currency may result in a substantial movement in the price of the financial derivative instrument. Investment in financial derivative instruments may result in losses in excess of the amount invested.

Futures and Options

Under certain conditions, the Company may use options and futures on securities, indices and interest rates, as described in Section 3.2. "Sub-Fund Details" and Appendix 2. "Restrictions on the Use of Techniques and Instruments" for the purpose of investment, hedging and efficient portfolio management. In addition, where appropriate, the Company may hedge market and currency risks using futures, options or forward foreign exchange contracts.

Transactions in futures carry a high degree of risk. The amount of the initial margin is small relative to the value of the futures contract so that transactions are "leveraged" or "geared". A relatively small market movement will have a proportionately larger impact which may work for or against the investor. The placing of certain orders which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders.

Transactions in options also carry a high degree of risk. Selling ("writing" or "granting") an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obliged either to settle the option in cash or to acquire or deliver the underlying investment. If the option is "covered" by the seller holding a corresponding position in the underlying investment or a future on another option, the risk may be reduced.

Credit default swaps

Credit default swaps may trade differently from the funded securities of the reference entity. In adverse market conditions, the basis (difference between the spread on bonds and the spread on credit default swaps) can be significantly more volatile.

Total Return Swaps

A sub-fund may utilise total return swaps instruments to replicate the exposure of an index or to swap the performance of one or more instruments into a stream of fixed or variable rate cash-flows. In such cases, the counterparty to the transaction will be a counterparty approved and monitored by the Management Company or the Investment Adviser. At no time will a counterparty in a transaction have discretion over the composition or the management of the sub-fund's investment portfolio or over the underlying asset of the total return swap.

OTC Financial Derivative Transactions

In general, there is less governmental regulation and supervision of transactions in the OTC markets (in which currencies, forward, spot and option contracts, credit default swaps, Total Return Swaps and certain options on currencies are generally traded) than of transactions entered into on organized exchanges. In addition, many of the protections afforded to participants on some organized exchanges, such as the performance guarantee of an exchange clearing house, may not be available in connection with OTC financial derivative transactions. Therefore, a sub-fund entering into OTC transactions will be subject to the risk that its direct counterparty will not perform its obligations under the transactions and that a sub-fund will sustain losses. The Company will only enter into transactions with counterparties which it believes to be creditworthy, and may reduce the exposure incurred in connection with such transactions through the receipt of letters of credit or collateral from certain counterparties. Regardless of these measures, the Company may seek to implement to reduce counterparty credit risk, however, there can be no assurance that a counterparty will not default or that a sub-fund will not sustain losses as a result.

From time to time, the counterparties with which the Company effects transactions might cease making markets or quoting prices in certain of the instruments. In such instances, the Company might be unable to enter into a desired transaction in currencies, credit default swaps or Total Return Swaps or to enter into an offsetting transaction with respect to an open position, which might adversely affect its performance. Further, in contrast to exchange-traded instruments, forward, spot and option contracts on currencies do not provide the Investment Adviser with the possibility to offset the Company's obligations through an equal and opposite transaction. For this reason, in entering into forward, spot or options contracts, the Company may be required, and must be able, to perform its obligations under the contracts.

Securities lending and repurchase transactions

To the extent that the Company uses any of the techniques and instruments set out in Appendix 2. "Restrictions on the Use of Techniques and Instruments", their use may involve certain risks and there can be no assurance that the objective sought to be obtained from such use will be achieved.

In relation to repurchase transactions, investors must notably be aware that (a) in the event of the failure of the counterparty with which cash of a sub-fund has been placed there is the risk that collateral received may yield less than the cash placed out, whether because of inaccurate pricing of the collateral, adverse market movements, a deterioration in the credit rating of issuers of the collateral, or the illiquidity of the market in which the collateral is traded; that (b) (i) locking cash in transactions of excessive size or duration, (ii) delays in recovering cash placed out, or (iii) difficulty in realising collateral may restrict the ability of the sub-fund to meet redemption requests, security purchases or, more generally, reinvestment; and that (c) repurchase transactions will, as the case may be, further expose a sub-fund to risks similar to those associated with optional or forward derivative financial instruments, which risks are further described in other sections of this Prospectus.

In relation to securities lending transactions, investors must notably be aware that (a) if the borrower of securities lent by a sub-fund fail to return these there is a risk that the collateral received may realise less than the value of the securities lent out, whether due to inaccurate pricing, adverse market movements, a deterioration in the credit rating of issuers of the collateral, or the illiquidity of the market in which the collateral is traded; that (b) in case of reinvestment of cash collateral such reinvestment may yield a sum less than the amount of collateral to be returned; and that (c) delays in the return of securities on loans may restrict the ability of a sub-fund to meet delivery obligations under security sales or payment obligations arising from redemptions requests.

Liquidity risk

A sub-fund is exposed to the risk that a particular investment or position cannot be easily unwound or offset due to insufficient market depth or market disruption. This can affect the ability of a shareholder to request the redemption of his Shares from that sub-fund, and can also have an impact on the value of the sub-fund.

Although the sub-funds will invest mainly in liquid securities in which the shareholders are entitled to request the redemption of their Shares within a reasonable timeframe, there may be exceptional circumstances in which the liquidity of such securities cannot be guaranteed. Absence of liquidity may have a determined impact on the sub-fund and the value of its investments.

Risks associated with performance fees

The Management Company is also entitled to a performance fee for certain Classes of Shares in certain sub-funds. A sub-fund's valuation may include both realised and unrealised gains and a performance fee may be paid on unrealised gains which may not subsequently be realised. Due to the way in which the performance fee is calculated (please refer to the Section 2.10. "Charges and Expenses"), a shareholder may incur a performance fee even though ultimately such shareholder does not receive a positive return.

Prohibited securities

In accordance with the Luxembourg law of 4 June 2009 ratifying the Oslo Convention of 3 December 2008 relating to cluster munition and HSBC Group policy, the Company will not invest in the securities of companies that are involved directly and indirectly in the use, development, manufacturing, stockpiling, transfer or trade of cluster munitions and/or anti-personnel mines. As this policy aims to prohibit investment in certain types of securities, investors should be aware that this reduces the investment universe and prevents the sub-funds from benefitting from any potential returns from these companies.

Taxation

Investors should note in particular that (i) the proceeds from the sale of securities in some markets or the receipt of any dividends or other income may be or may become subject to tax, levies, duties or other fees or charges imposed by the authorities in that market including taxation levied by withholding at source and/or (ii) the sub-fund's investments may be subject to specific taxes or charges imposed by authorities in some markets. Tax law and practice in certain countries into which a sub-fund invests or may invest in the future is not clearly established. It is possible therefore that the current interpretation of the law or understanding of practice might change, or that the law might be changed with retrospective effect. It is therefore possible that the sub-fund could become subject to additional taxation in such countries that is not anticipated either at the date of this Prospectus or when investments are made, valued or disposed of.

As a matter of example, the Brazilian Government introduced 'Tax Over Financial Transactions' ("IOF") from 20 October 2009 on all foreign capital inflows.

The IOF charge affected inflow of foreign exchange transactions across all asset classes into the Brazilian currency the Brazilian Real. In October 2010, the IOF tax for foreign investments was increased from 2% to 6% for investment into Brazilian domestic fixed-income securities and certain other investment categories including debentures and Brazilian-domiciled investment funds. Effective from 1 December 2011 the Brazilian government reduced the IOF tax rate from 2 per cent to 0 per cent on foreign exchange inflows relating to all variable income instruments traded at the exchange. Shareholders should note that subscriptions into sub-funds investing in Brazil may be subject to a pricing adjustment (as detailed in Section "Pricing Adjustment" of Section 2.8. "Prices of Shares and Publication of Prices and NAV) which may include an amount to cover any anticipated IOF tax.

Commission Sharing Arrangements

The Investment Advisers may enter into commission sharing arrangements only where there is a direct and identifiable benefit to the Company, and where the Investment Advisers are satisfied that the transactions generating the shared commissions are made in good faith, in strict compliance with applicable regulatory requirements and in the best interests of the Company and the shareholders.

The Investment Advisers may use shared commissions to pay for research, and other goods or services (if applicable), to enhance the services rendered to the Company.

1.5. Risk Management Process

The Management Company, on behalf of the Company, will employ a risk-management process which enables it with the Investment Adviser of the relevant sub-fund to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of each sub-fund. The Investment Adviser of the relevant sub-fund will employ, if applicable, a process for accurate and independent assessment of the value of any OTC derivative instruments.

Upon request of an investor, the Investment Adviser will provide to the Management Company supplementary information relating to the quantitative limits that apply in the risk management of each sub-fund, to the methods chosen to this end and to the recent evolution of the risks and yields of the main categories of instruments. In summary:

Responsibility of the Risk Management Team of the Investment Adviser

The Management Company, responsible for the risk management of the Company, has delegated the day to day implementation to the risk management team of the relevant Investment Advisers. They are in charge of the implementation of risk control procedures for the sub-funds they manage. This team will collaborate with the investment team of the Investment Advisers to determine various control limits in order to match the risk profile and strategy of the sub-funds. The Management Company will supervise these risk management functions and will receive appropriate reports.

When the Investment Adviser invests, on behalf of the sub-fund it manages, in different types of assets pursuant to the investment objective, it will follow the risk management and control mechanism as described in the risk management procedure of the Management Company.

Commitment Approach and Value-at-Risk Approach

► Commitment Approach

Certain sub-funds may have simple and limited positions in financial derivative instruments but can enter into financial derivative instruments transactions for investment purposes other than hedging techniques and efficient portfolio management, in particular to gain exposure to financial markets when the Investment Adviser of a sub-fund believes that it is more efficient to purchase financial derivative instruments than the corresponding physical securities. These sub-funds will use the commitment approach to measure market risk.

The commitment approach is generally calculated by converting the derivative contract into the equivalent position in the underlying asset embedded in that derivative, based on the market value of the underlying. Purchased and sold financial derivative instruments may be netted in accordance to guidelines 10/788 issued by CESR in order to reduce global exposure. Beyond these netting rules and after application of hedging rules, it is not allowed to have a negative commitment on a financial derivative instrument to reduce overall exposure and as such, risk-exposure numbers will always be positive or zero.

► Value-at-Risk Approach

The other sub-funds apply a Value-at-Risk (VaR) approach to measure market risk.

The global risk measure may be Relative VaR or Absolute VaR with respect of sub-fund investment strategies and benchmark adequacy.

▪ Absolute VaR

The absolute VaR is generally an appropriate approach in the absence of an identifiable reference portfolio or benchmark, for instance for absolute return sub-funds. The absolute VaR approach calculates a sub-fund's VaR as a percentage of the net asset value of the relevant sub-fund which must not exceed an absolute limit of 20% as defined by the CSSF.

▪ Relative VaR

The relative VaR approach is used for sub-funds where a consistent reference portfolio or benchmark reflecting the investment strategy which the sub-fund is pursuing is defined. The relative VaR of a sub-fund is expressed as a multiple of the VaR of a benchmark or reference portfolio. The relative VaR is limited to no more than twice the VaR on the comparable benchmark.

The risk management methodology for each sub-fund and, in case of use of the VaR, the expected level of leverage, the approach used (i.e. absolute VaR or relative VaR) and the reference performance benchmark used to express the relative VaR (if applicable) are specified in Section 3.2. "Sub-Fund Details".

Risk Monitoring Systems

Appropriate tools and systems are utilised to monitor different areas of risk, including counterparty risk, market risk, liquidity risk, concentration risk and operational risks.

Procedure for Counterparty Approval

Systematic procedures are in place to select and approve counterparties, and to monitor the exposure to various counterparties.

Investment Breach Reporting

In case of any investment breach, an "escalation process" up to the Management Company will be triggered to inform relevant parties in order for necessary actions to be taken.

SECTION 2. COMPANY DETAILS

2.1. Summary of Principal Features

Legal Structure	Open-ended investment company with multiple sub-funds incorporated in Luxembourg as a <i>société anonyme</i> qualifying as a <i>Société d'Investissement à Capital Variable</i> . Each sub-fund corresponds to a distinct part of assets and liabilities. It exists for an unlimited period and qualifies as an undertaking for collective investment in transferable securities under Part I of the 2010 Law implementing Directive 2009/65/EC into Luxembourg law.
Incorporation Date	21 November 1986.
Registered Number	B 25 087 at the <i>Registre de Commerce et des Sociétés of Luxembourg</i> .
Articles of Incorporation	Published in the <i>Mémorial</i> on 17 December 1986. The latest amendment was published on 16 January 2012 in the <i>Mémorial</i> .
Dividends	Dividends may be distributed in accordance with the distribution policy of the Share Class. Further details are provided in Section 2.9. "Dividends".
Taxation	Annual Luxembourg tax of 0.05%, payable quarterly on Equity, Bond, Index, Shariah Compliant and Other sub-funds and 0.01% on Reserve sub-funds and all J Share, L Share, S Share, W Share, X Share, Z Share and ZP Share Classes (for details see Section 2.18. "Taxation").
Investment Objectives	The Company provides investment in separate professionally managed pool of international securities distinguished by different geographical areas and currencies, with the opportunity for the investor to spread investment risk as well as to choose to emphasise income, capital conservation and growth.
NAV Publication	Details can be obtained from distributors or the registered office of the Company. Generally available in various publications (for details see Section 2.8. "Prices of Shares and Publication of Prices and NAV").
Net Asset Value	Calculation on each Dealing Day unless otherwise provided in Section 3.2. "Sub-Fund Details" in relation to a specific sub-fund.
Sales Charge	Up to 5.54% of the Net Asset Value per Share.
Base Currency of the Company	USD.
Year End	31 March.

2.2. Shares

Registered Shares

Ownership of registered Shares is evidenced by entry in the Company's register of shareholders maintained by the Registrar and Transfer Agent and is represented by confirmation(s) of ownership. A confirmation of ownership will be posted to the shareholder (or the first named of joint shareholders) or his/her agent, as directed, at his/her own risk normally within 21 days of receipt by the Registrar and Transfer Agent of a properly completed Application Form or registration slip, provided cleared monies have then been received by the Company or to its order.

Share Confirmations

Registered Shares with a confirmation of ownership being issued (normally in computerised form) by the Registrar and Transfer Agent have the advantage that they may be converted or redeemed solely on written instructions to the Registrar and Transfer Agent. All registered shareholders are sent a statement twice a year confirming the number and value of registered Shares held by them in each sub-fund.

Bearer Shares

The Company does not issue bearer Shares.

General

At general meetings each shareholder has the right to one vote for each whole Share of which he is the holder.

The Company may register registered Shares jointly in the names of not more than four holders should they so require. In such case the rights attaching to such a Share must be exercised jointly by all those parties in whose names it is registered unless they appoint in writing one or more persons to do so. The Company may require that such single representative be appointed by all joint holders.

Shares have no preferential or preemption rights and are freely transferable, save as referred to below.

The Board of Directors may impose restrictions on the ownership of any Shares or Class and if necessary require the transfer of Shares, as it may think necessary to ensure that Shares are neither acquired nor held by or on behalf of (i) any person in breach of the law or requirements of any country or governmental or regulatory authority, or (ii) any person in circumstances which in the opinion of the Board of Directors might result in the Company incurring any liability to taxation or suffering any other pecuniary disadvantages which the Company might not otherwise have incurred or suffered, including a requirement to register under any securities or investment or similar laws or requirements of any country or authority. The Board of Directors may in this connection require a shareholder to provide such information as it may consider necessary to establish whether he is the beneficial owner of the Shares which he holds.

The rights attaching to the Shares relating to any Class (subject to the terms of issue) may only be varied with the sanction of a resolution passed at a separate general meeting of holders of Shares relating to that Class by a majority of two-thirds of the votes cast. The provisions of the Articles of Incorporation relating to general meetings shall mutatis mutandis apply to every separate general meeting of holders of Shares of a Class or a sub-fund save that the quorum shall be the holders of not less than one half of the issued Shares relating to that Class or sub-fund, or, at an adjourned meeting, any one person holding Shares relating to that Class or sub-fund (or in either case the proxies of such persons). Two or more Classes or sub-funds may be treated as a single Class or sub-fund if such Classes or sub-funds would be affected in the same way by the proposals requiring the approval of holders of Shares relating to the separate Classes or sub-funds.

2.3. How to Buy Shares

Application

Investors buying Shares for the first time should duly complete and sign the Application Form. Any subsequent purchase of Shares can be made by letter, fax or, by prior agreement, by telephone, the latter may require confirmation in writing.

Investors purchasing any Shares through a distributor should note that they will be subject to the distributor's account opening requirements.

Applications for Shares of any sub-fund made to the Company, either directly to the Registrar and Transfer Agent or through a distributor, before the appropriate dealing cut-off times as set forth below on a Dealing Day will, if accepted, normally be fulfilled on that Dealing Day, unless otherwise provided below or in Section 3.2. "Sub-Fund Details".

Dealing Cut-Off Times at Place of Issue of Orders

Unless otherwise provided in Section 3.2. "Sub-Fund Details" in relation to a specific sub-fund, the dealing cut-off times are as follows:

Place of issue of orders	Dealing cut-off time
Hong Kong	4.00 p.m. Hong Kong time on a Dealing Day which is also a business day in Hong Kong. Applications received in Hong Kong on a day which is not a Hong Kong business day will be transacted on the next Hong Kong business day.
Jersey	5.00 p.m. Jersey time on a business day in Jersey prior to the Dealing Day.
Rest of the World	10.00 a.m. Luxembourg time on a Dealing Day

Applications received by the Registrar and Transfer Agent after the above cut-off times will normally be dealt on the next following Dealing Day.

Applications received by the Registrar and Transfer Agent on a day which is not a Dealing Day will be dealt on the next following Dealing Day.

Applications for which documentation is missing will be dealt on receipt of the relevant documents, on the appropriate Dealing Day, after taking account of the dealing cut-off times.

Shareholders should normally allow up to four Business Days before further switching or redeeming their Share after purchase or subscription.

Investors and shareholders dealing through distributors (including those offering nominee services) shall be entitled to deal until the above dealing cut-off times. The distributors/nominees shall transmit the amalgamated orders to the Company within a reasonable timeframe as agreed from time to time with the Management Company.

Acceptance

The Company or the Management Company reserves the right to reject any subscription application in whole or in part.

If an application is rejected, the application monies or balance thereof will be returned at the risk of the subscriber and without interest within five Business Days of rejection at the expense of the subscriber.

Anti-Money Laundering and Prevention of Terrorist Financing

Pursuant to the Luxembourg Law of 12 November 2004 (as amended) on the fight against money laundering and terrorist financing, any other applicable laws and regulations and the relevant circulars of the Luxembourg supervisory authority, obligations have been imposed on professionals of the financial sector to prevent the use of undertakings for collective investment such as the Company for money laundering and terrorist financing purposes. As a result of such provisions, the registrar agent of a Luxembourg undertaking for collective investment shall in principle ascertain the identity of the subscriber in accordance with Luxembourg laws and regulations.

The registrar agent may require subscribers to provide any document it deems necessary to effect such identification, including but not limited to an original duly completed and signed application form.

In case of delay or failure by a subscriber to provide the documents required, the application for subscription (or, if applicable, for redemption) will not be accepted. Neither the Company nor the Registrar and Transfer Agent have any liability for delays or failure to process deals as a result of the investor providing no or only incomplete documentation.

Shareholders may be requested to provide additional or updated identification documents from time to time pursuant to ongoing client due diligence requirements under relevant laws and regulations.

An Application Form will be completed by each new investor. The list of identification documents to be provided by each investor will be based on the Anti-Money Laundering ("AML") & Know Your Customers ("KYC") requirements as stipulated in the CSSF's circulars and regulations as amended from time to time and based on the AML & KYC Guidelines agreed between the Management Company and the Registrar and Transfer Agent. These requirements may be amended, from time to time (for example, upon the introduction of new Luxembourg regulations).

Investors may be asked to produce additional documents for verification of their identity before acceptance of their applications. In case of refusal by the investor to provide the documents required, the application will not be accepted.

Before redemption proceeds are released, the Registrar and Transfer Agent will require original documents or certified copies of original documents to comply with the Luxembourg regulations.

Settlement

► In Cash

Settlement should be made by electronic transfer net of bank charges to the relevant correspondent bank(s) quoting the subscriber's name and stating the appropriate sub-fund and Share Class into which settlement monies are paid. Details of the relevant correspondent bank(s) are given on the Application Form or can be obtained from a distributor.

No money should be paid to a salesman or in Hong Kong to any intermediary who is not a person licensed to carry on Type I (dealing in securities) regulated activities under the Securities and Futures Ordinance (the "SFO") in Hong Kong or a financial institution registered under the SFO to carry on such activities.

► In Kind

The Board of Directors may, at its discretion, decide to accept securities as valid consideration for a subscription provided that these comply with the investment policy and restrictions of the relevant sub-funds. Such securities will be independently valued in accordance with Luxembourg laws and regulatory requirements including a special report from the Company's Auditor in Luxembourg. Additional costs resulting from a subscription in kind will be borne exclusively by the subscriber concerned.

Settlement Currencies

Payments for subscriptions can only be made in the Reference Currency of the Share Class or, where available, in a Dealing Currency.

Payments made in a currency other than the Reference Currency of the Share Class or a Dealing Currency available for the Share Class will require a foreign exchange transaction between this currency and the Reference Currency of the sub-fund. This operation will be arranged by the distributor or the Registrar and Transfer Agent at the subscriber's expense on the basis of the exchange rate applicable as at the Dealing Day.

All these currencies in which payments for subscriptions shall be made are subsequently referred to as "Settlement Currency".

Share Allocation

Shares are provisionally allotted but not allocated until cleared funds have been received by the Company or to its order.

Unless otherwise provided in Section 3.2. "Sub-Fund Details" in relation to a specific sub-fund*, cleared monies must be received in the Settlement Currency by the Company or by a correspondent bank to its order, no later than the deadlines set forth below.

Sub-fund	Due date for receipt of cleared monies
<ul style="list-style-type: none">▪ Reserve▪ Bond▪ Equity▪ Index▪ Shariah Compliant▪ Other	<p>Four Business Days after application unless:</p> <ul style="list-style-type: none">▪ the application is received on a day which is not a Dealing Day in which case the application is dealt on the next following Dealing Day; or▪ the fourth Business Day is a day on which the banks in the principal financial centre for the Settlement Currency are closed for business, in which case receipt of cleared monies will be the next Business Day where the banks in the principal financial centre for the Settlement Currency are open for business unless otherwise provided in Section 3.2. "Sub-Fund Details" in relation to a specific sub-fund. <p>The settlement period as defined above will apply and will not be extended if:</p> <ul style="list-style-type: none">▪ any of the days between the Dealing Day and the settlement date is not a Dealing Day; or▪ the settlement date is a not on a Dealing Day; or▪ the Dealing Day is on a day on which the banks in the principal financial centre for the Settlement Currency are closed for business; or▪ any of the days between the Dealing Day and the settlement date is a day on which the banks in the principal financial centre for the Settlement Currency are closed for business.

* For GEM Inflation Linked Bond, Global Emerging Markets Corporate Debt and India Fixed Income sub-funds, the due date for receipt of cleared monies will change with effect from 20 June 2016 from one Business Day after Net Asset Value Calculation to no later than four Business Days after the Net Asset Value Calculation as detailed in the table above.

If timely settlement is not made by the subscriber, the subscription may lapse and be cancelled at the cost of the subscriber or its financial intermediary.

If the subscriber does not settle the subscription price in a timely manner, no Shares will be issued to the defaulting subscriber and the latter will therefore not be entitled to benefit from any rights relating to Shares.

Failure to proceed to timely settlement by the settlement date may result in the Company / Management Company bringing an action against the defaulting subscriber or its financial intermediary or deducting any costs or losses incurred by the Company / Management Company against any existing holding of the subscriber. Money returnable to the subscriber from any other shareholding the subscriber may have in the Company may be netted taking into account any costs or losses incurred by the Company / Management Company due to non-settlement of subscription proceeds within the above timeline.

Subscribers are advised to refer to the terms and conditions applicable to subscriptions which are detailed in the Application Form.

Contract Notes

Contract Notes are sent by post or faxed to shareholders as soon as practicable after the transaction has been effected.

Form of Shares

Shares are only issued in registered form, with only a Share confirmation being sent to the subscriber. The Company does not issue bearer shares.

For registered Shares, fractions of Shares will be allocated where appropriate.

Registered Shares in book form can be delivered into the Clearstream or Euroclear platforms.

Purchase of Shares in the UK

Prospective subscribers in the United Kingdom are advised that if they enter into a purchase agreement for Shares in consequence of this Prospectus or subsequently apply to convert such Shares to Shares in another sub-fund, they shall not have the right (provided under Section 15 of the Financial Conduct Authority's Conduct of Business Sourcebook, as may be amended from time to time) to cancel the investment agreement constituted upon the acceptance by or on behalf of the Company of an application for Shares unless advice has been received from a financial adviser.

If a subscriber invests direct or is not resident in the United Kingdom, he will not be eligible for cancellation rights. If an application is received directly, the Management Company will assume that the subscriber did not receive advice unless he indicates at the time of investing that he did receive advice.

Where a subscriber has the right to cancel, the UK Distributor will notify the subscriber of this right and he will have 14 days to cancel from the day he receives the cancellation notice. If a subscriber cancels within this period the UK Distributor will cash in his investment and send him the proceeds, refunding any initial charge. However, if the value of the Shares has fallen from the time when he purchased them he will not get back the full price he paid for them.

In addition, prospective subscribers in the United Kingdom should note that investment into this scheme will not be covered by the provisions of the Financial Services and Markets Act 2000 (the "Act") for the protection of subscribers. The Management Company is not an authorised person under the Act and subscribers are not therefore protected by the Financial Services Compensation Scheme.

The Company has however been certified as a UCITS scheme by the CSSF and has been certified by the Financial Conduct Authority as a recognised collective investment scheme in the UK, pursuant to Section 264 of the Act.

2.4. How to Sell Shares

Request

Redemption requests should be made to the Company either directly to the Registrar and Transfer Agent or through the distributors.

Redemption requests may be made by letter, fax or following prior agreement by telephone, the latter requiring confirmation in writing. They must include the names and personal account number(s) of the shareholder(s), either the number of Shares to be repurchased or the cash value to be raised relating to each sub-fund and any special instructions for despatch of the redemption proceeds.

Redemption requests made to the Company, either directly to the Registrar and Transfer Agent or through a distributor, before the appropriate dealing cut-off times as set forth below on a Dealing Day will, if accepted, normally be fulfilled on that Dealing Day, unless otherwise provided below or in Section 3.2. "Sub-Fund Details".

Dealing Cut-Off Times at Place of Issue of Orders

Unless otherwise provided in Section 3.2. "Sub-Fund Details" in relation to a specific sub-fund, the dealing cut-off times are as follows:

Place of issue of orders	Dealing cut-off time
Hong Kong	4.00 p.m. Hong Kong time on a Dealing Day which is also a business day in Hong Kong. Applications received in Hong Kong on a day which is not a Hong Kong business day will be transacted on the next Hong Kong business day.
Jersey	5.00 p.m. Jersey time on a business day in Jersey prior to the Dealing Day.
Rest of the World	10.00 a.m. Luxembourg time on a Dealing Day

Applications received by the Registrar and Transfer Agent after the above cut-off times will normally be dealt on the next following Dealing Day.

Applications received by the Registrar and Transfer Agent on a day which is not a Dealing Day will be dealt on the next following Dealing Day.

Applications for which documentation is missing will be dealt on receipt of the relevant documents, on the appropriate Dealing Day, after taking account of the dealing cut-off times.

Investors and shareholders dealing through distributors (including those offering nominee services) shall be entitled to deal until the above dealing cut-off times. The distributors/nominees shall transmit the amalgamated orders to the Company within a reasonable timeframe as agreed from time to time with the Management Company.

Hong Kong residents should refer to Section 2.14. "Distribution of Shares" paragraph (1) headed "Hong Kong Representative and Distributor" and the accompanying Hong Kong covering document for details of the procedure they must follow.

Settlement

► In Cash

Unless otherwise provided in Section 3.2 "Sub-Fund Details" in relation to a specific sub-fund, the redemption proceeds shall be paid in the Settlement Currency no later than the deadlines set forth below.

Sub-fund	Due date for payment of redemption proceeds
<ul style="list-style-type: none">▪ Reserve▪ Bond▪ Equity▪ Index▪ Shariah Compliant▪ Other	<p>Four Business Days after application unless:</p> <ul style="list-style-type: none">▪ the application is received on a day which is not a Dealing Day in which case the application is dealt on the next following Dealing Day; or▪ the fourth Business Day is a day on which the banks in the principal financial centre for the Settlement Currency are closed for business, in which case receipt of cleared monies will be the next Business Day where the banks in the principal financial centre for the Settlement Currency are open for business unless otherwise provided in Section 3.2. "Sub-Fund Details" in relation to a specific sub-fund. <p>The settlement period as defined above will apply and will not be extended if:</p> <ul style="list-style-type: none">▪ any of the days between the Dealing Day and the settlement date is not a Dealing Day; or▪ the settlement date is a not on a Dealing Day; or▪ the Dealing Day is on a day on which the banks in the principal financial centre for the Settlement Currency are closed for business; or▪ any of the days between the Dealing Day and the settlement date is a day on which the banks in the principal financial centre for the Settlement Currency are closed for business.

If payment is made by telegraphic transfer at the request of the shareholder, any costs so incurred will be the liability of the shareholder. The payment of the redemption proceeds is carried out at the risk of the shareholder.

► In Kind

At a shareholder's request or, if so determined by the Board of Directors, the Company may elect to make a redemption in kind subject to a special report from the Company's Auditors in Luxembourg (to the extent this report is required by law or regulations), having due regard to the interests of all shareholders, to the industry sector of the issuer, to the country of issue, to the liquidity and to the marketability and the markets on which the investments distributed are dealt in and to the materiality of investments.

Additional costs resulting from a redemption in kind will be borne exclusively by the shareholder concerned.

Settlement Currencies

Payments for redemptions can only be made in the Reference Currency of the Share Class or, where available, in a Dealing Currency.

Payments made in a currency other than the Reference Currency of the Share Class or a Dealing Currency available for the Share Class will require a foreign exchange transaction between this currency and the Reference Currency of the sub-fund. This operation will be arranged by the distributor or the Registrar and Transfer Agent at the shareholder's expense on the basis of the exchange rate applicable as at the Dealing Day.

All these currencies in which payments for redemptions shall be made are subsequently referred to as "Settlement Currency".

In exceptional circumstances, such as during an event of very significant currency markets disruption, should it not be possible for the Company to make payments for redemptions in the Reference Currency of a Share Class or in the Dealing Currency the Company reserves the right to make such payment only in the Reference Currency of the sub-fund.

Contract Note

Contract notes are sent by post or faxed to shareholders as soon as practicable after the transaction has been effected

Compulsory Redemption

If as a result of redemptions and/or conversions, the value of a shareholder's residual holding in a Share Class falls below the minimum holding requirement as set forth in Section 1.3. "Description of Share Classes", the Management Company may decide to compulsorily redeem the shareholder's entire holding in that Share Class.

Deferral of Redemption

In order to ensure that shareholders who remain invested in the Company are not disadvantaged by the reduction of the liquidity of the Company's portfolio as a result of significant redemption applications received over a limited period, the Board of Directors may apply the procedures set out below in order to permit the orderly disposal of securities to meet redemptions.

The Company, having regard to the fair and equal treatment of shareholders, on receiving requests to redeem Shares amounting to 10% or more of the net asset value of any sub-fund:

- shall not be bound to redeem on any Dealing Day a number of Shares representing more than 10% of the net asset value of any sub-fund. If the Company receives requests on any Dealing Day for redemption of a greater number of Shares, it may declare that such redemptions exceeding the 10% limit may be deferred by up to seven consecutive Dealing Days. On such Dealing Days such requests for redemption will be complied with in priority to later requests. If in the case of a request for conversion, such day is not a Qualifying Day, requests for conversion shall be dealt with on the next Qualifying Day in priority to later requests.

In the case of sub-funds with weekly valuation (as defined in Section 3.2. "Sub-Fund details"), redemptions can be deferred by up to three consecutive net asset value calculations.

- may elect to sell assets representing, as nearly as practicable, the same proportion of the sub-fund's assets as the Shares for which redemption requests have been received. If the Company exercises this option, the amount due to the shareholders who have applied to have their Shares redeemed will be based on the Net Asset Value per Share, calculated after such sale or disposal. Payment will be made forthwith upon completion of the sales and the receipt by the Company of the proceeds of sale in freely convertible currency. Receipt of the sale proceeds by the Company may however be delayed and the amount ultimately received may not necessarily reflect the Net Asset Value per Share calculation made at the time of the relevant transactions because of possible fluctuations in the currency values and difficulties in repatriating funds from certain jurisdictions (See Section 1.4. "General Risk Considerations").

Payment of redemption proceeds may be delayed if there are any specific statutory provisions such as foreign exchange restrictions, or any circumstances beyond the Company's control which make it impossible to transfer the redemption proceeds to the country where the redemption was requested.

Cancellation Right

Requests for redemption once made may only be withdrawn in the event of a suspension or deferral of the right to redeem Shares of the relevant sub-fund.

Prevention of Market Timing and Other Shareholder Protection Mechanisms

The Company does not knowingly allow investments which are associated with market timing practices as such practices may adversely affect the interests of all shareholders.

In general, market timing refers to the investment behaviour of an individual or company or a group of individuals or companies buying, selling or exchanging shares or other securities on the basis of predetermined market indicators by taking advantage of time differences and/or imperfections or deficiencies in the method of determination of the net asset value. Market timers may also include individuals or groups of individuals whose securities transactions seem to follow a timing pattern or are characterised by frequent or large exchanges.

Accordingly, the Management Company may, whenever it deems it appropriate and using its existing discretion take the following decisions or cause the Registrar and Transfer Agent and/or the Administration Agent, as appropriate, to implement any or all, of the following measures:

- The Registrar and Transfer Agent may combine Shares which are under common ownership or control for the purposes of ascertaining whether an individual or a group of individuals can be deemed to be involved in market timing practices. Accordingly, the Management Company reserves the right to cause the Registrar and Transfer Agent to reject any application for switching and/or subscription of Shares from investors whom the former considers market timers.
- If a sub-fund is primarily invested in markets which are closed for business at the time the sub-fund is valued, the Management Company may, during periods of market volatility, and in accordance with the provisions below cause the Administration Agent to adjust the Net Asset Value per Share to reflect more accurately the fair value of the sub-fund's investments in accordance with Section 2.8. (2) "Pricing Adjustment" or, in certain circumstances specified in Section 2.7. "Suspension of the Calculation of the Net Asset Value and Issue, Allocation, Conversion, Redemption and Repurchase of Shares", to suspend the calculation of the Net Asset Value per Share and the issue, allocation, the redemption and the conversion of Shares relating to that sub-fund.
- If a sub-fund is primarily invested in markets that are closed or operate with substantially restricted or suspended dealings, the Management Company may suspend the calculation of the Net Asset Value per Share and the issue allocation and the redemption and repurchase of Shares relating to that sub-fund. (see Section 2.7. "Suspension

of the Calculation of the Net Asset Value and Issue, Allocation, Conversion, Redemption and Repurchase of Shares").

- In addition to the fees listed elsewhere in this Prospectus, the Management Company may impose a charge of up to 2.00% of the Net Asset Value of the Shares redeemed or exchanged where the Management Company reasonably believes that an investor has engaged in market timing activity or active trading that is to the disadvantage of other shareholders. The charge shall be credited to the relevant sub-fund.

2.5. How to Convert Between Sub-Funds / Classes

Unless otherwise provided in Section 3.2. "Sub-Fund Details" in relation to a specific sub-fund, shareholders are entitled to convert all or part of their Shares of one sub-fund into Shares of another sub-fund, and may also convert from one Class of Shares of a sub-fund into other Classes of Shares of that sub-fund or Classes of Shares of other sub-funds, provided that shareholders meet the eligibility criteria for the Class of Shares into which they are converting, as detailed in Section 1.3. "Description of Share Classes".

The Company reserves the right to reject any conversion application in whole or in part.

Applications received by the Registrar and Transfer Agent before the dealing cut-off time will be dealt on that Dealing Day.

Applications received by the Registrar and Transfer Agent after the dealing cut-off time will be dealt on the next Dealing Day.

A conversion request will be executed on the next Dealing Day of the sub-fund a shareholder converts from which is also a Dealing Day of the sub-fund a shareholder converts to, except for sub-funds with specific dealing cut-off times where the conversion request will be executed in accordance with the dealing cut-off times detailed in Section 3.2. "Sub-Fund Details". For example, if a shareholder converts from a sub-fund that deals daily into a sub-fund that deals twice a month, the redemption will be processed so that the shareholder remain invested in the sub-fund he converts from as long as possible and the conversion request will only be executed to match the next Dealing Day of the sub-fund the shareholder converts to.

If compliance with conversion instructions would result in a residual holding in any Class to fall below the minimum holding of that Class, the Management Company may compulsorily redeem the residual Shares at the redemption price applicable on the day on which conversion requests will be processed and make payment of the proceeds to the shareholder.

Shareholders in Capital-Accumulation Shares can convert their holding to Distribution Shares in the same or other sub-funds and vice versa. Shareholders in Currency Hedged or Currency Overlay Share Classes can convert their holding to unhedged Share Classes in the same or other sub-funds and vice versa.

A conversion charge of up to 1% of the value of the Shares which are being converted may be payable to the relevant distributor.

When a currency conversion is required because the Net Asset Values per Share of the converted shares are denominated in different currencies, the currency conversion rate of Dealing Day applies.

For shareholders in the Company who invest initially in Share Classes where no or a low sales charge is usually payable and subsequently switch into Share Classes of the same or different sub-funds with higher sales charges, such conversions are subject to the sales charge normally payable on direct investments into such Share Classes.

Fractions of registered Shares are issued on conversion to three decimal points. Hong Kong residents should refer to Section 2.15. "Distribution of Shares", paragraph (1) headed "Hong Kong Representative and Distributor" and the accompanying Hong Kong covering document for details of the procedure they must follow.

2.6. How to Transfer Share Classes

The transfer of Shares shall be effected by inscription in the register of shareholders of the transfer to be made by the Registrar and Transfer Agent upon delivery to the relevant distributor, sales agent or the Management Company of the certificate(s) (if any) representing such shares along with an instrument of transfer in appropriate form. Upon receipt of the transfer request, and after reviewing the latter, the Management Company may request signature(s) to be certified by an approved bank, stock broker or public notary.

The right to transfer Shares is subject to the minimum investment and holding requirements as detailed in Section 1.3 "Description of Share Classes".

Restrictions on subscriptions of Shares also apply to the transfer of Shares (please see the Section "Important Information").

Shareholders are advised to contact the relevant distributor, sales agent or the Management Company prior to requesting a transfer to ensure that they have the correct documentation for the transaction.

2.7. Suspension of the Calculation of the Net Asset Value and Issue, Allocation, Conversion, Redemption and Repurchase of Shares

The Management Company, on behalf of the Company, may suspend the issue, allocation, redemption and repurchase of Shares relating to any sub-fund as well as the right to convert Shares relating to a Class of one sub-fund into Shares of another sub-fund (or to a Class of that sub-fund) (as per Section 2.6. "How to convert between Sub-Funds / Classes") and the calculation of the Net Asset Value per Share relating to any Class/sub-funds:

- during any period when any market or stock exchange, which is the principal market or stock exchange on which a material part of the investments of the relevant sub-fund for the time being are quoted, is closed, or during which dealings are substantially restricted or suspended;
- during the existence of any state of affairs which constitutes an emergency as a result of which disposal of investments of the relevant sub-fund by the Company is not possible;
- during any breakdown in the means of communication normally employed in determining the price of any of the relevant sub-fund's investments or the current prices on any market or stock exchange;
- during any period when remittance of monies which will or may be involved in the realisation of, or in the repayment for any of the relevant sub-fund's investments is not possible;
- if the Company or any sub-fund is being or may be wound up on, or following the date on which notice is given of the general meeting of shareholders at which a resolution to wind up the Company or the sub-fund is to be proposed;
- during any period when in the opinion of the Board of Directors there exist circumstances outside the control of the Company where it would be impracticable or unfair towards the shareholders to continue dealing in Shares of any sub-fund of the Company;

or

- during any period when the determination of the net asset value per share of investment funds representing a material part of the assets of the relevant sub-fund is suspended.

The Company may cease the issue, allocation, conversion, redemption and repurchase of the Shares forthwith upon the occurrence of an event causing it to enter into liquidation or upon the order of the CSSF.

Shareholders who have requested conversion, redemption or repurchase of their Shares will be promptly notified in writing of any such suspension and of the termination thereof.

2.8. Prices of Shares and Publication of Prices and NAV

Valuations

Unless otherwise provided in Section 3.2. "Sub-Fund Details" in relation to a specific sub-fund, the Net Asset Values per Share are calculated on each Dealing Day on the basis of the net asset value of the relevant Class of Shares of the relevant sub-fund in their Reference Currencies.

In certain circumstances set out in Section 2.8. "Suspension of the Calculation of the Net Asset Value and Issue, Allocation, Conversion, Redemption and Repurchase of Shares", the Net Asset Value per Share determinations may be suspended and during any such period of suspension, no Shares relating to the sub-fund to which the suspension applies may be issued or allocated (other than those already allotted), converted, redeemed or repurchased. Full details of the Net Asset Value per Share calculations are set out below.

Pricing Adjustment

When investors buy or sell shares in a sub-fund, the Investment Adviser may need to buy or sell the underlying investments within the sub-fund. Without an adjustment in the Net Asset Value per Share of the sub-fund to take account of these transactions, all shareholders in the sub-fund would pay the associated costs of buying and selling these underlying investments. These transaction costs can include, but are not limited to, bid-offer spreads, brokerage and taxes on transactions.

The pricing adjustment aims to protect shareholders in a sub-fund. The pricing adjustment aims to mitigate the effect of transactions costs on the Net Asset Value per Shares of a sub-fund incurred by significant net subscriptions or redemptions.

If it is in the interests of shareholders, when the net capital inflows or outflows in a sub-fund exceeds a predefined threshold agreed from time to time by the Board of Directors, the Net Asset Value per Share may be adjusted by a maximum of 2% in order to mitigate the effects of transaction costs. Where net capital inflows in Brazil Bond, Brazil Equity and Latin American Equity exceed a predefined threshold, the Net Asset Value per Share may be adjusted by a maximum of 7% to additionally mitigate the effects of a financial transactions tax ("IOF") payable in Brazil.

The pricing adjustment mechanism has three main components:

1. A threshold rate
2. A buy adjustment rate
3. A sell adjustment rate

These components may be different for each sub-fund.

The pricing adjustment is triggered when the difference between subscriptions and redemptions, as a percentage of the sub-fund's Net Asset Value, exceeds the threshold on any particular Dealing Day. The Net Asset Value of the sub-fund will be adjusted up or down using the adjustment rates (buy adjustment rate for net subscriptions or sell adjustment rate for net redemptions).

The adjustment of the Net Asset Value per Share will apply equally to each Class of Share in a specific sub-fund on any particular Dealing Day.

Until the threshold rate is triggered, no pricing adjustment is applied and the transaction costs will be borne by the sub-fund. This will result in a dilution (reduction in the Net Asset Value per Share) to existing shareholders.

For the avoidance of doubt, it is clarified that fees will continue to be calculated on the basis of the unadjusted Net Asset Value.

Offer Price

The offer price for Shares of each Class of each sub-fund is based on the Net Asset Value per Share of the relevant Class, adjusted by the pricing adjustment (as described above) if applicable, and includes a sales charge of up to 5.54% of the Net Asset Value per Share or, if applicable, of the adjusted Net Asset Value (the "Offer Price"). Offer Prices are quoted to three decimal places.

The Management Company and distributors reserve the right to waive the whole or part of the sales charge in respect of any particular application.

Redemption Price

The redemption price of Shares of each Class of each sub-fund is equal to the Net Asset Value per Share of the relevant Class, adjusted by the pricing adjustment (as described above) if applicable, on which the application for redemption has been received by the Registrar and Transfer Agent or the distributors (the "Redemption Price").

Redemption Prices are quoted to three decimal places.

Publication of prices

The Offer and Redemption Prices of all sub-funds for each Dealing Day or previous Dealing Day's Offer and Redemption Price are available at the offices of the Company and the distributors.

The Redemption Price may be published on each Dealing Day or on each day the Net Asset Value is calculated, in the relevant currencies in various international publications and on data providers' websites and platforms.

NAV Calculation Principles

► Valuation Principles

The valuation principles of the assets of the Company detailed in article 23 of the Articles of Incorporation are summarised below:

- The assets of each Class within each sub-fund are valued on each Dealing Day (unless otherwise provided in Section 3.2. "Sub-Fund Details").
- If after such valuation there has been a material change in the quoted prices on the markets on which a substantial portion of the investments of the Company attributable to a particular sub-fund is dealt or quoted the Company may, in order to safeguard the interests of the shareholders and the Company, cancel the first valuation and carry out a second valuation. In the case of such a second valuation, all issues, conversions, redemptions or repurchases of Shares dealt with by the sub-fund on such a Dealing Day must be made in accordance with this second valuation.

- The Net Asset Value per Share of each Class within each sub-fund is determined by aggregating the value of securities and other permitted assets of the Company allocated to that Class and deducting the liabilities of the Company allocated to that Class. The Net Asset Value per Share of each Class is determined by dividing the net asset value of the Class concerned by the number of Shares of that Class outstanding and by rounding the resulting amount up or down to three decimal points. Any roundings will be borne by or credited to the relevant Class of Shares.
- Securities and/or financial derivative instruments which are listed on an official stock exchange are valued at the last available price on the principal market on which such securities are traded. Securities traded on other organised markets are valued at the last available price or yield equivalents obtained from one or more dealers in such organised markets at the time of valuation. If such prices are not representative of their fair value, all such securities and all other permitted assets will be valued at their fair value at which it is expected they may be resold as determined in good faith by or under the direction of the Board of Directors.
- Shares or units in another collective investment undertaking will be valued at the last available net asset value computed for such securities reduced by any applicable charges. If the last available net asset value of shares or units in another collective investment undertaking is not available as at the evaluation time for a specific sub-fund the relevant Investment Adviser will value such shares or units by an estimation carried out in accordance with the fair value adjustment methodology, the result of which will be provided to the Administration Agent.
- The financial derivative instruments which are not listed on any official stock exchange or traded on any other organised market will be valued in a reliable and verifiable manner on a daily basis, in accordance with market practice.
- Any asset or liabilities expressed in terms of currencies other than the relevant currency of the sub-fund or Class concerned are translated into such currency at the prevailing market rates as obtained from one or more banks or dealers.

The consolidated accounts of the Company for the purpose of its financial reports shall be expressed in US dollars.

► Fair Value Adjustments

The securities of sub-funds investing in non-European markets are usually valued on the basis of the last available price at the time when the Net Asset Value per Share is calculated. The time difference between the close of the markets a sub-fund invests in and the point of valuation can be significant.

Where the Management Company believes that a significant event has occurred between the close of the markets in which a sub-fund invests and the calculation of the Net Asset Value per Share, and that such event will materially affect the value of that sub-fund's portfolio or if the Management Company considers that even in the absence of a significant event the prices determined in accordance with the valuation principles above are no longer representative because for example of market volatility it may cause the Administration Agent to adjust the Net Asset Value per Share so as to reflect what is believed to be the fair value of the portfolio as at that point of valuation.

Where an adjustment is made as per the foregoing, it will be applied consistently to all Classes of Shares in the same sub-fund.

2.9. Dividends

Each of the Share Classes may be made available as Capital-Accumulation Shares and/or as Distribution Shares.

Capital-Accumulation Shares

Capital-Accumulation Shares are identifiable by a "C" following the sub-fund and Class names (e.g. Class AC) and normally do not pay any dividends.

Distribution Shares

Investors should note that Distribution Shares in existence as at the date of the Prospectus will be renamed in accordance with the Share Class Identifiers defined below on 20 June 2016.

Distribution Shares may be offered with the following dividend declaration/payment frequencies and are identifiable as follows:

	Annual (at least)	Semi-Annual	Quarterly	Monthly
Distribution Shares	a "D" follows the sub-fund and Class names	a "S" follows the sub-fund and Class names	a "Q" follows the sub-fund and Class names	a "M" follows the sub-fund and Class names
Example for Class A	AD	AS	AQ	AM

Dividends will be declared by a meeting of shareholders of the Company at the end of each financial year.

In addition to the different dividend frequencies, Distribution Shares may be offered with the following dividend calculation methodologies.

Investors should be aware that for Share Class Identifiers 1, 2 and 3 the distribution of dividends may be made out of income and/or capital gains and/or capital. Dividends may therefore impact their tax position and accordingly investors are encouraged to seek appropriate tax advice in relation to investment in the different Share Classes.

Share Class Identifier	Calculation Methodology
For illustrative purposes, each of the possible dividend frequencies is shown below on Class A Shares.	The usual method for calculating dividends is described below. The Board of Directors may decide, at its discretion, to change or amend any of the calculation methodologies at any time.
Class AD Class AS Class AQ Class AM	It is intended that substantially all investment income (net of fees and expenses ¹ and net of withholding taxes) attributable to such Share Class will be declared as a dividend.
Class AD1 Class AS1 Class AQ1 Class AM1	<p>It is intended that substantially all investment income (gross of fees and expenses¹ and net of withholding taxes) attributable to such Share Class will be declared as a dividend.</p> <p>Investors should be aware that fees and expenses¹ will be charged to capital. As a result it may be considered that such Share Classes are effectively distributing capital gains, if any, and capital attributable to such Shares. Distribution of capital represents a withdrawal of part of an investor's original investment and may result in a reduction of the NAV per Share over time.</p>
Class AD2 Class AS2 Class AQ2 Class AM2	<p>It is intended that the Share Class will declare a dividend based upon the estimated annualised yield of the relevant sub-fund's underlying portfolio which is attributable to the Share Class.</p> <p>The Management Company will review the estimated annualised yield at least semi-annually. However, the Management Company may decide, at its discretion, to make adjustments to the dividend rate at any time to reflect changes in the estimated annualised yield of the sub-fund's portfolio.</p> <p>Investors should be aware that this dividend policy will pay out dividends gross of fees and expenses¹ and may pay out dividends gross of withholding taxes. The estimate of a sub-fund's underlying portfolio yield will not necessarily equal the income received by the Share Class and may result in distribution of both realised and unrealised capital gains, if any, and capital attributable to such Shares. Distribution of capital represents a withdrawal of part of an investor's original investment.</p> <p>Such distributions may result in a reduction of the NAV per Share over time and the NAV per Share may fluctuate more than other Share Classes.</p>
<p>For illustrative purposes, the share classes below are Euro Currency Hedged Classes:</p> <p>Class AD3HEUR Class AS3HEUR Class AQ3HEUR Class AM3HEUR</p>	<p>This type of Share Class will only be offered on sub-funds which offer Currency Hedged Classes or Currency Overlay Classes. Please refer to the sub-section "Currency Hedged Share Classes and Currency Overlay Share Classes" of the section 1.3 "Description of Share Classes" of this Prospectus for more information.</p> <p>It is intended that the Share Class will declare a dividend based upon: (i) the estimated annualised yield of the relevant sub-fund's underlying portfolio which is attributable to the Share Class and (ii) an estimate of the interest rate carry (which could be positive or negative) and which is based upon the interest rate differential between the sub-fund's Reference Currency and the Reference Currency Share Class. A negative interest rate differential will result in a reduction of the dividend payment and may result in no dividends being paid.</p> <p>The Management Company will review the estimated annualised yield at least semi-annually. However, the Management Company may decide, at its discretion, to make adjustments to the dividend rate at any time to reflect changes in the estimated annualised yield of the sub-fund's portfolio.</p> <p>Investors should be aware that this dividend policy will pay out dividends gross of fees and expenses¹ and may pay out dividends gross of withholding taxes. The estimate of sub-fund's underlying portfolio yield will not necessarily equal income</p>

Share Class Identifier	Calculation Methodology
For illustrative purposes, each of the possible dividend frequencies is shown below on Class A Shares.	The usual method for calculating dividends is described below. The Board of Directors may decide, at its discretion, to change or amend any of the calculation methodologies at any time.
	<p>received by the Share Class and the estimate of the interest rate carry does not represent income received by the Share Class. Therefore this may result in distribution of capital gains, if any, and could result in distribution of capital attributable to such Shares. Consequently, the NAV per share may be eroded and it may also reduce the potential for future appreciation in the NAV per share. Distribution of capital represents a withdrawal of part of an investor's original investment.</p> <p>Such distributions may result in a reduction of the NAV per Share over time and the NAV per Share may fluctuate more than other Share Classes.</p> <p>This type of Share Class is only intended for investors whose Home Currency is the same as the Share Class Reference Currency.</p> <p>These Share Classes are available through certain distributors selected by the Global Distributor and may only be available to certain investors who meet eligibility criteria as decided by the Management Company.</p>

¹ "Fees and expenses" refers to: Management Fees, Operating, Administrative and Servicing Expenses and the Operating Currency Hedging Fee, if applicable, as further described in Section 2.10 "Charges and Expenses".

Income Equalisation

The Company operates income equalisation arrangements for all Distribution Share Classes.

Income Equalisation aims to mitigate the effects of subscriptions, redemptions and conversions of a Share Class during the financial year on the level of accrued income. The effect being that, if an investor subscribes during the accounting period, the subsequent dividend will include a portion representing a return of capital on the original investment.

Declaration and Announcement of Dividends

Dividends may be declared in respect of each Distribution Share Class of each sub-fund by a meeting of shareholders of the Company at the end of each financial year. The Board of Directors may declare, at its discretion, interim dividends in respect of Monthly, Quarterly and Semi-Annual Distribution Shares as described in the table above.

Dividends may be announced in the countries where the sub-funds are registered according to regulations of those jurisdictions.

Payment and Reinvestment of Dividends

Dividends will normally be paid in the Reference Currency of the Share Class.

Payment of dividends will normally be made within six weeks of such declaration to holders of Shares in the respective sub-funds/Share Class at the dividend record date.

Shareholders may, by written request to the Registrar and Transfer Agent or by completion of the relevant section of the Application Form, elect to have dividends relating to any Distribution Share Class of any sub-fund paid out to them. Otherwise dividends will be reinvested automatically in the acquisition of further Shares relating to that sub-fund as follows:

- Such Shares will be purchased no later than on the next Dealing Day after the date of payment of the dividend;
- Shares allocated as a result of such reinvestment will not be subject to any sales charge;
- Fractions of registered Shares will be issued (as necessary) to three decimal points.

Regardless of the frequency of the dividend payment, any dividend distribution to a Shareholder that is below USD 50, Euro 50, JPY 5,000, GBP 30 or equivalent to USD 50 in any other Dealing Currency or Reference Currency will be automatically reinvested in accordance with the provisions set out above.

In respect of the Monthly/Quarterly and Semi-Annual Distribution Shares, the dividend will normally automatically be paid out on a monthly/quarterly and semi-annual basis, respectively.

2.10. Charges and Expenses

Explanation of the Charging Structure

Charges and expenses apply to sub-fund and Share Classes where appropriate, for their investment management, distribution and for the operating services required.

There are four types of charge:

1. Sales charge
2. Ongoing charges
3. Performance fees
4. Other charges.

Investment in the Company is generally offered via charging structures, as represented by the A, B, E, I, J, L, M, N, P, R, S, W, X, Y, YP, Z and ZP Classes of Shares.

Sales Charge

A sales charge may be levied at the point of subscription in a Share Class. This is a maximum 5.54% of the Net Asset Value per Share (or, if applicable, of the adjusted Net Asset Value) which may be applied as follows.

The sales charge may be waived in whole or in part by the Company or the Distributors, as detailed in Section 2.8 "Prices of Shares and Publication of Prices and NAV" above.

Ongoing Charges

Ongoing charges may be levied in respect of each Share Class.

In payment of these fees, the Company will use interest income in the first instance and other income in the second instance. If the charges exceed the interest income and other income of that Share Class the excess will be taken from the capital of that Share Class.

The ongoing charges figure ('OCF') is defined as a percentage of the average net asset value of a Share Class over a specified year. The OCF is disclosed for each Share Class in the Key Investor Information Document which is available at www.assetmanagement.hsbc.com/fundinfo.

Ongoing charges consist of:

- A management fee
- Operating, administrative and servicing expenses
- Operating currency hedging/overlay fees
- Costs of investing in units in other UCITS and/or other Eligible UCIs
- Charges and expenses of the Subsidiaries.

► Management Fee

The Company pays to the Management Company an annual management fee calculated as a percentage of the net asset value of each sub-fund or Share Class ("Management Fee"), except otherwise provided hereinafter.

The Management Fee covers investment management, investment advisory and distribution services provided in relation to the relevant sub-fund of the Company by the Management Company, the Investment Advisers and the distributors.

The Management Fee is accrued daily and payable monthly in arrears at the rates indicated in Section 3.2. "Sub-Funds Details".

The maximum Management Fee that may be charged is as follows:

1. The maximum rate for Class E, I, J, L, M and N Shares is 3.5%.
2. The maximum rate for Class A, B, P, R, S, X, Y, YP, Z and ZP Shares is for each sub-fund, as stated in the table (unless stated differently below the table) of the "Fees and Expenses" section in Section 3.2. "Sub-Fund Details".
3. No Management Fee is charged for Class W Shares.

The Management Company is responsible for discharging, out of this fee, the fees of the Investment Advisers and the distributors and may pay part of such fee to recognised intermediaries or such other person as the Management Company may determine, at its discretion.

For all sub-funds, in certain circumstances, the Management Company may instruct the Company to pay a portion of the Management Fee directly out of the assets of the Company to any of such service providers or identified persons. In such case, the Management Fee due to the Management Company is reduced accordingly.

► **Operating, Administrative and Servicing Expenses**

The Company pays to the Management Company a fee to cover certain operating, administrative and servicing expenses which are incurred throughout the lifetime of a sub-fund or Share Class.

The Management Company is responsible for discharging, out of this fee, the fees and expenses payable to the Depository Bank, the Administration Agent and the Registrar and Transfer Agent or any other appointed entity.

The following list is indicative but not exhaustive of the types of services that the operating, administrative and services expenses cover:

- Management Company expenses
- Custody, depository and safekeeping charges
- Transfer, registrar and payment agency fees
- Administration, domiciliary and fund accounting services
- Legal expenses for advice on behalf of the Company
- Audit fees
- Ongoing registration fees
- Taxe d'abonnement – an annual subscription tax in Luxembourg
- Listing fees (if applicable)
- Company Directors' fees
- Documentation costs – preparing, printing, translating and distributing documents including, but not limited to, the Prospectus, Key Investor Information Documents and annual reports made available directly or through intermediaries to its shareholders in markets in which the sub funds are registered for sale in compliance with local regulations.
- Formation expenses for current and new sub-funds including initial registration fees – these are amortised over a period not exceeding 5 years from the formation date of the sub-fund
- Costs of the Subsidiaries (see below)
- Costs associated with the collection, reporting and publication of data about the Company, its investments and shareholders as required by laws and regulations from time to time
- Fees charged by third party vendors for publishing fund performance data
- Financial index licensing fees
- Any fees charged for sub-fund expense data analysis if specifically requested by the Company to be obtained from an independent third party
- Any industry association fees for the benefit of the Company.

To preserve shareholders from fluctuations in a sub-fund's operating, administrative and servicing expenses, the Company has agreed with the Management Company that the fee charged to cover operating, administrative and servicing expenses is normally set, for each sub-fund and/or Class, at a fixed annual percentage of the net asset value of the relevant sub-fund or Class as specified in Section 3.2. "Sub-Fund Details". The excess of such expenses above such annual percentage will be borne directly by the Management Company or its affiliates, and equally the Management Company or its affiliates may retain any surplus.

Exceptions to the fee structure above are described for each sub-fund and/or Class in the "Fees and Expenses" table in Section 3.2. "Sub-Fund Details" which details those Share Classes where the Operating, Administrative and Servicing Expenses are paid on the basis of actual expenses up to a maximum rate of the net asset value per annum of the Share Class. In this case, the Company will pay the expenses directly and as such the ongoing charge for each Share Class will vary.

The expenses will be accrued daily and will be payable monthly in arrears. The accrual amount will be reviewed each quarter using the previous 12 months' expenses as an initial basis and amending when necessary.

The actual amount paid for operating, administrative and servicing expenses will be shown in the semi-annual and annual report of the Company.

No Operating, Administrative and Servicing Expenses will be charged to Class W Shares. All the fees and charges allocated to such Class of Shares will be paid directly by a member or an affiliated entity of the HSBC Group.

► **Operating Currency Hedging/Overlay Fee**

The Company also pays to the Management Company a fee to cover the execution of the currency hedging/overlay policy.

The Management Company pays the operating currency hedging/overlay fee to the Administration Agent or other parties appointed to execute the currency hedging/overlay policy for the Currency Hedged Share Classes and Currency Overlay Share Classes as defined in Section 1.3. (2.3) "Currency Hedged Share Classes and Currency Overlay Share Classes".

The maximum rate for fees relating to the execution of the currency hedging/overlay policy is 0.06% per annum of the net asset value of the Currency Hedged Share Class or Currency Overlay Share Class.

The operating currency hedging/overlay fee is payable in addition to the operating, administrative and servicing expenses mentioned under 2.10 (3) (b).

The maximum rate for operating, administrative and servicing expenses and operating currency hedging/overlay fees together for Class A, B, E, I, J, L, M, N, P, R, S, X, Y, YP, Z and ZP Shares is 1.0%. However, the Board of Directors reserves the right to amend the levels of the above fees applicable to each Class of Shares.

In the event of an increase of such expenses, the shareholders impacted by the change will be given at least:

- three months prior notice for so long as the Share Class of the sub-fund is authorised by the Securities and Futures Commission in Hong Kong (or any shorter prior notice period as agreed with the Securities and Futures Commission) or;
- one month prior notice.

During any such notice period, shareholders impacted by the change may request the redemption of their Shares, free of charge.

The Management Company may instruct the Company to pay a portion of the aforesaid fees directly out of the assets of the Company to any of the aforementioned service providers. In such case the fee due to the Management Company is reduced accordingly.

► **Costs of Investing in Units in Other UCITS and/or Other Eligible UCIs**

These are the costs associated with holding units or shares or of other UCITS and/or other Eligible UCIs – including their ongoing charges and any one-off costs (e.g. subscription and/or redemption fees). The payment of these will be taken in accordance with each specific UCITS and/or other Eligible UCI's payment schedule as articulated in their prospectus

If the Company invests in units or shares of UCITS and/or other Eligible UCIs that are managed directly or indirectly by the Management Company itself or a company with which it is linked by way of common management or control or by way of a direct or indirect stake of more than 10% of the capital or votes, then there will be no duplication of management subscription or repurchase fees between the Company and the UCITS and/or other Eligible UCIs into which the Company invests. In derogation of this, if the Company invests in shares of HSBC UCITS ETFs PLC then there may be duplication of management fees for any sub-funds. The maximum total management fees charged both to the relevant sub-fund and to HSBC UCITS ETFs PLC will be disclosed in the annual report of the Company.

In other circumstances than the previous paragraph, if any sub-fund's investments in UCITS and other Eligible UCIs constitute a substantial proportion of the sub-fund's assets, the total management fee (excluding any performance fee, if any) charged both to such sub-fund itself and the other UCITS and/or other Eligible UCIs concerned shall not exceed 3.00% of the relevant assets. The Company will endeavour to reduce duplication of management charges by negotiating rebates, where applicable, in favour of the Company.

The Company will indicate in its annual report the total management fees charged both to the relevant sub-fund and to the UCITS and other Eligible UCIs in which such sub-fund has invested during the relevant period.

► **Charges and Expenses of the Subsidiaries**

Under the Administration Agreements between the relevant Subsidiary and CIM Fund Services, CIM Fund Services will be entitled to a fee payable by the relevant Subsidiary, for the provision of administration services to the relevant Subsidiary.

In addition, certain operating expenses are borne by the relevant Subsidiary which shall comprise fees and expenses payable to the members of the board of directors, investment advisers, management company, managers or administration agent, depositary and any other agents employed by the relevant Subsidiary, fees for legal and auditing services, costs of legal publications, financial reports and other documents available to shareholders, insurance premiums, costs of obtaining or maintaining any registration with or authorisation from governmental or other competent authorities, taxes or governmental charges and all other operating expenses including the cost of buying and selling assets, interest, bank charges and brokerage, postage, telephone and telex.

In determining the amount of such liabilities, the relevant Subsidiary may take into account all administrative and other expenses of a regular or periodical nature on an estimate figure for yearly or other periods in advance, and may accrue the same in equal proportions over any such period.

Performance Fees

► Glossary

A number of technical terms are used to describe how the performance fee is calculated. These are explained in the glossary below:

Hurdle Rate	<p>The hurdle rate against which the performance of each Share Class is measured for the purpose of calculating the performance fee. Details in respect of each sub-fund are set out in Section 3.2 "Sub-Fund Details".</p> <p>The Hurdle Rate is solely used for performance fee calculation purposes, and should not be considered as indicative of a specific investment style.</p>
Current Day NAV	<p>The Net Asset Value per Share in a particular Share Class in the sub-fund, including an accrual for all fees and expenses, adjusted for any dividend distributions, and excluding any performance fee that has been accrued.</p>
Crystallise Crystallisation	<p>The point at which any performance fee becomes payable to the Management Company, even if it is paid out at a later date.</p> <p>Crystallisation will occur either at the end of the Performance Period or at each valuation where there is a net redemption and/or conversion of Shares.</p>
Net Asset Value per Share Return	<p>Calculated at each valuation as the difference between the Current Day NAV per Share and the Prior Day NAV per Share.</p>
Performance Period	<p>The Performance Period runs normally from the first valuation of December (included) to the last valuation of November (included), except as noted below:</p> <ol style="list-style-type: none">1. Shares issued during the Performance Period will run from the first subscription date to the following last valuation of November.2. If all Shares in a Class are redeemed during the year, the Performance Period will end on the last redemption date of the Shares.
Performance Rate	<p>The Performance Rate is variable and defined at the sub-fund level.</p> <p>Details for each sub-fund are set out in Section 3.2. "Sub-Fund Details".</p>
Prior Day NAV	<p>The Net Asset Value per Share in a particular Share Class in the sub-fund, including an accrual for all fees and expenses, adjusted for any dividend distributions, and excluding any performance fee that has been accrued.</p>
High Water Mark	<p>For the first Performance Period of a Share Class the initial Net Asset Value per Share. In subsequent Performance Periods, the High Water Mark will be the higher of:</p> <ol style="list-style-type: none">(a) the Net Asset Value per Share of the Share Class at the end of the previous Performance Period where a performance fee has been paid out, adjusted by the accumulated hurdle since the last performance fee was paid out, and dividends, if any; or(b) the Net Asset Value per Share at the end of the previous Performance Period, adjusted by dividends, if any.

► How Does the Performance Fee Work?

▪ Summary

For certain sub-funds and Share Classes, the Management Company is entitled to receive from the net assets of a Share Class, in addition to other fees and expenses mentioned in this Prospectus, an annual performance fee.

A performance fee will normally be applied at Share Class level to any sub-fund issuing Class L Shares, M Shares, N Shares, R Shares, YP Shares, ZP Shares. For Class J Shares and Class S Shares the performance fee will be charged only if provided for in Section 3.2. "Sub-Fund Details".

A separate performance fee calculation will be carried out for each Share Class within a sub-fund.

The performance fee will be calculated and accrued at each valuation of the sub-fund and payable at the end of the Performance Period, or on the net redemptions and/or conversions of Shares, if earlier.

If the Company invests in shares or units of UCITS (including other sub-funds of the Company) and other Eligible UCIs that are managed directly or indirectly by the Management Company itself or a company with which it is linked by way of common management or control or by way of a direct or indirect stake of more than 10% of the capital or votes, then no duplication of performance fees will occur.

The avoidance of a double-charge of the performance fee is achieved by either (i) where a sub-fund invests in shares or units of such UCITS and other Eligible UCIs, and these UCITS and/or Eligible UCIs charge performance fees, the sub-fund will not charge a performance fee, or (ii) where a sub-fund charges a performance fee, it will not invest in share classes that charge a performance fee.

For the avoidance of doubt, it is clarified that the performance fee is calculated for each Share Class on the basis of the unadjusted Net Asset Value per Share, e.g. before any pricing adjustment that might be applied to the Net Asset Value per Share to mitigate the effects of transaction costs.

The performance fee calculations ensure that the Management Company cannot earn a performance fee until any underperformance against the Hurdle Rate has been recovered.

▪ **Calculation Method**

The High Water Mark defines a reference point for the Net Asset Value per Share above which, after adjustment for dividend distributions if any, a performance fee becomes payable.

A sub-fund may only accrue a performance fee in the event that both of the conditions below are met:

1. The Net Asset Value per Share Return of the relevant Share Class outperforms the relevant Hurdle Rate over the Performance Period and;
2. The Current Day NAV is higher than the High Water Mark.

Where the Current Day NAV, decreases below the High Water Mark and/or the Net Asset Value per Share Return underperforms the relevant Hurdle Rate, no performance fee will be accrued until such a decrease or underperformance has been recovered in the course of any one Performance Period.

If, at the end of the Performance Period, the Net Asset Value per Share is below the relevant Hurdle Rate and the performance fee is not paid, then the High Water Mark for the following Performance Period will be the past year's High Water Mark plus the Hurdle Rate.

▪ **Performance Fee Accrual**

At each valuation of the sub-fund:

1. The cumulative "Excess Return" since the beginning of the Performance Period is calculated as the difference between the cumulative Net Asset Value per Share Return and the cumulative Hurdle Rate since the beginning of the Performance Period.
2. The cumulative performance fee per Share is equal to the cumulative "Excess Return" multiplied by the Performance Rate.
3. The daily performance fee per Share is calculated as the difference between the cumulative performance fee per Share on the valuation and the cumulative performance fee per Share at the previous valuation.
4. The daily performance fee accrual for the Share Class is equal to the performance fee accrual per Share on the valuation multiplied by the outstanding number of Shares on the valuation for that Share Class.
5. The cumulative performance fee accrual before crystallisations for the Share Class is calculated as the sum of the cumulative performance fee accrual before crystallisations at the previous valuation and the performance fee accrual of that Share Class at the valuation.
6. Any performance fee accrued on net redeemed and/or converted Shares is crystallised (by taking the proportion of net redeemed and/or converted Shares to the number of Shares in issue). The daily and total performance fee accruals since the beginning of the Performance Period are adjusted accordingly.

The daily performance fee accrual can be positive or negative however the cumulative performance fee accrual will never be reduced to below zero.

The cumulative performance fee accruals from the beginning of the Performance Period will be, at each valuation, included in the ongoing calculation of the Net Asset Value per Share of which subscriptions, redemptions and conversions may be accepted.

▶ **Crystallisation**

Crystallisation of the performance fee occurs on the last valuation of each Performance Period. Any performance fee due is payable out of the sub-fund to the Management Company in arrears after the end of the Performance Period.

Accordingly, once the performance fee has crystallised, no refund will be made in respect of any performance fee paid out at that point in subsequent Performance Periods.

If there is a net redemption and/or conversion of Shares at any valuation before the end of the Performance Period, any accrued performance fee with respect to such redeemed Shares will crystallise on that valuation and will then become payable to the Management Company.

► **Computation of Performance Fees**

Performance fees are calculated by the Administration Agent.

The Auditors of the Company will audit the calculations of the performance fees paid out on an annual basis.

The Board of Directors shall ensure that the accrual represents fairly and accurately the performance fee liability that may eventually be payable by the sub-fund or Share Class to the Management Company.

► **Annual Payment of Performance Fees**

At the end of a Performance Period the positive balance (if any) of the performance fee accrual will become payable to the Management Company and the performance fee accrual in the Net Asset Value per Share of the relevant Share Class will be reset to zero and a new High Water Mark set.

The performance fee, if applicable, is payable yearly immediately following the end of each Performance Period.

Performance fees payable to the Management Company in any Performance Period are not refundable in any subsequent Performance Periods.

Pursuant to the provisions of the relevant Investment Advisory Agreement, the Investment Adviser may be entitled to receive from the Management Company the whole or part of the performance fee.

In the case of liquidation or merger of a sub-fund or Share Class to which a performance fee is applicable, the performance fee will be paid on the last valuation day before its liquidation or merger.

► **Performance Fee Risk**

Any performance fee payable shall be based on net realised and net unrealised capital gains and losses as at the end of each Performance Period. As a result, performance fees may be paid on unrealised gains which may subsequently never be realised.

Other Charges

Other charges are the remaining charges incurred by the Company or the relevant Share Class/sub-fund. They are paid by the Company depending on the services rendered to the Share Class. Other charges are not included in the OCF in the Key Investor Information Documents or in the Operating, Administrative and Servicing Expenses.

Other charges consist of, but are not limited to, the following:

- Duties, taxes and transaction costs associated with buying and selling the underlying assets of the Company
- Brokerage fees and commissions
- Interest on borrowing and bank charges incurred in negotiating borrowing
- Litigation expenses
- Any extraordinary expenses or other unforeseen charges.

2.11. Management Company and Investment Advice

The Board of Directors is responsible for the overall investment policy, objectives and management of the Company and its sub-funds.

The Board of Directors has appointed HSBC Investment Funds (Luxembourg) S.A. as management company to be responsible on a day-to-day basis under the supervision of the Board of Directors, for providing administration, marketing, investment management and advice services in respect of all sub-funds.

The Management Company has delegated the administration functions to the Administration Agent and registrar and transfer agency functions to the Registrar and Transfer Agent.

The Management Company has delegated the marketing functions to the distributors and the investment management services to the Investment Advisers, the list of which is disclosed in Appendix 6. "Directory". The name of the Investment Adviser managing a particular sub-fund is available on the website:

www.assetmanagement.hsbc.com/fundinfo?lang=en&country=lu.

The Management Company was incorporated on 26 September 1988 as a *société anonyme* under the laws of the Grand Duchy of Luxembourg and is registered with the register of commerce and companies under the number B28 888. Its articles of incorporation are deposited with the register of commerce and companies. The Management Company is

authorised by the CSSF as a management company subject to Chapter 15 of the 2010 Law. The share capital of the Management Company is GBP 1,675,000.00 and will be increased to comply at all times with article 102 of the 2010 Law.

As of the date of the Prospectus, the Management Company has also been appointed to act as management company for other investments funds the list of which is available, upon request, at the registered office of the Company.

The Management Company and the Investment Advisers are members of the HSBC Group, which serves customers worldwide from over 6,100 offices in over 73 countries and territories in Asia, Europe, North and Latin America, and the Middle East and North Africa.

The Management Company shall ensure compliance of the Company with the investment instructions and oversee the implementation of the Company's strategies and investment policy. The Management Company shall send reports to the Board of Directors on a quarterly basis any non-compliance of the Company with the investment restrictions.

The Management Company will receive periodic reports from the Investment Advisers detailing the sub-funds' performance and analysing their investment. The Management Company will receive similar reports from the other services providers in relation to the services which they provide.

The Investment Advisers, in accordance with the investment objectives and investment and borrowing restrictions of the Company, make and implement asset management and portfolio selection recommendations in connection with the investment and reinvestment of the assets of the Company in the relevant sub-funds.

2.12. Depositary Bank and Paying Agent

HSBC Bank plc, Luxembourg Branch has been appointed by the Company as the depositary bank for the safekeeping of the assets of the Company (the "Depositary Bank") which will be held in custody either directly by the Depositary Bank or, to the extent permitted by applicable laws and regulations, through other credit institutions or financial intermediaries acting as its correspondents, sub-depositary banks, nominees, agents or delegates.

The Depositary Bank is a credit institution established as a branch in Luxembourg by HSBC Bank plc, a public limited company incorporated under the laws of England and Wales, under passporting provisions provided for under the EU Directive 2006/48/EC of the European Parliament and of the Council relating to the taking up and pursuit of the business of credit institutions, whose registered office is situated at 16, Boulevard d'Avranches, L-1160 Luxembourg, registered with the Luxembourg register of commerce and companies under number B 178.455. It is licensed to carry out banking activities under the terms of the Luxembourg law of 5 April 1993 on the financial services sector, as amended, and specialises in custody, fund administration and related services.

The Depositary Bank has to ensure that the Company's cash flows are properly monitored, and in particular that the subscription monies on their receipt from the Administration Agent and all cash has been booked in the cash account in the name of the Company or the Management Company on behalf of the Company and, following the investment of subscription monies, is responsible for the supervision of the assets of the Company which are held to the order of and registered in the name of the Company or in the name or to the order of the Depositary Bank on the Company's behalf.

Assets held directly with the Depositary Bank will be held in a separate client account and will be separately designated in the books of the Depositary Bank as belonging to the Company. Non-cash assets will be unavailable to the creditors of the Depositary Bank in the event of its bankruptcy or insolvency. Cash does not need to be segregated and may become available to the creditors of the Depositary Bank in case of its bankruptcy or insolvency.

Pursuant to the Depositary Bank Agreement, unless the Depositary Bank has acted (i) fraudulently, (ii) negligently, (iii) with wilful default, (iv) in breach of legal and regulatory provisions or (v) in breach of the Depositary Bank Agreement, the Depositary Bank shall not be liable to the Company or to any Shareholder for any act or omission in the course of or in connection with the discharge by the Depositary Bank of its duties. The Company has agreed to indemnify the Depositary Bank against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever (other than those resulting from the fraud, negligence or wilful default on the part of the Depositary Bank or any of its Correspondents, as defined below) which may be imposed on, incurred by or asserted against the Depositary Bank in performing its obligations or duties hereunder.

The Depositary Bank has no decision-making discretion relating to the Company's investments. The Depositary Bank is a service provider to the Company and is not responsible for the preparation of this Prospectus or the activities of the Company and therefore accepts no responsibility for the accuracy of any information contained in this Prospectus or the validity of the structure and investments of the Company.

In accordance with applicable laws and regulations, the Depositary Bank may appoint sub-depositary banks, agents and delegates ("Correspondents") to hold the assets of the Company in custody. The liability of the Depositary Bank shall not be affected by the fact that it has entrusted all or some of the Company's assets in its safekeeping to such Correspondents. The Depositary Bank will exercise care and diligence in choosing and appointing the Correspondents so as to ensure that each Correspondent has and maintains the required expertise, competence and will maintain an appropriate level of supervision over each Correspondent and make appropriate enquiries from time to time to confirm that the obligations of the Correspondent continue to be competently discharged. It will periodically assess whether the Correspondent fulfils applicable legal and regulatory requirements and will exercise ongoing supervision over each

Correspondent to ensure that the obligations of the Correspondent continue to be competently discharged. The fees of any Correspondent appointed by the Depositary Bank shall be paid by the Company.

In respect of any losses to the Company arising from any Correspondent, including losses resulting from the fraud, negligence or wilful default of any Correspondent, the Depositary Bank shall, besides others, and without prejudice to its liability in relation to its general duty of supervision of the assets of the Company, use its reasonable endeavours to exercise such rights as are available to it in the local market against the relevant Correspondent and account to the Company for any recovery, and in the case of a liquidation, bankruptcy or insolvency of a Correspondent, the Depositary Bank will use all reasonable endeavours to recover any Securities or other property held and to recover any losses suffered by the Company as a direct consequence of such liquidation, bankruptcy or insolvency.

The Depositary Bank may appoint sub-depositary banks as part of market expansion, when it introduces a new market to its Global Custody network offering.

The Depositary Bank may also decide to replace a sub-depositary bank in cases where there are concerns regarding an appointed sub-depositary bank such as:

- the financial standing of the sub-depositary bank may expose the Depositary Bank's clients' assets (such as the Company's assets) at risk;
- the sub-depositary bank is in breach of any local laws or regulatory rules, or material weaknesses have been identified, as part of the external audit or due diligence undertaken by the Depositary Bank or its delegates, which cannot be easily or rapidly remedied;
- the sub-depositary bank consistently fails to perform its duties in accordance with the standard of care or diligence which can be expected from a professional in the performance of its duties or to meet the required service standards, despite being given due notice to improve, or it shows a lack of commitment to developing its overall custody service;
- where HSBC Group use more than one sub-depositary bank in a market and a decision is made to consolidate all HSBC Group assets with the best sub-depositary bank; and
- where the sub-depositary bank makes a decision to exit the custody business.

Criteria for the appointment of a sub-depositary bank

The Depositary Bank has appointed HSBC Bank plc (a company authorised by the FCA) as Global Custodian, in charge of the appointment and monitoring of the sub-depositary bank network in accordance with the regulatory duties of a global custodian and as per the FCA's guidelines. HSBC Bank plc performs regular due diligence on the sub-depositary banks, while the Depositary Bank reviews and signs-off every due diligence and appointment performed by HSBC Bank plc.

All new appointments of sub-depositary banks go through a rigorous selection, risk assessment and approval process following FCA criteria:

- credit risk assessment – using HSBC internal Credit Risk Rating system;
- operational risk assessment from due diligence;
- country risk;
- market infrastructure risk;
- legal risk; and
- the overall risk rating given to each sub-depositary bank, which determines whether an appointment can be made.

Approval will be provided by a specific HSBC governance panel, which consists of representatives of various business areas.

A list of "Globally Approved Sub-Depositaries" is maintained by HSBC and only these approved sub-depositaries can be used by all HSBC Group offices for holding clients' assets.

The HSBC Network Management team, a shared service center of the HSBC Group, performs ongoing monitoring of the sub-depositary banks' performance, through:

- monthly issues meetings with all operational areas, based on the key criteria for each operational area service requirement;
- a half yearly agent monitoring process, involving the completion by all operational areas of the Agent Bank Scorecard;
- periodic Service Review meetings with the agent banks, with the participation of all operational areas;
- service Level Agreement reviews;
- and on-site visits using a risk based approach that does not differentiate between HSBC Group and non-group entities. In country visits include meetings with local market participants (regulators, depositaries and stock exchanges).

The Depositary Bank or the Company may terminate the Depositary Bank Agreement at any time upon ninety (90) calendar days' written notice (or earlier in case of certain breaches of the Depositary Bank Agreement, including the insolvency of any of them).

2.13. Administration

Administration Agent

HSBC Bank plc, Luxembourg Branch was appointed as administration agent of the Company pursuant to an agreement, which may be terminated by a notice given not less than ninety (90) days in advance by either party to the other.

The Administration Agent may, under its responsibility, delegate some of its functions to a third party service provider.

Registrar and Transfer Agent

HSBC Bank plc, Luxembourg Branch was appointed as registrar and transfer agent of the Company pursuant to an agreement, which may be terminated by a notice given not less than ninety (90) days in advance by either party to the other.

Domiciliary Agent

HSBC Bank plc, Luxembourg Branch was appointed by the Company as Domiciliary Agent.

2.14. Distribution of Shares

The Management Company, as Global Distributor, has the power to appoint distributors which may, subject to their terms of appointment, appoint sub-distributors. The main distributors, which are companies of the HSBC Group, are listed in Appendix 6. "Directory".

The distributors are entitled to receive any applicable sales charges and conversion charges on all Shares they handle. The distributors may reallocate such charges at their absolute discretion.

Hong Kong Representative and Distributor

HSBC Investment Funds (Hong Kong) Limited has been appointed as representative and distributor of the Company in Hong Kong, to receive requests for subscription, redemption, repurchase and conversion of Shares and to provide information to investors including the latest financial reports of the Company and the latest Prospectus.

Representative in the United Kingdom

HSBC Global Asset Management (UK) Limited has been appointed pursuant to the Financial Services and Markets Act 2000 (the "Act") as representative of the Company in the United Kingdom by an agreement concluded for an unlimited period of time, which may be terminated by either party upon giving three months' notice. HSBC Global Asset Management (UK) Limited is authorised and regulated in the United Kingdom by the Financial Conduct Authority.

The UK representative is required to maintain certain facilities in the United Kingdom on behalf of the Company, as a recognised collective investment scheme. Copies of the Articles of Incorporation and any amending resolutions, the latest Prospectus, the latest Key Investor Information Document and the most recently prepared annual and semi-annual reports and accounts may be obtained or inspected free of charge during normal business hours at the offices of HSBC Global Asset Management (UK) Limited whose registered office is given in Appendix 6. "Directory".

This Prospectus meets the Scheme Particulars requirements for a recognised collective investment scheme in the United Kingdom.

The UK representative also makes available details of the Offer and Redemption Prices. Requests for subscriptions, redemptions, repurchases and conversions of Shares by UK residents may be made through the UK Representative who will send to the Company forthwith such requests and any complaints in connection with matters arising from dealings in the Shares.

Singapore Representative and Distributor

HSBC Global Asset Management (Singapore) Limited has been appointed as representative and distributor of the Company in Singapore, to receive requests for subscriptions, redemptions, repurchases and conversions of Shares and to provide information to investors including the latest financial reports of the Company, the latest Prospectus and the latest Key Investor Information Document.

2.15. Meetings and Reports

The annual general meeting of shareholders of the Company (the "Annual General Meeting") is held at the registered office of the Company (or such other place as may be specified in the notice of meeting) in Luxembourg at 11.00 a.m. on the last Friday in July of each year (or, if such day is not a Business Day, on the next following Business Day).

Other general meetings of shareholders will be held at such time and place as are indicated in the notices of such meetings.

Notices of general meetings are given in accordance with Luxembourg law, and if required, by publication in the *Mémorial* and the *Luxemburger Wort* in Luxembourg and in such other newspapers as the Board of Directors may determine. Notices will specify the place and time of the meetings, the conditions of admission, the agenda, the quorum and the voting requirements. The requirements as to attendance, quorum and majorities at all general meetings will be those laid down in the Articles of Incorporation.

Under the conditions set forth in Luxembourg laws and regulations, the notice of any general meeting of shareholders may provide that the quorum and the majority at this general meeting shall be determined according to the Shares issued and outstanding at a certain date and time preceding the general meeting (the "Record Date"), whereas the right of a shareholder to attend a general meeting of shareholders and to exercise the voting rights attaching to his/its/her Shares shall be determined by reference to the Shares held by this shareholder as at the Record Date.

The year end of the Company is 31 March each year. The annual report containing the audited consolidated financial accounts of the Company expressed in US dollars in respect of the preceding financial period and with details of each sub-fund in the relevant Reference Currency is made available at the Company's registered office, at least 15 days before the Annual General Meeting.

Copies of all reports are available at the registered office of the Company.

Information relating to a sub-fund's portfolio, at each month end, is available to shareholders, an appropriate time after that month end. Shareholders should contact their usual distributor for such information. A small charge may be levied for the provision of this information.

2.16. Availability of Documents

The following documents are available for inspection during usual business hours on any weekday (Saturdays and public holidays excepted) at the registered office of the Company:

- the Articles of Incorporation;
- the material contracts;
- the most recent Prospectus,
- the most recent Key Investor Information Document
- the latest financial reports are available at the registered office of the Company. Investors may obtain copies of the Articles of Incorporation, the most recent Prospectus, the most recent Key Investor Information Document and the latest financial reports, free of charge upon request at the registered office of the Company.

In addition, the Key Investor Information Documents are available on www.assetmanagement.hsbc.com/fundinfo. Investors may download the Key Investor Information Documents from the above website or obtain it in paper form or on any other durable medium agreed between the Management Company or the intermediary and the investor.

Additional information is made available by the Management Company at its registered office, upon request, in accordance with the provisions of Luxembourg laws and regulations. This additional information includes the procedures relating to complaints handling, the strategy followed for the exercise of voting rights of the Company, the policy for placing orders to deal on behalf of the Company with other entities, the best execution policy as well as the arrangements relating to the fee, commission or non-monetary benefit in relation with the investment management and administration of the Company.

In addition, an up-to-date list of Investment Advisers currently acting for each sub-fund is available at the registered office of the Company and on the following website www.assetmanagement.hsbc.com/fundinfo?lang=en&country=lu.

Queries and Complaints

Any person who would like to receive further information regarding the Company or who wishes to make a complaint about the operation of the Company should contact the distributors listed in Appendix 6. "Directory" or HSBC Investment Funds (Luxembourg) S.A., the Management Company, 16, boulevard d'Avranches, L-1160 Luxembourg, Grand Duchy of Luxembourg.

2.17. Conflicts of Interest

The Management Company and any specific sub-fund Investment Adviser, the sales agents, the Administration Agent, the Registrar and Transfer Agent, the Depositary Bank may from time to time act as management company, investment manager or adviser, sales agent, administrator, registrar and transfer agent or depositary bank in relation to, or be otherwise involved in, other funds or collective investment schemes which have similar investment objectives to those of the Company or any sub-fund. It is therefore possible that any of them may, in the due course of their business, have potential conflicts of interest with the Company or any sub-fund.

In such event, each will at all times have regard to its obligations under any agreements to which it is party or by which it is bound in relation to the Company or any sub-fund. In particular, but without limitation to its obligations to act in the best interests of the shareholders when undertaking any dealings or investments where conflicts of interest may arise, each will respectively endeavour to ensure that such conflicts are resolved fairly.

There is no prohibition on the Company entering into any transactions with the Management Company or any specific sub-fund Investment Adviser, the sales agents, the Administration Agent, the Registrar and Transfer Agent, the Depositary Bank or with any of their affiliates, or investing the assets of or reinvest the cash collateral received by any sub-fund in any investment products or funds managed, launched or offered by any of the above-mentioned entities, provided that such transactions are carried out as if effected on normal commercial terms negotiated at arm's length. The Investment Advisers or any affiliates acting in a fiduciary capacity with respect to client accounts may recommend to or direct clients to buy and sell Shares of the Company. If a client defaults on its obligation to repay indebtedness to the HSBC Group that is secured by Shares in the Company, and the HSBC Group forecloses on such interest, the HSBC Group would become a shareholder of the Company. As a consequence, the HSBC Group and its affiliates could hold a relatively large proportion of Shares and voting rights in the Company.

Affiliates of the HSBC Group act as counterparties for certain forward foreign exchange and financial futures contracts.

2.18. Taxation

The following summaries are based on the Company's understanding of the law and practice in force at the date of this Prospectus.

As shareholders will be resident for tax purposes in various jurisdictions, no attempt has been made in this Prospectus to summarise the tax consequences for every jurisdiction which may be applicable to investors subscribing for, purchasing, holding, exchanging, selling or redeeming Shares. These consequences will vary in accordance with the law and practice in force in the relevant shareholder's country of citizenship, residence, domicile or incorporation and with his or her personal circumstances. Hence no shareholder should solely rely on the following guidance when determining the tax consequences of investing in the Shares.

It is the responsibility of shareholders or prospective shareholders to inform themselves of the possible tax consequences of subscribing for, purchasing, holding, exchanging, selling or redeeming Shares in the light of the laws of the country relevant to their citizenship, residence or domicile and of their personal circumstances and to take appropriate professional advice regarding exchange control or other legal restrictions relating thereto. Shareholders and prospective investors also should bear in mind that levels and bases of taxation, as well as tax authority practices, may change and that such changes may have, depending on the countries, retrospective effect.

► General

In many markets the Company, as a foreign investment fund, may be subject to non-recoverable tax on income and gains (either by withholding or direct assessment) in relation to the investment returns it realises from its holdings of shares and securities in those markets. Where practicable the Company will make claims under the relevant double tax treaties and the domestic law of the countries concerned in order to minimise the impact of local taxation on the investment return and to obtain the best return for its shareholders. Those claims will be made on the basis of the Company's understanding of the validity of such claims given the information available from the Company's depositaries, external advisers and other sources as to the interpretation and application of the relevant legal provisions by the tax authorities in the country concerned.

The Company will seek to provide for tax on capital gains where it considers that it is more likely than not that the tax will be payable, given the advice and information available to the Company at the date concerned. However, any provision held may be insufficient to cover, or be in excess of, any final liability.

The Company will seek to claim concessionary tax treatment and account for tax on a reasonable efforts basis, given the tax law and practice at that date. Any change in tax law or practice in any country where the Company is registered, marketed or invested could affect the value of the Company's investments in the affected country. In particular, where retrospective changes to tax law or practice are applied by the legislature or tax authorities in a particular country these may result in a loss for current shareholders in the affected sub fund. The Company does not offer any warranty as to the tax position of returns from investments held in a particular market nor of the risk of a retrospective assessment to tax in a particular market or country.

Investors and potential investors should note the Section "Emerging Markets" in Section 1.4. "General Risk

Considerations" and also refer to the information on the Foreign Account Tax Compliance Act (FATCA) in Section 2.18. "Taxation of shareholders".

Taxation of the Company

▶ Belgium

The Belgian government enacted a law which charges an annual net asset value tax on foreign investment funds registered with the FSMA (Financial Services and Markets Authority). An annual tax of 0.0925% is charged on the net outstanding amounts of Shares placed in Belgium through Belgian financial intermediaries on 31 December of the preceding year.

To date as the amounts are small, the Management Company has paid this tax cost on behalf of the Company out of the Operating, Administrative and Servicing Expenses it receives. However, should the cost become substantial or long term the Management Company may require the sub-funds concerned to bear that tax charge for future periods.

▶ China

Where the Company invests in shares and securities issued by companies tax resident (or with their primary activity) in PRC, securities issued by government agencies in the PRC or other permissible PRC investments, the Company may be subject to withholding and other taxes imposed in the PRC. The tax laws, regulations and practice in the PRC are constantly changing, and they may be changed with retrospective effect. In particular, there is uncertainty as to whether and how capital gains are to be taxed. Therefore any provision for PRC tax liabilities that the Company may hold is likely to be excessive or inadequate to meet final PRC tax liabilities, and in particular (but not exclusively) in relation to gains derived from the disposal of PRC investments.

Consequently, the Company and shareholders may be disadvantaged depending upon the final outcome of how PRC investment returns will be taxed.

Further details of the taxation of the Company's investments in the PRC can be found in Section 3.3. "Sub-Fund Specific Risk Considerations".

▶ Hong Kong

The Company may be subject to Hong Kong profits tax in relation to a particular sub-fund if it is treated as carrying on a trade or business in Hong Kong either on its own account or through the agency of the investment adviser of that sub-fund. If the Company is treated as carrying on business in Hong Kong, a liability to profits tax, the rate of which is currently 16.5%, will only exist in respect of any profits of the relevant sub-funds which arise in or are derived from Hong Kong from that trade or business, and which are not capital profits. Such amounts may include, but not be limited to, profits arising from the disposal of securities (except those held as capital assets) listed on the Hong Kong Stock Exchange, unlisted securities where the purchase or sale contracts are effected in Hong Kong and interest income arising from certain debt instruments where the loan funds were first made available to the issuer in Hong Kong.

Under Hong Kong tax law and practice funds resident outside Hong Kong ("Offshore Funds") are exempted from Hong Kong profits tax providing certain conditions are met. It is intended that affairs of the Company will be conducted as far as possible to comply with the conditions for exemption from profits tax, however, the Company can offer no warranty that such exemption will be obtained in every instance.

▶ India

On the basis that they are Mauritian tax resident, the Subsidiaries will benefit from the tax advantages available to them under the India-Mauritius double taxation treaty, which became effective on 1 July 1983. The Subsidiaries will file, through their custodian, a declaration of Mauritian residency with the registrar of each Indian company in which it invests. Until 31 March 2017 capital gains resulting from the purchase and sale by the Subsidiaries of stocks on the Indian stock exchanges will be exempt from tax on the basis that the Subsidiaries are able to benefit from the provisions of the India-Mauritius double taxation treaty.

Interest on certain notified securities and bonds and on deposits in foreign currency with scheduled banks is exempt from income tax. The sale and purchase of stocks and securities is exempt from Indian sales tax.

The above-stated tax treatment under the India-Mauritius tax treaty will be available provided that a Subsidiary does not have a permanent establishment or its effective management and control in India. No guarantee or warranty can be given or should be assumed that the tax benefits of the treaty will continue to be available to the Indian Equity and in Global Emerging Markets Equity sub-funds in future periods due to, among others, changes in the regulatory environment in Mauritius, India or the European Union.

The Indian Central Board of Direct Taxes has previously confirmed the availability of the treaty benefits to companies holding a certificate of Mauritian tax residence. The Supreme Court of India confirmed on 7 October 2003 the validity of this position. However, it is possible that the proposed General Anti-Avoidance Rule ("GAAR") will remove treaty benefits from 1 April 2017 (see below).

Dividends paid by the Indian companies are exempt from tax in the hands of the recipients if the said company pays a dividend distribution tax at the prescribed tax rate on dividends declared, distributed or paid by them on or after 1 April 2003.

▶ **Indian GAAR**

The Indian Budget announced on 16 March 2012 introduced provisions for a GAAR to be effective from 1 April 2013. The implementation of the GAAR was then deferred until 1 April 2017. A GAAR gives considerable discretion to the tax authorities and may be used to seek to deny treaty benefits to foreign investors. Such actions could result in a significant financial cost for investors, as short term gains (those held for less than 1 year) could become taxable in India.

▶ **Luxembourg**

The Company is not subject to taxation in Luxembourg on its income, profits or gains.

A EUR 75.- registration tax is to be paid upon incorporation and each time the Articles are amended. No stamp duty, capital duty or other tax will be payable in Luxembourg upon the issue of the Shares of the Company.

The Company is however subject to a subscription tax (*taxe d'abonnement*) levied at the rate of 0.05% *per annum* based on its NAV at the end of the relevant quarter, calculated and paid quarterly. A reduced subscription tax of 0.01% *per annum* is applicable to Luxembourg undertakings for collective investment (hereafter "UCIs") whose exclusive object is the collective investment in money market instruments, the placing of deposits with credit institutions, or both. A reduced subscription tax of 0.01% *per annum* is applicable to individual sub-funds of UCIs with multiple sub-funds referred to in the 2010 Law, as well as for individual classes of securities issued within a UCI or within a sub-fund of a UCI with multiple sub-funds, provided that the securities of such sub-funds or classes are reserved to one or more institutional investors.

Subscription tax exemption applies to (i) investments in a Luxembourg UCI subject itself to the subscription tax, (ii) UCI, sub-funds thereof or dedicated classes reserved to retirement pension schemes, (iii) money market UCIs, (iv) UCITS and UCIs subject to the part II of the 2010 Law qualifying as exchange traded funds, and (v) UCIs and individual sub-funds thereof with multiple sub-funds whose main objective is the investment in microfinance institutions.

Withholding tax

Interest and dividend income received by the Company may be subject to non-recoverable withholding tax in the source countries. The Company may further be subject to tax on the realised or unrealised capital appreciation of its assets in the countries of origin. The Company may benefit from double tax treaties entered into by Luxembourg, which may provide for exemption from withholding tax or reduction of withholding tax rate.

Distributions made by the Company are not subject to withholding tax in Luxembourg.

The Company is not subject to net wealth tax.

▶ **Mauritius**

The Subsidiaries are registered with the Financial Services Commission as an offshore company. As a result they are subject to a reduced rate of Mauritian income tax on their income. In addition, no Mauritian capital gains tax will be payable in respect of the Subsidiaries investments in India and any dividends and redemption proceeds paid by the Subsidiaries to the Indian Equity or Global Emerging Markets Equity sub-funds will be exempt from Mauritian withholding tax. A certificate of Mauritian tax residence has been granted to the Subsidiaries by the Mauritius Revenue Authority. On the basis that they are Mauritian tax residents, the Subsidiaries have to date qualified for certain reliefs from Indian tax as set out in the Indian tax paragraph above.

▶ **United Kingdom**

It is the intention of the Board of Directors to conduct the affairs of the Company so that it does not become resident in the United Kingdom. On the basis that the Company is not resident in the United Kingdom for tax purposes it should not be subject to United Kingdom corporation tax on its income and capital gains.

Taxation of shareholders

Prospective investors should ascertain from their professional advisers the consequences to them of acquiring, holding, redeeming, transferring, selling or converting Shares under the relevant laws of the jurisdictions to which they are subject, including the tax consequences and any exchange control requirements.

These consequences will vary with the law and practice of a shareholder's country of citizenship, residence, domicile or incorporation and with his personal circumstances.

Prospective investors also should bear in mind that levels and bases of taxation may change.

► European Savings Directive

On 10 November 2015, the European Council adopted Council Directive (EU) 2015/2060 repealing Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments of 3 June 2003 (the "Savings Directive"), from 1 January 2017 for Austria and from 1 January 2016 for all other EU Member States (i.e. the Savings Directive will no longer apply once all the reporting obligations concerning the calendar year 2015 will have been complied with). Under the Savings Directive, Member States are required to provide the tax authorities of another Member State with information on payments of interest or other similar income (within the meaning of the Savings Directive) paid by a paying agent (within the meaning of the Savings Directive) to an individual beneficial owner who is a resident, or to certain residual entities (within the meaning of the Savings Directive) established, in that other Member State.

Under the Luxembourg law dated 21 June 2005 (the "2005 Law"), implementing the Savings Directive, as amended by the Law of 25 November 2014, and several agreements concluded between Luxembourg and certain dependent or associated territories of the EU ("Territories"), a Luxembourg-based paying agent is required since 1 January 2015 to report to the Luxembourg tax authorities the payment of interest and other similar income paid by it to (or under certain circumstances, to the benefit of) an individual or certain residual entities resident or established in another Member State or in the Territories, and certain personal details on the beneficial owner. Such details are provided by the Luxembourg tax authorities to the competent foreign tax authorities of the state of residence of the beneficial owner (within the meaning of the Savings Directive).

► Automatic Exchange of Information

The OECD has developed a common reporting standard ("CRS") to achieve a comprehensive and multilateral automatic exchange of information AEOI on a global basis. On 9 December 2014, Council Directive 2014/107/EU amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation (the "Euro-CRS Directive") was adopted in order to implement the CRS among the Member States. For Austria, the Euro-CRS Directive applies the first time by 30 September 2018 for the calendar year 2017, i.e. the Savings Directive will apply one year longer.

The Euro-CRS Directive was implemented into Luxembourg law by the law of 18 December 2015 on the automatic exchange of financial account information in the field of taxation ("CRS Law").

The CRS Law requires Luxembourg financial institutions to identify financial assets holders and establish if they are tax resident in countries with which Luxembourg has a tax information sharing agreement. Luxembourg financial institutions will then report financial account information of the assets holder to the Luxembourg tax authorities, which will thereafter automatically transfer this information to the competent foreign tax authorities on a yearly basis. Accordingly, the Company may require its investors to provide information in relation to the identity and tax residence of financial account holders (including certain entities and their controlling persons) in order to ascertain their CRS status and report information regarding a shareholder and his/her/its account to the Luxembourg tax authorities (*Administration des Contributions Directes*), if such account is deemed a CRS reportable account under the CRS Law.

Under the CRS Law, the first exchange of information will be applied by 30 September 2017 for information related to the calendar year 2016. Under the Euro-CRS Directive, the first AEOI must be applied by 30 September 2017 to the local tax authorities of the Member States for the data relating to the calendar year 2016.

In addition, Luxembourg signed the OECD's multilateral competent authority agreement ("Multilateral Agreement") to automatically exchange information under the CRS. The Multilateral Agreement aims to implement the CRS among non-Member States; it requires agreements on a country-by-country basis.

The Company reserves the right to refuse any application for Shares if the information provided or not provided does not satisfy the requirements under the CRS Law.

Investors should consult their professional advisors on the possible tax and other consequences with respect to the implementation of the CRS.

► Foreign Account Tax Compliance Act (FATCA)

Sections 1471 through 1474 of the U.S. Internal Revenue Code ("FATCA") impose a 30% withholding tax on certain payments to a foreign financial institution ("FFI") if that FFI is not compliant with FATCA. The Company is a FFI and thus, subject to FATCA.

This withholding tax applies to payments to the Company that constitute interest, dividends and other types of income from US sources (such as dividends paid by a US corporation) and beginning on 1 January 2017, this withholding tax is extended to the proceeds received from the sale or disposition of assets that give rise to US source dividend or interest payments.

Luxembourg has entered into an Intergovernmental Agreement ("IGA") with the US to facilitate FATCA compliance and reporting. Under the terms of the IGA, the Company will be required to report to the Luxembourg tax authorities certain information about US investors (including indirect investments held through certain passive investment entities) as well as non-US financial institutions that do not comply with FATCA. Such information will be onward reported by the Luxembourg tax authorities to the US Internal Revenue Service.

The Company intends to comply with the terms of the IGA and the Luxembourg law of 24 July 2015 implementing the IGA into Luxembourg law. Therefore the Company expects to be treated as a compliant financial institution and does not expect any FATCA withholding to apply on payments made to it.

If an investor or an intermediary through which the investor holds its interest in the Company fails to provide the Company, its agents or authorised representatives with any correct, complete and accurate information that may be required for the Company to comply with FATCA, the investor may be subject to withholding on amounts otherwise distributable to them or they may be compelled to sell their Shares or, in certain situations, the investor's Shares may be sold involuntarily (if legally permitted). The Company may at its discretion enter into any supplemental agreement without the consent of investors to provide for any measures that the Company deems appropriate or necessary to comply with FATCA.

Shareholders in the Company should consult their own tax advisors regarding the FATCA requirements with respect to their own particular circumstances. In particular, Shareholders who hold their Shares through intermediaries should check the intermediaries' intention to comply with FATCA.

Although the Company will attempt to satisfy any obligations imposed on it to avoid the imposition of the FATCA withholding tax, no assurance can be given that the Company will be able to satisfy these obligations. If the Company becomes subject to a withholding tax as a result of the FATCA regime, the value of the Shares held by Shareholders may suffer material losses.

► **France**

In order for an Equity sub-fund or Index sub-fund to claim eligibility to article 17 of the French Finance Act 2014 (1ter of Article 150-0D of the Tax General Regulation), at least 75% of the total assets of the relevant sub-fund should be invested in Equity or Equity-equivalent securities at any point in time. Only French tax-residents can benefit from this measure.

The annual and semi-annual reports of the Company will disclose the actual percentage invested in the above mentioned securities for all Equity sub-funds and Index sub-funds which have met the eligibility criteria as well as the date from which they are eligible.

Sub-funds which may claim eligibility to the French "*Plan d'Epargne en Actions*" are listed in Appendix 3. "Additional Restrictions", section II.

► **Luxembourg**

Non-resident individuals or collective entities who do not have a permanent establishment in Luxembourg to which the Shares are attributable, are not subject to Luxembourg taxation on capital gains realized upon disposal of the Shares nor on the distribution received from the Company and the Shares will not be subject to net wealth tax.

If necessary, investors should consult their professional advisers on the possible tax or other consequences of buying, holding, transferring or selling the Company's shares under the laws of their countries of citizenship, residence or domicile.

► **Hong Kong**

Under the Revenue (Profits Tax Exemption for Offshore Funds) Ordinance 2006, there are deeming provisions which apply to a Hong Kong resident who, alone or jointly with his associates, holds beneficial interest of 30 per cent or more in an exempt Offshore Fund, or holds any percentage where the exempt Offshore Fund is an associate of the Hong Kong resident investor (a "Relevant Interest"). Under the deeming provisions, the Hong Kong resident shareholder would be deemed to have derived assessable Hong Kong sourced profits in respect of the proportion of the Hong Kong sourced profits earned by the Offshore Fund represented by the Hong Kong resident shareholder's Relevant Interest. The deeming provisions would not apply where the Company is bona fide widely held.

► **United Kingdom**

Holders of Shares who are resident in the United Kingdom or carrying on a trade in the United Kingdom will, depending on their individual circumstances, be liable to United Kingdom Income Tax or Corporation Tax in respect of any income allocated or dividends paid to them whether directly or by way of reinvestment of income and on capital gains and such holders should include details of this income on an appropriate return to their local Inspector of Taxes.

Shareholders, who are companies, tax resident in the United Kingdom and whose investment in the sub-funds is not made in connection with or incidental to a trade (for UK tax purposes), will not be liable to corporation tax in relation to any dividends paid to them provided that the investment in the sub-fund concerned is not taxed under the loan relationship provisions mentioned below.

Shareholders, who are companies, that are resident in the United Kingdom or one which carries on a trade in the United Kingdom may be subject to tax under the loan relationship provisions of United Kingdom tax legislation during any accounting period of that shareholder when more than 60% of the investments of the sub-fund (in which the Shares are held) broadly comprise of interest bearing investments (including interests in collective investment schemes which

themselves have more than 60% of their investments as interest bearing assets and financial derivative instruments whose subject matter is broadly linked to interest bearing investments, currency, creditworthiness or currency). Under these provisions the change in value of the Shares in that sub-fund during the corporate's accounting period will be taxed as part of the corporate's income for that accounting period the change in value being assessed on a fair value basis.

Shareholders should note that dividends paid by the Company comprise foreign dividends for UK tax purposes. Also for individuals the dividends will carry a tax credit equivalent to one ninth of the gross dividend payment by the Company, unless the dividends are taxed as interest for UK tax purposes as described below.

Generally, where at any time in the accounting period in which the dividend is paid (or the prior accounting period or twelve months prior to the start of the accounting period in which the dividend is paid if longer) more than 60% of the investments of the sub-fund (in which the Shares are held) comprise of broadly interest bearing investments (including interests in collective investment schemes which themselves have more than 60% of their investments as interest bearing assets and financial derivative instruments whose subject matter is broadly linked to interest bearing investments, currency, creditworthiness or currency) then the dividend will be treated as a payment of interest to the shareholder for UK income tax purposes and will carry no tax credit.

Any United Kingdom resident investor who realises a gain on the disposal of his investment in an offshore fund (which is not certified as a distributing offshore fund or a reporting status fund, during the investor's entire period of ownership) will normally be charged to United Kingdom Income Tax (or Corporation Tax) on the gain, rather than to United Kingdom Capital Gains Tax (Corporation Tax on chargeable gains in the case of corporate investors).

Several Share Classes of the Company have UK distributor status for period ending on or before 31 March 2010, details of which can be found on the HM Revenue & Customs' website at www.hmrc.gov.uk. At the date of this Prospectus the exact location of this report is:

<https://www.gov.uk/government/publications/offshore-funds-list-of-distributing-funds>.

The Company has UK reporting fund status for certain Distributing and Accumulating Share Classes for its accounting period beginning 1 April 2010 and forward. It is the intention of the Company that all Distributing and Accumulating Share Classes will have UK Reporting Fund status from 1 April 2013 or from their date of launch, if later.

The Company intends to meet the reporting requirements by making available to shareholders the information required in The Offshore Funds (Tax) Regulations 2009 by 30 September each year. However, shareholders and potential shareholders should note that whether UK reporting fund status is obtained and retained for a particular Share Class may be subject to changes in HM Revenue and Customs' practice or other matters outside of the Company's control.

Details of which Share Classes have UK reporting fund status can be found on the HM Revenue & Customs' website at www.hmrc.gov.uk. At the date of this Prospectus the exact location of this list is:

<https://www.gov.uk/government/publications/offshore-funds-list-of-reporting-funds>.

Shareholders in reporting status funds may be taxed on the reportable income arising in an accounting period whether or not that income is distributed to them. The amount taxable per Share will be the total reportable income (adjusted by any qualifying equalisation) for the period, divided by the relevant Shares in issue at the end of that period.

Reporting status must be applied for in advance or shortly after the start of the period for which it is required and (subject to a serious breach of the regulations governing the regime) will provide a greater degree of confidence to shareholders as to the UK tax status of their shareholding.

Shareholders resident or ordinary resident in the United Kingdom should note the provisions of Chapter 2 of Part 13 of the Income Tax Act 2007. These provisions are directed at the prevention of avoidance of income tax through transactions resulting in the transfer of assets or incomes to persons (including companies) abroad and may render them liable to income received by those persons on their behalf.

Shares in the Company will be classified as foreign assets for the purposes of United Kingdom inheritance tax.

► **Genuine Diversity of Ownership**

The intended category of investors in the Company is any investor that complies with the requirements set out in Section "Anti-Money Laundering and Prevention of Terrorist Financing" of Section 2.3. "How to Buy Shares" located in the countries and territories where the Shares of the Company are distributed.

The Shares in the Company will be made widely available to investors of the intended category by the appointed distributor and/or by local distributors as appointed from time to time. These distributors will actively promote investment in the Shares of the Company to a wide variety of investors of the intended category and make the Prospectus available to them. In addition, the Prospectus, the Key Investor Information Document and the Application Form can be obtained directly from the registered office of the Company, the Management Company and the distributor (details of which along with those of local distributors are provided in Appendix 6. "Directory"). Also Section 2.3. "How to Buy Shares" sets out how to buy Shares in the Company. As a consequence the Company considers it allows any investor, including but not limited to any investors of the intended category, the opportunity to obtain information about the Company and to subscribe for Shares.

The Company intends, through the local distributors in the countries concerned, for its Shares to be promoted and made available through those local distributors (acting as financial intermediaries) in a manner designed to attract investors of the intended category.

2.19. Liquidation of the Company/Termination of Sub-Funds

Liquidation of the Company and Amalgamation of Sub-Funds

With the consent of the shareholders expressed in the manner provided for by Articles 67-1 and 142 of the 1915 Law, the Company may be liquidated.

Upon a decision taken by the shareholders of the Company or by the liquidator duly authorised and subject to a one month's prior notice to the shareholders, all assets and liabilities of the Company may be transferred to another UCI having substantially the same characteristics as the Company in exchange for the issue to shareholders in the Company of shares of such corporation or fund proportionate to their shareholdings in the Company.

If at any time the value at their respective net asset values of all outstanding Shares falls below two thirds of the minimum capital for the time being prescribed by Luxembourg law, the Board of Directors must submit the question of dissolution of the Company to a general meeting of the shareholders acting, without minimum quorum requirements, by a simple majority decision of the Shares represented at the meeting.

If at any time the value at their respective net asset values of all outstanding Shares is less than one quarter of the minimum capital for the time being required by Luxembourg law, the Board of Directors must submit the question of dissolution of the Company to a general meeting of the shareholders, acting without minimum quorum requirements and a decision to dissolve the Company may be taken by the shareholders owning one quarter of the Shares represented at the meeting.

Termination and Amalgamation of Sub-Funds

The Board of Directors may decide to liquidate any sub-fund if the net assets of such sub-fund fall below US\$ 50 million, or if a change in the economic or political situation relating to the sub-fund concerned would justify such liquidation or if the interests of the shareholders would justify it.

The decision to liquidate will be published or notified to the shareholders by the Company prior to the effective date of the liquidation and the publication or notification will indicate the reasons for, and the procedures of, the liquidation operations. Unless the Board of Directors otherwise decides in the interests of, or to keep equal treatment between, the shareholders, the shareholders of the sub-fund concerned may continue to request redemption or conversion of their Shares. Liquidation proceeds which cannot be distributed to their beneficiaries upon the close of the liquidation of the sub-fund concerned will be deposited with the *Caisse de Consignation* on behalf of their beneficiaries.

Where the Board of Directors does not have the authority to do so or where the Board of Directors determines that the decision should be put for shareholders' approval, the decision to liquidate a sub-fund may be taken at a meeting of the relevant shareholders instead of being taken by the Board of Directors. At such Class meeting, no quorum shall be required and the decision to liquidate must be approved by shareholders with a simple majority of the votes cast. The decision of the meeting will be notified and/or published by the Company.

Any merger or split of a sub-fund shall be decided upon by the Board of Directors unless the Board of Directors decided to submit the decision for a merger/split to a meeting of shareholders of the Class concerned. No quorum is required for this meeting and decisions are taken by the simple majority of the votes cast.

In case of a merger of a sub-fund where, as a result, the Company ceases to exist, the merger shall be decided by a meeting of shareholders resolving in accordance with the quorum and majority requirements for changing the Articles of Incorporation.

SECTION 3. SUB-FUND INFORMATION

3.1. List of Sub-Funds Available

▶ Reserve Sub-Funds

- Euro Reserve

▶ Bond Sub-Funds

- Asia Bond¹
- Asia Bond Total Return¹
- Asian Currencies Bond
- Brazil Bond
- Euro Bond
- Euro Credit Bond
- Euro Credit Bond Total Return
- Euro High Yield Bond
- GEM Debt Total Return
- GEM Inflation Linked Bond
- Global Asset-Backed Bond
- Global Asset-Backed High Yield Bond
- Global Bond
- Global Bond Total Return
- Global Corporate Bond
- Global Emerging Markets Bond
- Global Emerging Markets Corporate Debt
- Global Emerging Markets Investment Grade Bond
- Global Emerging Markets Local Currency Rates
- Global Emerging Markets Local Debt
- Global Government Bond
- Global High Income Bond
- Global High Yield Bond
- Global Inflation Linked Bond
- Global Short Duration Bond
- Global Short Duration High Yield Bond
- India Fixed Income
- Indonesia Bond¹
- RMB Fixed Income
- US Dollar Bond

▶ Equity Sub-Funds

International and Regional Equity Sub-Funds

- ASEAN Equity
- Asia ex Japan Equity
- Asia ex Japan Equity Smaller Companies
- Asia Pacific ex Japan Equity High Dividend
- BRIC Equity
- BRIC Markets Equity
- China Consumer Opportunities
- Emerging Wealth
- Euroland Equity
- Euroland Equity Smaller Companies
- Euroland Growth
- Europe Equity Volatility Focused¹
- European Equity
- Frontier Markets
- GEM Equity Volatility Focused

- Global Emerging Markets Equity
- Global Equity
- Global Equity Climate Change
- Global Equity Dividend
- Global Equity Volatility Focused
- Global Real Estate Equity
- Greater China Equity¹
- Latin American Equity

Market Specific Equity Sub-Funds

- Brazil Equity
- Chinese Equity
- Hong Kong Equity
- Indian Equity
- Korean Equity
- Mexico Equity
- Russia Equity
- Singapore Equity
- Taiwan Equity
- Thai Equity
- Turkey Equity
- UK Equity
- US Equity¹
- US Equity Volatility Focused

▶ Index Sub-Funds

- Economic Scale Index GEM Equity
- Economic Scale Index Global Equity
- Economic Scale Index Japan Equity
- Economic Scale Index US Equity

▶ Shariah Compliant Sub-Funds

- Islamic Global Equity Index¹

▶ Other Sub-Funds

- Euro Convertible Bond¹
- Global Macro
- Global Multi-Asset Income
- Managed Solutions - Asia Focused Conservative
- Managed Solutions - Asia Focused Growth
- Managed Solutions - Asia Focused Income
- Multi-Asset Style Factors¹

¹ Shares in these sub-funds are not yet available. The initial launch date will be disclosed in the latest annual report of the Company. The relevant Key Investor Information Document will be updated and/or additional Key Investor Information Documents will be issued as new Classes become available or a sub-fund launched. Any references to these sub-funds in the Prospectus will come into effect when Shares in these sub-funds become available.

A sub-fund may, from time to time and without notice to shareholders, be closed to new subscriptions or conversions in (but not to redemptions or conversions out) if the Management Company is in the opinion that the closure is necessary to protect the interests of the existing shareholders. This may happen in circumstances such as where a sub-fund has reached a size above which the portfolio management can no longer be optimal as the capacity of the market has been reached. As a result, permitting additional inflows would be detrimental to the interests of the existing shareholders. Once closed, a sub-fund will not be re-opened until, in the opinion of the Management Company, the circumstances which required closure no longer prevail.

If this occurs, no new investors will be entitled to subscribe Shares in these sub-funds. Existing shareholders should contact their local distributor or the Management Company to enquire on opportunities for ongoing subscriptions (if any). All existing shareholders wishing to subscribe on a given Dealing Day will be treated equitably.

Where closures to new subscriptions or conversions in occur, the website www.assetmanagement.hsbc.com/fundinfo will be updated to indicate the change in status of the applicable sub-fund. Investors should confirm with the Management Company or check the website for the current status of sub-funds.

3.2. Sub-Fund Details

Reserve Sub-Funds

HSBC GLOBAL INVESTMENT FUNDS – EURO RESERVE

▶ **Reference Currency**

EUR

▶ **Investment Objective**

From 20 May 2016

The sub-fund comprises a selection of Investment Grade rated Euro denominated transferable debt securities, money market instruments and other permitted assets, such as securities issued by or guaranteed by the governments of participating Euro countries, their agencies or instrumentalities and ancillary liquid assets. The portfolio will only invest in investments which have a maximum remaining maturity of 397 days. The average maturity of the portfolio will not exceed 90 days. Variable and Floating Rate Notes will be deemed to mature on the next coupon fixing date.

The sub-fund may also invest in financial derivative instruments such as futures, options, swaps and forward currency contracts and in other currency derivatives. The sub-fund intends to use such financial derivative instruments for, *inter alia*, the purposes of managing credit risks and currency positioning but also to enhance return when the Investment Adviser believes the investment in financial derivative instruments will assist the sub-fund in achieving its investment objectives.

Until 19 May 2016

The sub-fund comprises a selection of Investment Grade rated Euro denominated transferable debt securities, money market instruments and other permitted assets, such as securities issued by or guaranteed by the governments of participating Euro countries, their agencies or instrumentalities and ancillary liquid assets. The portfolio will only invest in investments which have a maximum remaining maturity of 365 days. The average maturity of the portfolio will not exceed 90 days. Variable and Floating Rate Notes will be deemed to mature on the next coupon fixing date.

The sub-fund may also invest in financial derivative instruments such as futures, options, swaps and forward currency contracts and in other currency derivatives. The sub-fund intends to use such financial derivative instruments for, *inter alia*, the purposes of managing credit risks and currency positioning but also to enhance return when the Investment Adviser believes the investment in financial derivative instruments will assist the sub-fund in achieving its investment objectives.

▶ **Risk Management**

The commitment approach is used to measure and monitor the level of risk for this sub-fund.

▶ **Profile of the Typical Investor**

Stable category

▶ **Fees and Expenses**

Class of Shares*	A	E	I	X	Z
Management Fee (%)	0.50	n/a	0.25	n/a	0.00
Operating, Administrative and Servicing Expenses (%)	0.15	n/a	0.10	n/a	0.10

Class of Shares*	J	P	W
Management Fee (%)	n/a	n/a	0.00
Operating, Administrative and Servicing Expenses (%)	n/a	n/a	0.00

* For further details regarding the Dealing Currencies and/or Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Description of Share Classes".

Each Share Class may incur additional fees and expenses which are not disclosed in the above table. In particular, there may be as and when the sub-fund offers Currency Hedged Share Classes or Currency Overlay Share Classes an additional fee levied in relation to the operation of a currency hedging policy. Please refer to Section 2.10. "Charges and Expenses" for further details.

Bond Sub-Funds

HSBC GLOBAL INVESTMENT FUNDS – ASIA BOND

▶ **Reference Currency**
USD

▶ **Investment Objective**

The sub-fund aims to provide long term total return by investing in a portfolio of Asian bonds.

The sub-fund invests in normal market conditions a minimum of 90% of its net assets in Investment Grade and Non-Investment Grade fixed income and other similar securities which are either issued or guaranteed by governments, government agencies and supranational bodies in Asia or by companies which are domiciled in, based in, or carry out the larger part of their business in, Asia.

The sub-fund will not invest more than 10% of its net assets in securities issued by or guaranteed by any single sovereign issuer with a credit rating below Investment Grade.

The sub-fund may invest up to 10% of its net assets in Asset Backed Securities ("ABS") and Mortgage Backed Securities ("MBS").

The sub-fund may invest up to 10% of its net assets in contingent convertible securities, however this is not expected to exceed 5%.

The sub-fund may invest up to 10% of its net assets in units or shares of UCITS and/or other Eligible UCIs (including other sub-funds of HSBC Global Investment Funds).

The sub-fund may use financial derivative instruments for hedging purposes. The sub-fund may also use, but not extensively, financial derivative instruments for investment purposes. The financial derivative instruments the sub-fund is permitted to use include, but are not limited to, futures, options, swaps (such as credit default swaps) and foreign exchange forwards (including non-deliverable forwards). Financial derivative instruments may also be embedded in other instruments in which the sub-fund may invest (for example, ABS).

The sub-fund's primary currency exposure is to the US dollar. The sub-fund may also have exposure to non-US dollar currencies including Asian currencies (up to 30% of its net assets).

▶ **Risk Management**

The global exposure relating to this sub-fund will be calculated using a relative Value-at-Risk approach benchmarked against the Markit iBoxx USD Asia Bond index. The average leverage of the sub-fund, under normal market conditions, calculated as the sum of the notionals of the financial derivative instruments used, is expected to be 150%, although higher levels are possible under certain circumstances, including but not limited to, during high levels of market volatility (when financial derivative instruments are generally used to manage the risk of the portfolio) or stability (when financial derivative instruments are generally used to access the relevant markets or securities in a more cost efficient way).

▶ **Profile of the Typical Investor**

Core category

▶ **Fees and Expenses**

Class of Shares*	A	B	E	I	X	Z
Management Fee (%)**	1.10	0.55	1.40	0.55	0.50	0.00
Operating, Administrative and Servicing Expenses (%)	0.35	0.35	0.35	0.25	0.20***	0.25

Class of Shares*	J	P	S26	W
Management Fee (%)	0.60	n/a	0.25	0.00
Operating, Administrative and Servicing Expenses (%)	0.25	n/a	0.20***	0.00

* For further details regarding the Dealing Currencies and/or Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Description of Share Classes".

** The maximum rate for Class A, B, X and Z is 3.5%.

*** This percentage is a maximum. The amount paid will be disclosed in the semi-annual and annual reports of the Company.

Each Share Class may incur additional fees and expenses which are not disclosed in the above table. In particular, there may be as and when the sub-fund offers Currency Hedged Share Classes or Currency Overlay Share Classes an additional fee levied in relation to the operation of a currency hedging policy. Please refer to Section 2.10. "Charges and Expenses" for further details.

▶ **Minimum Investment / Minimum Holding**

Class of Shares	Minimum Initial Investment Minimum Holding	
Class S26	USD	10,000,000

▶ **Reference Currency**

USD

▶ **Investment Objective**

The sub-fund aims to provide long term total return by investing in a portfolio allocated across Asian bonds and other similar securities or instruments.

The Total Return strategy aims to capture the majority of the upside in the Asian bond universe while limiting the downside risk. The Total Return strategy has a flexible allocation across the full spectrum of Asian bond assets. Returns are generated through duration management, yield curve positioning, currency positioning and the selection of individual securities within the investment universe. By seeking multiple sources of return, the Total Return strategy aims to provide over an investment cycle risk-adjusted returns above the investment universe of the sub-fund without reference to a benchmark index. However the Total Return strategy should not be construed to imply there is any protection of capital or guarantee of a positive return over time. The sub-fund is subject to market risks at any time.

The sub-fund invests in normal market conditions a minimum of 90% of its net assets, either directly or through the use of financial derivative instruments, in Investment Grade and Non-Investment Grade rated fixed income securities which are either issued or guaranteed by governments, government agencies or supranational bodies in Asia or issued by companies which are domiciled in, based in, or carry out the larger part of their business in, Asia. These securities are denominated in local currencies or in developed market currencies. In adverse market conditions, the sub-fund may invest up to 49% of its net assets in cash, cash instruments, money market instruments and/or short-dated fixed income securities which may be issued by governments in developed markets.

The sub-fund may invest up to 10% of its net assets in Asset Backed Securities ("ABS") and Mortgage Backed Securities ("MBS").

The sub-fund may invest up to 10% of its net assets in contingent convertible securities, however this is not expected to exceed 5%.

The sub-fund will not invest more than 10% of its net assets in securities issued by or guaranteed by any single sovereign issuer with a credit rating below Investment Grade.

The sub-fund may invest up to 10% of its net assets in units or shares of UCITS and/or other Eligible UCIs (including other sub-funds of HSBC Global Investment Funds).

The sub-fund may use financial derivative instruments for hedging purposes. The sub-fund may also use, but not extensively, financial derivative instruments for investment purposes. The financial derivative instruments the sub-fund is permitted to use include, but are not limited to, futures, options, swaps (such as credit default swaps) and foreign exchange forwards (including non-deliverable forwards). Financial derivative instruments may also be embedded in other instruments in which the sub-fund may invest (for example, ABS).

The sub-fund is managed to provide a US dollar return. The sub-fund's primary currency exposure is to the US dollar and Asian currencies.

▶ **Risk Management**

The global exposure relating to this sub-fund will be calculated using an absolute Value-at-Risk approach. The average leverage of the sub-fund, under normal market conditions, calculated as the sum of the notionals of the financial derivative instruments used, is expected to be 150%, although higher levels are possible including but not limited to, during high levels of market volatility (when financial derivative instruments are generally used to manage the risk of the portfolio) or stability (when financial derivative instruments are generally used to access the relevant markets or securities in a more cost efficient way).

▶ **Profile of the Typical Investor**

Dynamic category

► **Fees and Expenses**

Class of Shares*	A	B	E	I	X	Z
Management Fee (%)**	1.25	0.625	1.55	0.625	0.60	0.00
Operating, Administrative and Servicing Expenses (%)	0.35	0.35	0.35	0.25	0.20***	0.25

Class of Shares*	S22	W
Management Fee (%)	0.30	0.00
Operating, Administrative and Servicing Expenses (%)	0.20	0.00

* For further details regarding the Dealing Currencies and/or Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Description of Share Classes".

** The maximum rate for Class A, B, X and Z is 3.5%.

*** This percentage is a maximum. The amount paid will be disclosed in the semi-annual and annual reports of the Company.

Each Share Class may incur additional fees and expenses which are not disclosed in the above table. In particular, there may be as and when the sub-fund offers Currency Hedged Share Classes or Currency Overlay Share Classes an additional fee levied in relation to the operation of a currency hedging policy. Please refer to Section 2.10. "Charges and Expenses" for further details.

► **Minimum Investment / Minimum Holding**

Class of Shares	Minimum Initial Investment Minimum Holding	
Class S22	USD	10,000,000

▶ **Reference Currency**

USD

▶ **Investment Objective**

The sub-fund invests for total return primarily in a diversified portfolio of Investment and Non-Investment Grade rated fixed income (e.g. bonds) securities including cash and convertible bonds. The sub-fund will seek to invest primarily in securities issued in the Asian markets and denominated in Asian currencies. At least 70% of the sub-fund's assets will be invested in securities denominated in Asian currencies. The sub-fund may also consider investments in securities denominated in OECD countries and other Emerging Markets currencies.

The sub-fund may also invest in financial derivative instruments such as futures, forwards (including non-deliverable forwards) swaps (including, but not limited to, credit default swaps and Total Return Swaps), options as well as other structured products. The sub-fund intends to use such financial derivative instruments, *inter alia*, for return enhancement, hedging, tax-advantage access to instruments and whenever the Investment Adviser believes the investment in financial derivative instruments will assist the sub-fund in achieving its investment objectives.

▶ **Risk Management**

From 20 June 2016

The global exposure relating to this sub-fund will be calculated using a relative Value-at-Risk approach benchmarked against the Markit iBoxx Pan Asia Bond ex China & HK index. The average leverage of the sub-fund, under normal market conditions, calculated as the sum of the notionals of the financial derivative instruments used, is expected to be 150%, although higher levels are possible under certain circumstances, including but not limited to, during high levels of market volatility (when financial derivative instruments are generally used to manage the risk of the portfolio) or stability (when financial derivative instruments are generally used to access the relevant markets or securities in a more cost efficient way).

Until 19 June 2016

The global exposure relating to this sub-fund will be calculated using a relative Value-at-Risk approach benchmarked against the iBoxx ABF Pan Asia ex China and ex Hong Kong Index. The average leverage of the sub-fund, under normal market conditions, calculated as the sum of the notionals of the financial derivative instruments used, is expected to be 50%, although higher levels are possible under certain circumstances, including but not limited to, during high levels of market volatility (when financial derivative instruments are generally used to manage the risk of the portfolio) or stability (when financial derivative instruments are generally used to access the relevant markets or securities in a more cost efficient way).

▶ **Profile of the Typical Investor**

Core category

▶ **Fees and Expenses**

Class of Shares*	A	B	E	I	X	Z
Management Fee (%)	1.25	0.625	1.55	0.625	0.60	0.00
Operating, Administrative and Servicing Expenses (%)	0.35	0.35	0.35	0.25	0.20**	0.25

Class of Shares*	J	P	W
Management Fee (%)	0.60	n/a	0.00
Operating, Administrative and Servicing Expenses (%)	0.25	n/a	0.00

* For further details regarding the Dealing Currencies and/or Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Description of Share Classes".

** This percentage is a maximum. The amount paid will be disclosed in the semi-annual and annual reports of the Company.

Each Share Class may incur additional fees and expenses which are not disclosed in the above table. In particular, there may be as and when the sub-fund offers Currency Hedged Share Classes or Currency Overlay Share Classes an additional fee levied in relation to the operation of a currency hedging policy. Please refer to Section 2.10. "Charges and Expenses" for further details.

▶ **Minimum Investment / Minimum Holding**

Class of Shares	Minimum Initial Investment Minimum Holding	
Class X	USD	5,000,000

▶ **Reference Currency**

USD

▶ **Investment Objective**

The sub-fund invests for total return primarily in a diversified portfolio of Non-Investment and Investment Grade rated fixed income (e.g. bonds) and other similar securities issued or guaranteed by governments or government agencies, including those of the Brazilian Government, or supranational bodies issuing bonds which have exposure to Brazil as well as by companies which have their registered office in Brazil or which carry out a majority of their economic activities in Brazil or issue instruments that involve credit exposure in respect of Brazil.

Such securities will be primarily denominated in local currency, which is the Real. On an ancillary basis, the sub-fund may consider investments in securities denominated in USD.

As disclosed in Appendix 1. "General Investment Restrictions", Section III f), the sub-fund may invest up to 100% of its net assets in transferable securities issued or guaranteed by the Brazilian Government, Brazilian Government agencies or by supranational bodies of which one or more member states of the European Union are members issuing bonds which have exposure to Brazil provided that the sub-fund hold securities originated from at least six different issues whereby any one issue may not exceed 30% of the sub-fund net assets.

The sub-fund may use financial derivative instruments for hedging purposes. The sub-fund may also use, but not extensively, financial derivative instruments for investment purposes. The financial derivative instruments the sub-fund is permitted to use include, but are not limited to, futures, options, swaps (such as credit default swaps) and foreign exchange forwards (including non-deliverable forwards).

▶ **Risk Management**

The global exposure relating to this sub-fund will be calculated using a relative Value-at-Risk approach benchmarked against the JP Morgan GBI-EM Global Brazil index. The average leverage of the sub-fund, under normal market conditions, calculated as the sum of the notionals of the financial derivative instruments used, is expected to be 50%, although higher levels are possible under certain circumstances, including but not limited to, during high levels of market volatility (when financial derivative instruments are generally used to manage the risk of the portfolio) or stability (when financial derivative instruments are generally used to access the relevant markets or securities in a more cost efficient way).

▶ **Profile of the Typical Investor**

Core Plus category

▶ **Fees and Expenses**

Class of Shares*	A	B	E	I	X	Z
Management Fee (%)	1.00	0.50	1.30	0.50	0.50	0.00
Operating, Administrative and Servicing Expenses (%)	0.35	0.35	0.35	0.25	0.20**	0.25

Class of Shares*	J	P	W
Management Fee (%)	n/a	n/a	0.00
Operating, Administrative and Servicing Expenses (%)	n/a	n/a	0.00

* For further details regarding the Dealing Currencies and/or Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Description of Share Classes".

** This percentage is a maximum. The amount paid will be disclosed in the semi-annual and annual reports of the Company.

Each Share Class may incur additional fees and expenses which are not disclosed in the above table. In particular, there may be as and when the sub-fund offers Currency Hedged Share Classes or Currency Overlay Share Classes an additional fee levied in relation to the operation of a currency hedging policy. Please refer to Section 2.10. "Charges and Expenses" for further details.

▶ **Minimum Investment / Minimum Holding**

Class of Shares	Minimum Initial Investment Minimum Holding	
Class X	USD	2,500,000

▶ **Reference Currency**

EUR

▶ **Investment Objective**

The sub-fund invests for total return primarily in a diversified portfolio of Investment Grade rated fixed income (e.g. bonds) and other similar securities from around the world, denominated in Euro. The sub-fund will seek to invest primarily in securities issued in developed markets such as OECD countries.

The sub-fund may invest up to 10% of its net assets in contingent convertible securities, however this is not expected to exceed 5%.

The sub-fund may also invest in financial derivative instruments such as futures, options, swaps (including, but not limited to, credit default swaps and Total Return Swaps) and forward currency contracts and in other currency and credit derivatives. These financial derivative instruments may be denominated in currencies other than EUR although the net currency exposure will be very close to 100% in EUR at all times. The sub-fund intends to use such financial derivative instruments for, *inter alia*, the purposes of managing interest and credit risks and currency positioning but also to enhance return when the Investment Adviser believes the investment in financial derivative instruments will assist the sub-fund in achieving its investment objectives.

▶ **Risk Management**

The commitment approach is used to measure and monitor the level of risk for this sub-fund.

▶ **Profile of the Typical Investor**

Core category

▶ **Fees and Expenses**

Class of Shares*	A	B	E	I	X	Z
Management Fee (%)	0.75	0.375	1.05	0.375	0.30	0.00
Operating, Administrative and Servicing Expenses (%)	0.25	0.25	0.25	0.15	0.15**	0.15

Class of Shares*	J	P	S18	W
Management Fee (%)**	0.60	0.50	0.15	0.00
Operating, Administrative and Servicing Expenses (%)	0.15	0.25	0.15	0.00

* For further details regarding the Dealing Currencies and/or Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Description of Share Classes".

** This percentage is a maximum. The amount paid will be disclosed in the semi-annual and annual reports of the Company.

Each Share Class may incur additional fees and expenses which are not disclosed in the above table. In particular, there may be as and when the sub-fund offers Currency Hedged Share Classes or Currency Overlay Share Classes an additional fee levied in relation to the operation of a currency hedging policy. Please refer to Section 2.10. "Charges and Expenses" for further details.

▶ **Minimum Investment / Minimum Holding**

Class of Shares	Minimum Initial Investment Minimum Holding	
Class S18	USD	20,000,000

▶ **Reference Currency**
EUR

▶ **Investment Objective**

The sub-fund invests for total return primarily in a diversified portfolio of Investment Grade rated fixed income (e.g. bonds) and other similar securities, denominated in Euro. The sub-fund will seek to invest primarily in Euro denominated Investment Grade corporate issues whilst reserving the possibility of investing in securities issued or guaranteed by governments, government agencies and supranational bodies.

The sub-fund may invest up to 10% of its net assets in contingent convertible securities, however this is not expected to exceed 5%.

The sub-fund may also invest in financial derivative instruments such as futures, options, swaps (including, but not limited to, credit default swaps and Total Return Swaps) and forward currency contracts and in other currency and credit derivatives. The sub-fund intends to use such financial derivative instruments for, *inter alia*, the purposes of managing interest and credit risks and currency positioning but also to enhance return when the Investment Adviser believes the investment in financial derivative instruments will assist the sub-fund in achieving its investment objectives.

▶ **Risk Management**

The commitment approach is used to measure and monitor the level of risk for this sub-fund.

▶ **Profile of the Typical Investor**

Core category

▶ **Fees and Expenses**

Class of Shares*	A	B	E	I	X	Z
Management Fee (%)	0.85	0.425	1.15	0.425	0.35	0.00
Operating, Administrative and Servicing Expenses (%)	0.25	0.25	0.25	0.20	0.15**	0.20

Class of Shares*	J	P	S19	W
Management Fee (%)	0.60	n/a	0.25	0.00
Operating, Administrative and Servicing Expenses (%)	0.20	n/a	0.15	0.00

* For further details regarding the Dealing Currencies and/or Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Description of Share Classes".

** This percentage is a maximum. The amount paid will be disclosed in the semi-annual and annual reports of the Company.

Each Share Class may incur additional fees and expenses which are not disclosed in the above table. In particular, there may be as and when the sub-fund offers Currency Hedged Share Classes or Currency Overlay Share Classes an additional fee levied in relation to the operation of a currency hedging policy. Please refer to Section 2.10. "Charges and Expenses" for further details.

▶ **Minimum Investment / Minimum Holding**

Class of Shares	Minimum Initial Investment Minimum Holding	
Class S19	USD	30,000,000

▶ **Reference Currency**

EUR

▶ **Investment Objective**

The sub-fund invests for long term total return in a portfolio allocated across the full spectrum of Euro denominated corporate bonds and other similar securities or instruments.

The Total Return strategy aims to capture the majority of the upside in the Euro credit universe while limiting the downside risk. The Total Return strategy has a flexible allocation across the Euro credit market. Returns are generated through duration management, yield curve positioning and the selection of individual securities within the investment universe. By seeking multiple sources of return, the Total Return strategy aims to provide over an investment cycle risk-adjusted returns above the investment universe of the sub-fund without reference to a benchmark index. However the Total Return strategy does not imply there is any protection of capital or guarantee of a positive return over time. The sub-fund is subject to market risks at any time.

The sub-fund invests in normal market conditions a minimum of 90% of its net assets, either directly or through the use of financial derivative instruments, in Investment Grade and Non-Investment Grade rated fixed income and other similar securities which are issued by companies which are based in or carry out the larger part of their business in developed markets such as OECD countries or issued or guaranteed by governments, government agencies and supranational bodies of the same markets. These securities are primarily denominated in Euro.

On an ancillary basis (normally up to 10% of its net assets), the sub-fund may also invest in Euro denominated securities issued or guaranteed by governments or government agencies or supranational bodies of Emerging Markets or issued by companies which are based in Emerging Markets.

Investments in Asset Backed Securities ("ABS") and Mortgage Back Securities ("MBS") are limited to a maximum of 10% of the sub-fund's net assets.

Investments in convertible bonds are subject to a limit of 10% of the sub-fund's net assets.

The sub-fund may invest up to 15% of its net assets in contingent convertible securities, however this is not expected to exceed 10%.

The sub-fund may achieve its investment policy and limits by investing up to 10% of its net assets in units or shares of UCITS and/or other open-ended funds (including other sub-funds of HSBC Global Investment Funds).

The sub-fund may also invest in financial derivative instruments such as futures, options, swaps (including, but not limited to, credit default swaps and total return swaps), forward currency contracts and in other currency and credit derivatives, as well as other structured products. The sub-fund intends to use such financial derivative instruments for, *inter alia*, the purposes of managing interest and credit risks and currency positioning and also to enhance return when the Investment Adviser believes the investment in financial derivative instruments will assist the sub-fund in achieving its investment objectives.

The sub-fund is managed without reference to any market index weightings.

The sub-fund's primary currency exposure is to the Euro. On an ancillary basis (normally up to 10% of its net assets), the sub-fund may also have exposure to other European currencies but hedged back into Euro.

▶ **Risk Management**

The global exposure relating to this sub-fund will be calculated using an absolute Value-at-Risk approach. The average leverage of the sub-fund, under normal market conditions, calculated as the sum of the notionals of the financial derivative instruments used, is expected to be 80%, although higher levels are possible including but not limited to, during high levels of market volatility (when financial derivative instruments are generally used to manage the risk of the portfolio) or stability (when financial derivative instruments are generally used to access the relevant markets or securities in a more cost efficient way).

▶ **Profile of the Typical Investor**

Core category

► **Fees and Expenses**

Class of Shares*	A	B	E	I	X	Z
Management Fee (%)	0.90	0.45	1.20	0.45	0.40	0.00
Operating, Administrative and Servicing Expenses (%)	0.25	0.25	0.25	0.20	0.15**	0.20

Class of Shares*	J	P	S10	W
Management Fee (%)	0.60	n/a	0.20	0.00
Operating, Administrative and Servicing Expenses (%)	0.20	n/a	0.15**	0.00

* For further details regarding the Dealing Currencies and/or Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Description of Share Classes".

** This percentage is a maximum. The amount paid will be disclosed in the semi-annual and annual reports of the Company.

Each Share Class may incur additional fees and expenses which are not disclosed in the above table. In particular, there may be as and when the sub-fund offers Currency Hedged Share Classes or Currency Overlay Share Classes an additional fee levied in relation to the operation of a currency hedging policy. Please refer to Section 2.10. "Charges and Expenses" for further details.

► **Minimum Investment / Minimum Holding**

Class of Shares	Minimum Initial Investment Minimum Holding	
Class S10	USD	10,000,000

▶ **Reference Currency**

EUR

▶ **Investment Objective**

The sub-fund aims to provide long term total return by investing in a portfolio of Euro denominated high yielding bonds.

The sub-fund invests (normally a minimum of 90% of its net assets) in Non-Investment Grade rated fixed income securities and other higher yielding securities (including unrated bonds) which are either issued by companies or issued or guaranteed by government, government agencies or supranational bodies in both developed markets, such as OECD countries, and Emerging Markets. These securities are denominated in Euro and, on an ancillary basis (normally up to 10% of the sub-fund's net assets), in other developed market currencies.

The sub-fund may invest up to 15% of its net assets in contingent convertible securities, however this is not expected to exceed 10%.

The sub-fund may achieve its investment policy by investing up to 10% of its net assets in units or shares of UCITS and/or other Eligible UCIs (including other sub-funds of HSBC Global Investment Funds).

On an ancillary basis, the sub-fund may achieve its investment policy by investing in financial derivative instruments. However, the sub-fund does not intend to invest in financial derivative instruments extensively for investment purposes and their primary use will be for hedging and efficient portfolio management, including purposes such as cash flow management and tactical asset allocation.

Financial derivative instruments that the sub-fund may use include, but are not limited to foreign exchange forwards (including non-deliverable forwards), exchange-traded future options, foreign exchange options and swaptions, exchange traded futures and swaps (interest rate, credit default, inflation, total return and currency). Financial derivative instruments may also be embedded in other instruments used by the sub-fund (for example, convertibles).

The sub-fund's primary currency exposure is to the Euro. The sub-fund will normally hedge non-Euro currency exposures into Euro.

▶ **Risk Management**

The commitment approach is used to measure and monitor the level of risk for this sub-fund.

▶ **Profile of the Typical Investor**

Core Plus category

▶ **Fees and Expenses**

Class of Shares*	A	B	E	I	X	Z
Management Fee (%)	1.10	0.55	1.40	0.55	0.50	0.00
Operating, Administrative and Servicing Expenses (%)	0.25	0.25	0.25	0.20	0.15**	0.20

Class of Shares*	J	P	S8	W
Management Fee (%)	0.60	n/a	0.35	0.00
Operating, Administrative and Servicing Expenses (%)	0.20	n/a	0.15	0.00

* For further details regarding the Dealing Currencies and/or Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Description of Share Classes".

** This percentage is a maximum. The amount paid will be disclosed in the semi-annual and annual reports of the Company.

Each Share Class may incur additional fees and expenses which are not disclosed in the above table. In particular, there may be as and when the sub-fund offers Currency Hedged Share Classes or Currency Overlay Share Classes an additional fee levied in relation to the operation of a currency hedging policy. Please refer to Section 2.10. "Charges and Expenses" for further details.

▶ **Minimum Investment / Minimum Holding**

Class of Shares	Minimum Initial Investment Minimum Holding	
Class S8	USD	30,000,000
Class X	USD	5,000,000

▶ **Reference Currency**

USD

▶ **Investment Objective**

The sub-fund aims to provide long term total return by investing primarily in a concentrated portfolio of Investment Grade and Non- Investment Grade rated fixed income and other similar securities, denominated in local currency or in the currencies of OECD countries. These securities are issued or guaranteed by governments or government agencies or supranational bodies of Emerging Markets or issued by companies which have their registered office in Emerging Markets.

The Total Return strategy aims to capture the majority of the upside in the Emerging Market debt universe while limiting the downside risk. The Total Return strategy has a flexible allocation across the full spectrum of Emerging Market debt assets. Returns are generated through duration management, yield curve positioning, currency positioning and the selection of individual securities within the investment universe. By seeking multiple sources of return, the Total Return strategy aims to provide over an investment cycle risk-adjusted returns above the investment universe of the sub-fund without reference to a benchmark index. However the Total Return strategy does not imply there is any protection of capital or guarantee of a positive return over time. The sub-fund is subject to market risks at any time.

Depending on the Investment Adviser's view as to the attractiveness of the Emerging Markets equity markets, the sub-fund may invest up to 10% of the sub-fund's net asset value in equity and equity equivalent securities issued by companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of an Emerging Market country, as well as those companies which carry out a preponderant part of their business activities in any Emerging Market country.

Investments in a combination of convertible bonds and options will be subject to a limit of 25% of the sub-fund's net asset value.

The sub-fund may invest up to 10% of its net assets in contingent convertible securities, however this is not expected to exceed 5%.

If the Investment Adviser considers that the Emerging Markets offer insufficient opportunities at any time, the sub-fund may invest up to 49% of the sub-fund's net asset value in liquid assets.

The portfolio will be actively managed, aiming to achieve total returns to investors without reference to any market index weightings.

The sub-fund may also invest in financial derivative instruments such as futures, forwards (including non-deliverable forwards), swaps, options, credit default swaps as well as other structured products. The sub-fund intends to use such financial derivative instruments for, *inter alia*, the purposes of return enhancement, hedging, tax-advantage access to instruments and whenever the Investment Adviser believes the investment in financial derivative instruments will assist the sub-fund in achieving its investment objectives.

▶ **Risk Management**

The global exposure relating to this sub-fund will be calculated using an absolute Value-at-Risk approach. The average leverage of the sub-fund, under normal market conditions, calculated as the sum of the notional of the financial derivative instruments used, is expected to be 150%, although higher levels are possible including but not limited to, during high levels of market volatility (when financial derivative instruments are generally used to manage the risk of the portfolio) or stability (when financial derivative instruments are generally used to access the relevant markets or securities in a more cost efficient way).

▶ **Profile of the Typical Investor**

Dynamic category

► **Fees and Expenses**

Class of Shares*	A	B	E	I	X	Z
Management Fee (%)**	1.60	0.80	1.90	0.80	0.75	0.00
Operating, Administrative and Servicing Expenses (%)	0.35	0.35	0.35	0.30	0.25***	0.00

Class of Shares*	S4	W
Management Fee (%)	0.75	0.00
Operating, Administrative and Servicing Expenses (%)	0.25	0.00

Class of Shares*	J [^]	L [^]	M [^]	N [^]	R [^]	S21 [^]	ZP [^]
Management Fee (%)	0.60	0.50	1.00	0.50	1.50	0.40	0.00
Operating, Administrative and Servicing Expenses (%)	0.25	0.25	0.35	0.35	0.35	0.20	0.25

* For further details regarding the Dealing Currencies and/or Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Description of Share Classes".

** The maximum rate for Class A, B, X and Z is 3.5%.

*** This percentage is a maximum. The amount paid will be disclosed in the semi-annual and annual reports of the Company.

[^] Performance fee for Class J1, J2, etc., L1, L2, etc., M1, M2, etc., N1, N2, etc., R1, R2, etc., and ZP1, ZP2, etc. and for Class S21 as disclosed in the Section 2.10. "Charges and Expenses", may be charged in addition to the management fees.

Each Share Class may incur additional fees and expenses which are not disclosed in the above table. In particular, there may be as and when the sub-fund offers Currency Hedged Share Classes or Currency Overlay Share Classes an additional fee levied in relation to the operation of a currency hedging policy. Please refer to Section 2.10. "Charges and Expenses" for further details.

► **Performance Fee**

Details on the methodology used for the calculation of performance fees are disclosed in Section 2.10. "Charges and Expenses".

Applicable Share Classes	Hurdle Rate	Performance Rate
J, L, M, N, R, S21, ZP	5% per annum in the Net Asset Value per Share of the relevant Share Class	20%

► **Minimum Investment / Minimum Holding**

Class of Shares	Minimum Initial Investment Minimum Holding	
Class S21	USD	30,000,000

HSBC GLOBAL INVESTMENT FUNDS – GEM INFLATION LINKED BOND

▶ Reference Currency

USD

▶ Investment Objective

The sub-fund invests for total return primarily in a diversified portfolio of fixed income securities whose returns are linked to the inflation rate of one or more Emerging Market countries as well active overlay positions in local Emerging Market currencies.

The sub-fund will invest in Investment Grade, Non-Investment Grade and unrated fixed income securities issued or guaranteed by governments, government agencies, supranational bodies or companies linked to Emerging Markets and denominated in local currencies of Emerging Markets.

On an ancillary basis, the sub-fund may also invest in non-inflation linked fixed income securities denominated in either local currency or in the currency of an OECD country.

The sub-fund will use financial derivative instruments such as currency forwards (including non-deliverable forwards), futures, swaps, options, credit default swaps and credit default indices. The sub-fund intends to use such financial derivative instruments for, *inter alia*, return enhancement, hedging, tax-efficient access to instruments and whenever the Investment Adviser believes the investment in financial derivative instruments will assist the sub-fund in achieving its investment objectives.

▶ Risk Management

The global exposure relating to this sub-fund will be calculated using a relative Value-at-Risk approach benchmarked against the Barclays Emerging Markets Tradable Government Inflation-Linked Bond Index. The average leverage of the sub-fund, under normal market conditions, calculated as the sum of the notionals of the financial derivative instruments used, is expected to be 50%, although higher levels are possible under certain circumstances, including but not limited to, during high levels of market volatility (when financial derivative instruments are generally used to manage the risk of the portfolio) or stability (when financial derivative instruments are generally used to access the relevant markets or securities in a more cost efficient way).

▶ Profile of the Typical Investor

Core Plus category

▶ Fees and Expenses

Class of Shares*	A	B	E	I	X	Z
Management Fee (%)	1.00	0.50	1.25	0.50	0.50	0.00
Operating, Administrative and Servicing Expenses (%)	0.30	0.30	0.30	0.25	0.20**	0.20

Class of Shares*	J	P	W
Management Fee (%)	n/a	n/a	0.00
Operating, Administrative and Servicing Expenses (%)	n/a	n/a	0.00

* For further details regarding the Dealing Currencies and/or Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Description of Share Classes".

** This percentage is a maximum. The amount paid will be disclosed in the semi-annual and annual reports of the Company.

Each Share Class may incur additional fees and expenses which are not disclosed in the above table. In particular, there may be as and when the sub-fund offers Currency Hedged Share Classes or Currency Overlay Share Classes an additional fee levied in relation to the operation of a currency hedging policy. Please refer to Section 2.10. "Charges and Expenses" for further details.

▶ Minimum Investment / Minimum Holding

Class of Shares	Minimum Initial Investment Minimum Holding	
Class X	USD	5,000,000

▶ **Reference Currency**

USD

▶ **Investment Objective**

The sub-fund invests for total return primarily in Asset Backed Securities ("ABS") and Mortgage Backed Securities ("MBS"). The sub-fund may also invest in other fixed income instruments issued globally denominated in a range of currencies, including but not limited to, corporate bonds, government securities, and cash. Issuers of these securities may be located in any country.

The sub-fund may invest up to 100% of its assets in ABS and MBS securities whose underlyings include, but are not limited to, mortgages (residential and commercial), auto loans, corporate loans, bonds, credit cards, student loans and other receivables. The sub-fund's investments in ABS and MBS will be restricted to securities rated, at the time of purchase, at least BBB- or equivalent as measured by one or more of the independent rating agencies such as Moody's or Standard & Poor's.

The sub-fund may also invest in financial derivative instruments such as futures, options, swaps (including, but not limited to, credit default swaps and Total Return Swaps), forward currency contracts and in other currency and credit derivatives, as well as other structured products. The sub-fund intends to use such financial derivative instruments for, *inter alia*, the purposes of managing interest and credit risks and currency positioning and also to enhance return when the Investment Adviser believes the investment in financial derivative instruments will assist the sub-fund in achieving its investment objectives.

▶ **Risk Management**

The commitment approach is used to measure and monitor the level of risk for this sub-fund.

▶ **Profile of the Typical Investor**

Dynamic category

▶ **Fees and Expenses**

Class of Shares*	A	B	E	I	X	Z
Management Fee (%)	0.90	0.45	1.20	0.45	0.45	0.00
Operating, Administrative and Servicing Expenses (%)	0.25	0.25	0.25	0.20	0.15**	0.20

Class of Shares*	J	P	W
Management Fee (%)	n/a	n/a	0.00
Operating, Administrative and Servicing Expenses (%)	n/a	n/a	0.00

* For further details regarding the Dealing Currencies and/or Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Description of Share Classes".

** This percentage is a maximum. The amount paid will be disclosed in the semi-annual and annual reports of the Company.

Each Share Class may incur additional fees and expenses which are not disclosed in the above table. In particular, there may be as and when the sub-fund offers Currency Hedged Share Classes or Currency Overlay Share Classes an additional fee levied in relation to the operation of a currency hedging policy. Please refer to Section 2.10. "Charges and Expenses" for further details.

▶ **Dealing Day**

Operation	Due date for receipt of Applications to buy Shares and/or requests to redeem Shares
Buying Shares	Twice a month: On each Net Asset Value Calculation, as defined below.
Selling Shares	Twice a month: 7 Business Days prior to the Net Asset Value Calculation, as defined below.

▶ **Net Asset Value Calculation**

Twice a month on:

- The 15th of each calendar month. If the 15th is not a Business Day or if stock exchanges and Regulated Markets in countries where the sub-fund is materially invested are not open for normal trading, the immediately following Business Day which is also a day where stock exchanges and Regulated Markets in countries where the sub-fund is materially invested are open for normal trading, and
- The last Business Day of each calendar month, which is also a day where stock exchanges and Regulated Markets in countries where the sub-fund is materially invested are open for normal trading.

► **Settlement**

Operation	Due date for receipt of cleared monies/payment of redemption proceeds
Buying Shares	One Business Day after Net Asset Value Calculation (which is a Business Day during which the banks in the principal financial centre for the Settlement Currency of the relevant Share Class are open for business. Otherwise receipt of cleared monies will be the next Business Day where the banks in the principal financial centre for the Settlement Currency of the relevant Share Class are open for business)
Selling Shares	No later than four Business Days after the Net Asset Value Calculation (which are days during which the banks in the principal financial centre for the Settlement Currency of the relevant Share Class are open for business)

HSBC GLOBAL INVESTMENT FUNDS – GLOBAL ASSET-BACKED HIGH YIELD BOND

▶ Reference Currency

USD

▶ Investment Objective

The sub-fund invests for long term total return in a portfolio of high yield asset backed bonds. The sub-fund's primary currency exposure is to the US dollar ("USD").

The sub-fund invests (normally a minimum of 90% of its net assets) in higher yielding Asset Backed Securities ("ABS") and Mortgage Backed Securities ("MBS"), including Non-Investment Grade rated, and in other fixed income instruments, including but not limited to, corporate bonds, government securities, and cash. These instruments will be denominated in a range of currencies, but hedged back into USD.

The sub-fund's underlying exposures include, but are not limited to, mortgages (residential and commercial), auto loans, corporate loans, bonds, credit cards, student loans and other receivables.

The sub-fund may achieve its investment policy and limits by investing up to 10% of its net assets in units or shares of UCITS and other open-ended funds (including other funds of HSBC Global Investment Funds).

The sub-fund may also invest in financial derivative instruments such as futures, options, swaps (including, but not limited to, credit default swaps and Total Return Swaps), forward currency contracts and in other currency and credit derivatives, as well as other structured products. The sub-fund intends to use such financial derivative instruments for, *inter alia*, the purposes of managing interest and credit risks and currency positioning and also to enhance return when the Investment Adviser believes the investment in financial derivative instruments will assist the sub-fund in achieving its investment objectives.

▶ Risk Management

The commitment approach is used to measure and monitor the level of risk for this sub-fund.

▶ Profile of the Typical Investor

Dynamic category

▶ Fees and Expenses

Class of Shares*	A	B	E	I	X	Z
Management Fee (%)	1.50	0.75	2.00	0.75	0.70	0.00
Operating, Administrative and Servicing Expenses (%)	0.25	0.25	0.25	0.20	0.15**	0.20

Class of Shares*	J	P	W
Management Fee (%)	n/a	n/a	n/a
Operating, Administrative and Servicing Expenses (%)	n/a	n/a	n/a

* For further details regarding the Dealing Currencies and/or Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Description of Share Classes".

** This percentage is a maximum. The amount paid will be disclosed in the semi-annual and annual reports of the Company.

Each Share Class may incur additional fees and expenses which are not disclosed in the above table. In particular, there may be as and when the sub-fund offers Currency Hedged Share Classes or Currency Overlay Share Classes an additional fee levied in relation to the operation of a currency hedging policy. Please refer to Section 2.10. "Charges and Expenses" for further details.

▶ Dealing Day

Operation	Due date for receipt of Applications to buy Shares and/or requests to redeem Shares
Buying Shares	Twice a month: On each Net Asset Value Calculation, as defined below.
Selling Shares	Twice a month: Seven Business Days prior to the Net Asset Value Calculation, as defined below.

▶ **Net Asset Value Calculation**

Twice a month on:

- The 15th of each calendar month. If the 15th is not a Business Day or if stock exchanges and Regulated Markets in countries where the sub-fund is materially invested are not open for normal trading, the immediately following Business Day which is also a day where stock exchanges and Regulated Markets in countries where the sub-fund is materially invested are open for normal trading, and
- The last Business Day of each calendar month, which is also a day when stock exchanges and Regulated Markets in countries where the sub-fund is materially invested are open for normal trading.

▶ **Settlement**

Operation	Due date for receipt of cleared monies/payment of redemption proceeds
Buying Shares	One Business Day after Net Asset Value Calculation (which is a Business Day during which the banks in the principal financial centre for the Settlement Currency of the relevant Share Class are open for business. Otherwise receipt of cleared monies will be the next Business Day where the banks in the principal financial centre for the Settlement Currency of the relevant Share Class are open for business)
Selling Shares	No later than four Business Days after the Net Asset Value Calculation (which are days during which the banks in the principal financial centre for the Settlement Currency of the relevant Share Class are open for business)

▶ **Reference Currency**

USD

▶ **Investment Objective**

The sub-fund invests for total return primarily in a diversified portfolio of Investment Grade rated fixed income (e.g. bonds) and other similar securities from around the world. The sub-fund will seek to invest primarily in securities issued in the developed markets and currencies of OECD countries.

The sub-fund may invest significantly (up to 30% of its net assets) in Asset Backed Securities ("ABS") and Mortgage Backed Securities ("MBS").

The sub-fund may invest up to 10% of its net assets in contingent convertible securities, however this is not expected to exceed 5%.

The sub-fund may also invest in financial derivative instruments such as futures, options, swaps (including, but not limited to, credit default swaps and Total Return Swaps) and forward currency contracts. The sub-fund intends to use such financial derivative instruments for, *inter alia*, the purposes of managing interest and credit risks and currency positioning but also to enhance return when the Investment Adviser believes the investment in financial derivative instruments will assist the sub-fund in achieving its investment objectives.

▶ **Risk Management**

The global exposure relating to this sub-fund will be calculated using a relative Value-at-Risk approach benchmarked against the Barclays Global Aggregate Index. The average leverage of the sub-fund, under normal market conditions, calculated as the sum of the notionals of the financial derivative instruments used, is expected to be 50%, although higher levels are possible, under certain circumstances, including but not limited to, during high levels of market volatility (when financial derivative instruments are generally used to manage the risk of the portfolio) or stability (when financial derivative instruments are generally used to access the relevant markets or securities in a more cost efficient way).

▶ **Profile of the Typical Investor**

Core category

▶ **Fees and Expenses**

Class of Shares*	A	B	E	I	X	Z
Management Fee (%)	0.75	0.375	1.05	0.375	0.35	0.00
Operating, Administrative and Servicing Expenses (%)	0.25	0.25	0.25	0.15	0.15**	0.15

Class of Shares*	J	P	W
Management Fee (%)	0.60	0.50	0.00
Operating, Administrative and Servicing Expenses (%)	0.15	0.25	0.00

* For further details regarding the Dealing Currencies and/or Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Description of Share Classes".

** This percentage is a maximum. The amount paid will be disclosed in the semi-annual and annual reports of the Company.

Each Share Class may incur additional fees and expenses which are not disclosed in the above table. In particular, there may be as and when the sub-fund offers Currency Hedged Share Classes or Currency Overlay Share Classes an additional fee levied in relation to the operation of a currency hedging policy. Please refer to Section 2.10. "Charges and Expenses" for further details.

▶ **Reference Currency**

USD

▶ **Investment Objective**

The sub-fund aims to provide long term total return by investing in a portfolio allocated across global bonds and other similar securities or instruments.

The Total Return strategy aims to capture the majority of the upside in the global bond universe while limiting the downside risk. The Total Return strategy has a flexible allocation across the full spectrum of global bonds and currency markets. Returns are generated through duration management, yield curve positioning, currency positioning and the selection of individual securities within the investment universe. By seeking multiple sources of return, the Total Return strategy aims to provide over an investment cycle risk-adjusted returns above the investment universe of the sub-fund without reference to a benchmark index. However the Total Return strategy does not imply there is any protection of capital or guarantee of a positive return over time. The sub-fund is subject to market risks at any time.

The sub-fund invests in normal market conditions a minimum of 90% of its net assets, either directly or through the use of financial derivative instruments, in Investment Grade and Non-Investment Grade fixed income securities which are either issued or guaranteed by governments, government agencies or supranational bodies worldwide or issued by companies which are based or carry out the larger part of their business in either developed markets, such as OECD countries, or Emerging Markets. These securities are denominated in developed market and Emerging Market currencies.

The sub-fund may invest (up to 20% of its net assets) in Asset Backed Securities ("ABS") and Mortgage Backed Securities ("MBS").

The sub-fund may invest up to 10% of its net assets in contingent convertible securities, however this is not expected to exceed 5%.

The sub-fund will not invest more than 10% of its net assets in securities issued by or guaranteed by any single sovereign issuer with a credit rating below investment grade.

The sub-fund may achieve its investment objective by investing up to 10% of its net assets in units or shares of UCITS and/or other Eligible UCIs (including other sub-funds of HSBC Global Investment Funds).

The sub-fund may achieve its investment objective by investing in financial derivative instruments. However, the sub-fund does not intend to invest in financial derivative instruments extensively for investment purposes and their primary use will be for hedging and efficient portfolio management, including purposes such as cash flow management and tactical asset allocation.

The sub-fund may use financial derivative instruments including, but not limited to, futures, options, swaps (such as credit default swaps and total return swaps) and forward currency contracts. These may be exchange-traded or over-the-counter contracts. Financial derivative instruments may also be embedded in other instruments used by the sub-fund (for example ABS).

The sub-fund's primary currency exposure is to the US dollar. The sub-fund may also have exposure to non-US dollar currencies including Emerging Market currencies.

▶ **Risk Management**

The global exposure relating to this sub-fund will be calculated using an absolute Value-at-Risk approach. The average leverage of the sub-fund, under normal market conditions, calculated as the sum of the notionals of the financial derivative instruments used, is expected to be 300%, although higher levels are possible under certain circumstances, including but not limited to, during high levels of market volatility (when financial derivative instruments are generally used to manage the risk of the portfolio) or stability (when financial derivative instruments are generally used to access the relevant markets or securities in a more cost efficient way).

▶ **Profile of the Typical Investor**

Core Plus category

► **Fees and Expenses**

Class of Shares*	A	B	E	I	X	Z
Management Fee (%)	0.90	0.45	1.20	0.45	0.40	0.00
Operating, Administrative and Servicing Expenses (%)	0.25	0.25	0.25	0.20	0.15**	0.20

Class of Shares*	J	S15	W
Management Fee (%)	0.60	0.20	0.00
Operating, Administrative and Servicing Expenses (%)	0.20	0.15**	0.00

* For further details regarding the Dealing Currencies and/or Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Description of Share Classes".

** This percentage is a maximum. The amount paid will be disclosed in the semi-annual and annual reports of the Company.

Each Share Class may incur additional fees and expenses which are not disclosed in the above table. In particular, there may be as and when the sub-fund offers Currency Hedged Share Classes or Currency Overlay Share Classes an additional fee levied in relation to the operation of a currency hedging policy. Please refer to Section 2.10. "Charges and Expenses" for further details.

► **Minimum Investment / Minimum Holding**

Class of Shares	Minimum Initial Investment Minimum Holding	
Class S15	USD	10,000,000

▶ **Reference Currency**

USD

▶ **Investment Objective**

The sub-fund aims to provide long term total return by investing in a portfolio of corporate bonds.

The sub-fund invests (normally a minimum of 90% of its net assets) in Investment Grade rated fixed income and other similar securities which are issued by companies in both developed markets, such as OECD countries, and Emerging Markets. These securities are denominated in developed market and Emerging Market currencies.

Investments in Asset Backed Securities ("ABS") and Mortgage Backed Securities ("MBS") are limited to a maximum of 20% of the sub-fund's net assets.

On an ancillary basis (normally up to 10% of its net assets) the sub-fund may invest in Non-Investment Grade rated fixed income securities, therefore an Investment Grade rated security that is downgraded below Investment Grade status will either continue to be held by the sub-fund under this limit or held by the sub-fund for a period to allow an orderly sale, taking into account the best interest of shareholders.

The sub-fund may invest up to 10% of its net assets in contingent convertible securities, however this is not expected to exceed 5%.

The sub-fund may achieve its investment objective by investing up to 10% of its net assets in units or shares of UCITS and/or other Eligible UCIs (including other sub-funds of HSBC Global Investment Funds).

The sub-fund may achieve its investment objective by investing in financial derivative instruments. However, the sub-fund does not intend to invest in financial derivative instruments extensively and their primary use will be for hedging purposes and cash flow management. Financial derivative instruments may also be used for efficient portfolio management.

Financial derivative instruments that the sub-fund may use include, but are not limited to, foreign exchange forwards (including non-deliverable forwards), exchange-traded futures, foreign exchange options, swaptions and swaps (interest rate and credit default). Financial derivative instruments may also be embedded in other instruments used by the sub-fund.

The sub-fund's primary currency exposure is to the US dollar. The sub-fund will normally hedge currency exposures into US dollar. On an ancillary basis (normally up to 10% of its net assets), the sub-fund may also have exposure to non-US dollar currencies including Emerging Market currencies.

▶ **Risk Management**

The global exposure relating to this sub-fund will be calculated using a relative Value-at-Risk approach benchmarked against the Barclays Global Aggregate Corporates AWS Hedged USD. The average leverage of the sub-fund, under normal market conditions, calculated as the sum of the notionals of the financial derivative instruments used, is expected to be 75%, although higher levels are possible under certain circumstances, including but not limited to, during high levels of market volatility (when financial derivative instruments are generally used to manage the risk of the portfolio) or stability (when financial derivative instruments are generally used to access the relevant markets or securities in a more cost efficient way).

▶ **Profile of the Typical Investor**

Core category

▶ **Fees and Expenses**

Class of Shares*	A	B	E	I	X	Z
Management Fee (%)	0.75	0.375	1.05	0.375	0.325	0.00
Operating, Administrative and Servicing Expenses (%)	0.25	0.25	0.25	0.20	0.15**	0.20

* For further details regarding the Dealing Currencies and/or Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Description of Share Classes".

** This percentage is a maximum. The amount paid will be disclosed in the semi-annual and annual reports of the Company.

Each Share Class may incur additional fees and expenses which are not disclosed in the above table. In particular, there may be as and when the sub-fund offers Currency Hedged Share Classes or Currency Overlay Share Classes an additional fee levied in relation to the operation of a currency hedging policy. Please refer to Section 2.10. "Charges and Expenses" for further details.

▶ **Reference Currency**

USD

▶ **Investment Objective**

The sub-fund invests for total return primarily in a diversified portfolio of Investment Grade and Non-Investment Grade rated fixed income (e.g. bonds) and other similar securities either issued by companies which have their registered office in Emerging Markets around the world, primarily denominated in US dollars, or which are issued or guaranteed by governments, government agencies and supranational bodies of Emerging Markets.

The sub-fund may invest more than 10% and up to 30% of its net assets in securities issued by or guaranteed by a single sovereign issuer with a Non-Investment Grade credit rating. This is due to the fact that the sub-fund's reference benchmark, the JP Morgan Emerging Market Bond Index, may contain sovereign issuers that may have a Non-Investment Grade rating. The Investment Adviser may decide to invest in a specific non-investment grade sovereign issuer and/or to overweight (in relation to the reference benchmark) a particular Non-Investment Grade sovereign issuer.

The Non-Investment Grade sovereign issuers that the sub-fund may invest up to 30% of its net assets in include, but are not limited to, Venezuela, Turkey and the Philippines. However, this list may change at any time as a result of changes in credit ratings, changes in the sub-fund's benchmark weights, the Investment Adviser's decision to allocate a higher or lower proportion of the sub-fund's net assets to a particular benchmark constituent and/or market movements.

The sub-fund may invest up to 10% of its net assets in contingent convertible securities, however this is not expected to exceed 5%.

The sub-fund may also invest in financial derivative instruments such as futures, forwards (including non-deliverable forwards), swaps, options, credit default swaps, as well as other structured products. The sub-fund intends to use such financial derivative instruments for, *inter alia*, return enhancement, hedging, tax-efficient access to instruments and whenever the Investment Adviser believes the investment in financial derivative instruments will assist the sub-fund in achieving its investment objectives.

▶ **Risk Management**

The global exposure relating to this sub-fund will be calculated using a relative Value-at-Risk approach benchmarked against the JP Morgan Emerging Market Bond index. The average leverage of the sub-fund, under normal market conditions, calculated as the sum of the notionals of the financial derivative instruments used, is expected to be 50%, although higher levels are possible, under certain circumstances, including but not limited to, during high levels of market volatility (when financial derivative instruments are generally used to manage the risk of the portfolio) or stability (when financial derivative instruments are generally used to access the relevant markets or securities in a more cost efficient way).

▶ **Profile of the Typical Investor**

Core Plus category

▶ **Fees and Expenses**

Class of Shares*	A	B	E	I	X	Z
Management Fee (%)	1.25	0.625	1.55	0.50	0.50	0.00
Operating, Administrative and Servicing Expenses (%)	0.35	0.35	0.35	0.25	0.20**	0.25

Class of Shares*	J	P***	S6	S20	W
Management Fee (%)	0.60	1.00	0.60	0.44	0.00
Operating, Administrative and Servicing Expenses (%)	0.25	0.35	0.10	0.20**	0.00

* For further details regarding the Dealing Currencies and/or Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Description of Share Classes".

** This percentage is a maximum. The amount paid will be disclosed in the semi-annual and annual reports of the Company.

*** Class P Shares are closed to new subscriptions since 1 January 2011 except for existing shareholders.

Each Share Class may incur additional fees and expenses which are not disclosed in the above table. In particular, there may be as and when the sub-fund offers Currency Hedged Share Classes or Currency Overlay Share Classes an additional fee levied in relation to the operation of a currency hedging policy. Please refer to Section 2.10. "Charges and Expenses" for further details.

▶ **Minimum Investment / Minimum Holding**

Class of Shares	Minimum Initial Investment Minimum Holding	
Class X	USD	5,000,000

▶ **Reference Currency**

USD

▶ **Investment Objective**

The sub-fund invests for total return primarily in a diversified portfolio of Investment Grade and Non-Investment Grade rated fixed income (e.g. bonds) and other similar securities issued by companies which have their registered office in Emerging Markets around the world as well as those companies which carry out a preponderant part of their business activities in any Emerging Markets country. Such securities will be denominated in either local currency or in one of the OECD countries currency. If the Investment Adviser believes it is in the interests of shareholders, the sub-fund may invest in more liquid assets.

The sub-fund may invest up to 10% of its net assets in contingent convertible securities, however this is not expected to exceed 5%.

The sub-fund may also invest in financial derivative instruments such as futures, forwards (including non-deliverable forwards), swaps (including, but not limited to, credit default swaps and Total Return Swaps), options, as well as other structured products. The sub-fund intends to use such financial derivative instruments for, *inter alia*, return enhancement, hedging, tax-advantage access to instruments and whenever the Investment Adviser believes the investment in financial derivative instruments will assist the sub-fund in achieving its investment objectives.

▶ **Risk Management**

The global exposure relating to this sub-fund will be calculated using a relative Value-at-Risk approach benchmarked against the JP Morgan Corporate Emerging Market Bond Index Diversified. The average leverage of the sub-fund, under normal market conditions, calculated as the sum of the notionals of the financial derivative instruments used, is expected to be 50%, although higher levels are possible under certain circumstances, including but not limited to, during high levels of market volatility (when financial derivative instruments are generally used to manage the risk of the portfolio) or stability (when financial derivative instruments are generally used to access the relevant markets or securities in a more cost efficient way).

▶ **Profile of the Typical Investor**

Dynamic category

▶ **Fees and Expenses**

Class of Shares*	A	B	E	I	X	Z
Management Fee (%)	1.50	0.75	1.80	0.75	0.70	0.00
Operating, Administrative and Servicing Expenses (%)	0.35	0.35	0.35	0.25	0.20**	0.25

Class of Shares*	J	P	S12	W
Management Fee (%)	0.60	n/a	0.35	0.00
Operating, Administrative and Servicing Expenses (%)	0.25	n/a	0.20**	0.00

* For further details regarding the Dealing Currencies and/or Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Description of Share Classes".

** This percentage is a maximum. The amount paid will be disclosed in the semi-annual and annual reports of the Company.

Each Share Class may incur additional fees and expenses which are not disclosed in the above table. In particular, there may be as and when the sub-fund offers Currency Hedged Share Classes or Currency Overlay Share Classes an additional fee levied in relation to the operation of a currency hedging policy. Please refer to Section 2.10. "Charges and Expenses" for further details.

▶ **Minimum Investment / Minimum Holding**

Class of Shares	Minimum Initial Investment Minimum Holding	
Class S12	USD	10,000,000
Class X	USD	5,000,000

▶ **Reference Currency**

USD

▶ **Investment Objective**

The sub-fund invests for total return primarily in a diversified portfolio of Investment Grade rated fixed income (e.g. bonds) at the time of purchase, and other similar securities either issued or guaranteed by governments, government agencies and supranational bodies of Emerging Markets or which are issued by companies which have their registered office in Emerging Markets around the world. Such securities will be denominated in either local currency or in one of the OECD countries currency.

The sub-fund may invest up to 10% of its net assets in contingent convertible securities, however this is not expected to exceed 5%.

The sub-fund may also invest in financial derivative instruments such as futures, forwards (including non-deliverable forwards), swaps, options, credit default swaps, as well as other structured products. The sub-fund intends to use such financial derivative instruments for, *inter alia*, return enhancement, hedging, tax-advantage access to instruments and whenever the Investment Adviser believes the investment in financial derivative instruments will assist the sub-fund in achieving its investment objectives.

▶ **Risk Management**

The global exposure relating to this sub-fund will be calculated using a relative Value-at-Risk approach benchmarked against the following composite benchmark; 50% JP Morgan Emerging Market Bond Index Global Investment Grade Capped and 50% JP Morgan Emerging Market Bond Index Global Credit Investment Grade. The average leverage of the sub-fund, under normal market conditions, calculated as the sum of the notionals of the financial derivative instruments used, is expected to be 125%, although higher levels are possible under certain circumstances, including but not limited to, during high levels of market volatility (when financial derivative instruments are generally used to manage the risk of the portfolio) or stability (when financial derivative instruments are generally used to access the relevant markets or securities in a more cost efficient way).

▶ **Profile of the Typical Investor**

Core Plus category

▶ **Fees and Expenses**

Class of Shares*	A	B	E	I	X	Z
Management Fee (%)	1.10	0.55	1.40	0.475	0.45	0.00
Operating, Administrative and Servicing Expenses (%)	0.35	0.35	0.35	0.25	0.20**	0.25

Class of Shares*	J	P	W
Management Fee (%)	0.60	n/a	0.00
Operating, Administrative and Servicing Expenses (%)	0.25	n/a	0.00

* For further details regarding the Dealing Currencies and/or Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Description of Share Classes".

** This percentage is a maximum. The amount paid will be disclosed in the semi-annual and annual reports of the Company.

Each Share Class may incur additional fees and expenses which are not disclosed in the above table. In particular, there may be as and when the sub-fund offers Currency Hedged Share Classes or Currency Overlay Share Classes an additional fee levied in relation to the operation of a currency hedging policy. Please refer to Section 2.10. "Charges and Expenses" for further details.

▶ **Minimum Investment / Minimum Holding**

Class of Shares	Minimum Initial Investment Minimum Holding	
Class X	USD	5,000,000

▶ **Reference Currency**

USD

▶ **Investment Objective**

The sub-fund invests for long term total return in a portfolio of Emerging Markets local currency bonds, foreign exchange forwards and other similar securities.

The sub-fund invests (normally a minimum of 90% of its net assets) in Investment Grade and Non-Investment Grade fixed income securities and other similar securities, as well as currency forwards and non-deliverable forwards. The fixed income securities are issued or guaranteed by governments, government agencies or supranational bodies of Emerging Markets or issued by companies which are based in or carry out the larger part of their business activities in Emerging Markets. All the instruments are primarily denominated in or linked to Emerging Markets currencies.

For collateral management purposes and to support offsetting exposures in Emerging Markets instruments, the sub-fund may also invest in developed markets cash and cash instruments.

The sub-fund may achieve its investment policy and limits by investing up to 10% of its net assets in units or shares of UCITS and/or other open-ended funds (including other sub-funds of HSBC Global Investment Funds).

The sub-fund may also invest in additional financial derivative instruments such as futures, swaps, options, credit default swaps, as well as other structured products. The sub-fund intends to use such financial derivative instruments for, *inter alia*, return enhancement, hedging, tax-advantage access to instruments and whenever the Investment Adviser believes the investment in financial derivative instruments will assist the sub-fund in achieving its investment objectives.

The sub-fund's currency exposure is to Emerging Markets currencies. On an ancillary basis (normally up to 10% of its net assets), the sub-fund may also invest in securities denominated in US dollar and/or currencies of other developed markets.

The average maturity of the sub-fund is normally between 4 and 8 years.

▶ **Risk Management**

The global exposure relating to this sub-fund will be calculated using a relative Value-at-Risk approach benchmarked against the JP Morgan Government Bond Index Emerging Market Global Diversified. The average leverage of the sub-fund, under normal market conditions, calculated as the sum of the notionals of the financial derivative instruments used, is expected to be 100%, although higher levels are possible under certain circumstances, including but not limited to, during high levels of market volatility (when financial derivative instruments are generally used to manage the risk of the portfolio) or stability (when financial derivative instruments are generally used to access the relevant markets or securities in a more cost efficient way).

▶ **Profile of the Typical Investor**

Dynamic category

▶ **Fees and Expenses**

Class of Shares*	A	B	E	I	X	Z
Management Fee (%)	1.25	0.625	1.55	0.625	0.60	0.00
Operating, Administrative and Servicing Expenses (%)	0.35	0.35	0.35	0.25	0.20**	0.25

Class of Shares*	J	P	S11	W
Management Fee (%)	0.60	n/a	0.30	n/a
Operating, Administrative and Servicing Expenses (%)	0.25	n/a	0.20**	n/a

* For further details regarding the Dealing Currencies and/or Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Description of Share Classes".

** This percentage is a maximum. The amount paid will be disclosed in the semi-annual and annual reports of the Company.

Each Share Class may incur additional fees and expenses which are not disclosed in the above table. In particular, there may be as and when the sub-fund offers Currency Hedged Share Classes or Currency Overlay Share Classes an additional fee levied in relation to the operation of a currency hedging policy. Please refer to Section 2.10. "Charges and Expenses" for further details.

▶ **Minimum Investment / Minimum Holding**

Class of Shares	Minimum Initial Investment Minimum Holding	
Currency Overlay Share Classes suffixed by "O" e.g. "Class ADO" or "Class BCO"	USD	1,000,000
Class S11	USD	10,000,000
Class X	USD	5,000,000

▶ **Reference Currency**

USD

▶ **Investment Objective**

The sub-fund invests for total return primarily in a diversified portfolio of Investment Grade and Non-Investment Grade bonds and other similar securities, as well as currency forwards and non-deliverable forwards (together "Instruments"). These Instruments are linked to the currency of securities issued or guaranteed by governments, government agencies or supranational bodies of Emerging Markets or companies which have their registered office in Emerging Markets and will be primarily denominated in local currency. On an ancillary basis, the sub-fund may consider investments in securities denominated in USD and those of other OECD countries.

The sub-fund may also invest in additional financial derivative instruments such as futures, swaps, options, credit default swaps, as well as other structured products. The sub-fund intends to use such financial derivative instruments for, *inter alia*, return enhancement, hedging, tax-advantage access to instruments and whenever the Investment Adviser believes the investment in financial derivative instruments will assist the sub-fund in achieving its investment objectives.

▶ **Risk Management**

The global exposure relating to this sub-fund will be calculated using a relative Value-at-Risk approach benchmarked against the following composite benchmark; 50% JP Morgan Global Bond Index Emerging Market Global Diversified and 50% JP Morgan Emerging Local Markets Index. The average leverage of the sub-fund, under normal market conditions, calculated as the sum of the notionals of the financial derivative instruments used, is expected to be 125%, although higher levels are possible under certain circumstances, including but not limited to, during high levels of market volatility (when financial derivative instruments are generally used to manage the risk of the portfolio) or stability (when financial derivative instruments are generally used to access the relevant markets or securities in a more cost efficient way).

▶ **Profile of the Typical Investor**

Dynamic category

▶ **Fees and Expenses**

Class of Shares*	A	B	E	I	X	Z
Management Fee (%)	1.25	0.625	1.55	0.625	0.60	0.00
Operating, Administrative and Servicing Expenses (%)	0.35	0.35	0.35	0.25	0.20**	0.25

Class of Shares*	J	P	W
Management Fee (%)	0.60	n/a	0.00
Operating, Administrative and Servicing Expenses (%)	0.25	n/a	0.00

* For further details regarding the Dealing Currencies and/or Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Description of Share Classes".

** This percentage is a maximum. The amount paid will be disclosed in the semi-annual and annual reports of the Company.

Each Share Class may incur additional fees and expenses which are not disclosed in the above table. In particular, there may be as and when the sub-fund offers Currency Hedged Share Classes or Currency Overlay Share Classes an additional fee levied in relation to the operation of a currency hedging policy. Please refer to Section 2.10. "Charges and Expenses" for further details.

▶ **Minimum Investment / Minimum Holding**

Class of Shares	Minimum Initial Investment	
	Minimum Holding	
Currency Overlay Share Classes suffixed by "O" e.g. "Class ADO" or "Class BCO"	USD	1,000,000
Class X	USD	5,000,000

▶ **Reference Currency**

USD

▶ **Investment Objective**

The sub-fund aims to provide long term total return by investing in a portfolio of government bonds.

The sub-fund invests (normally a minimum of 90% of its net assets) in Investment Grade rated fixed income and other similar securities which are issued or guaranteed by governments, government agencies and supranational bodies in both developed markets, such as OECD countries, and Emerging Markets. These securities are denominated in developed market and Emerging Market currencies.

Investments in Asset Backed Securities ("ABS") and Mortgage Backed Securities ("MBS") are limited to a maximum of 10% of the sub-fund's net assets.

On an ancillary basis (normally up to 10% of its net assets) the sub-fund may invest in Non-Investment Grade rated fixed income securities.

The sub-fund may achieve its investment objective by investing up to 10% of its net assets in units or shares of UCITS and/or other Eligible UCIs (including other sub-funds of HSBC Global Investment Funds).

The sub-fund may achieve its investment objective by investing in financial derivative instruments. However, the sub-fund does not intend to invest in financial derivative instruments extensively and their primary use will be for hedging purposes and cash flow management. Financial derivative instruments may also be used for efficient portfolio management.

Financial derivative instruments that the sub-fund may use include, but are not limited to, foreign exchange forwards (including non-deliverable forwards), exchange-traded futures, foreign exchange options, swaptions and swaps (interest rate and credit default). Financial derivative instruments may also be embedded in other instruments used by the sub-fund.

The sub-fund's primary currency exposure is to the US dollar. The sub-fund will normally hedge currency exposures into US dollar. On an ancillary basis (normally up to 10% of its net assets), the sub-fund may also have exposure to non-US dollar currencies including Emerging Market currencies.

▶ **Risk Management**

The global exposure relating to this sub-fund will be calculated using a relative Value-at-Risk approach benchmarked against the JP Morgan GBI Global Hedged USD. The average leverage of the sub-fund, under normal market conditions, calculated as the sum of the notionals of the financial derivative instruments used, is expected to be 150%, although higher levels are possible under certain circumstances, including but not limited to, during high levels of market volatility (when financial derivative instruments are generally used to manage the risk of the portfolio) or stability (when financial derivative instruments are generally used to access the relevant markets or securities in a more cost efficient way).

▶ **Profile of the Typical Investor**

Core category

▶ **Fees and Expenses**

Class of Shares*	A	B	E	I	X	Z
Management Fee (%)	0.60	0.30	0.90	0.30	0.25	0.00
Operating, Administrative and Servicing Expenses (%)	0.25	0.25	0.25	0.20	0.15**	0.20

* For further details regarding the Dealing Currencies and/or Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Description of Share Classes".

** This percentage is a maximum. The amount paid will be disclosed in the semi-annual and annual reports of the Company.

Each Share Class may incur additional fees and expenses which are not disclosed in the above table. In particular, there may be as and when the sub-fund offers Currency Hedged Share Classes or Currency Overlay Share Classes an additional fee levied in relation to the operation of a currency hedging policy. Please refer to Section 2.10. "Charges and Expenses" for further details.

▶ **Reference Currency**

USD

▶ **Investment Objective**

The sub-fund invests for high income primarily in a diversified portfolio of higher yielding fixed income bonds and other similar securities from around the world denominated in a range of currencies. This may include Investment Grade bonds, high yield bonds and Asian and Emerging Markets debt instruments. Investment in mortgage and asset backed securities will be limited to a maximum of 20% of the sub-fund net assets.

The sub-fund may invest up to 10% of its net assets in contingent convertible securities, however this is not expected to exceed 5%.

The sub-fund may also invest in financial derivative instruments such as futures, options, swaps (including, but not limited to, credit default swaps and Total Return Swaps) and forward currency contracts and in other currency and credit derivatives.

The sub-fund intends to use such financial derivative instruments for, *inter alia*, the purposes of managing interest and credit risks and currency positioning but also to enhance return when the Investment Adviser believes the investment in financial derivative instruments will assist the sub-fund in achieving its investment objectives.

In particular, the sub-fund will use foreign currency forward contracts or other financial derivative instruments to substantially protect the sub-fund from losses arising from currency depreciation against the USD.

▶ **Risk Management**

The global exposure relating to this sub-fund will be calculated using a relative Value-at-Risk approach benchmarked against the following composite benchmark: 35% Barclays USD Emerging Markets, 20% Barclays US Aggregate Corporate Baa, 15% Barclays US High Yield Ba, 15% Barclays Euro Aggregate Corporate Baa Hedged USD and 15% Barclays Euro High Yield BB Hedged USD. The average leverage of the sub-fund, under normal market conditions, calculated as the sum of the notionals of the financial derivative instruments used, is expected to be 75%, although higher levels are possible under certain circumstances, including but not limited to, during high levels of market volatility (when financial derivative instruments are generally used to manage the risk of the portfolio) or stability (when financial derivative instruments are generally used to access the relevant markets or securities in a more cost efficient way).

▶ **Profile of the Typical Investor**

Core Plus category

▶ **Fees and Expenses**

Class of Shares*	A	B	E	I	X	Z
Management Fee (%)	1.25	0.625	1.55	0.625	0.50	0.00
Operating, Administrative and Servicing Expenses (%)	0.25	0.25	0.25	0.20	0.15**	0.20

Class of Shares*	J	P	W
Management Fee (%)	n/a	n/a	0.00
Operating, Administrative and Servicing Expenses (%)	n/a	n/a	0.00

* For further details regarding the Dealing Currencies and/or Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Description of Share Classes".

** This percentage is a maximum. The amount paid will be disclosed in the semi-annual and annual reports of the Company.

Each Share Class may incur additional fees and expenses which are not disclosed in the above table. In particular, there may be as and when the sub-fund offers Currency Hedged Share Classes or Currency Overlay Share Classes an additional fee levied in relation to the operation of a currency hedging policy. Please refer to Section 2.10. "Charges and Expenses" for further details.

▶ **Reference Currency**

USD

▶ **Investment Objective**

The sub-fund invests for total return primarily in a diversified portfolio of Non-Investment Grade and unrated fixed income securities issued by companies, agencies or governments from any country, in both developed and Emerging Markets and denominated in or hedged into United States Dollars (USD).

On an ancillary basis, the sub-fund may invest in asset backed securities (limited to a maximum of 10%) and Investment Grade fixed income securities, and have exposure to non-USD currencies including Emerging Markets local currencies (up to a maximum of 20%) to enhance return. Normally, a minimum of 90% of the sub-fund will be invested in Non-Investment Grade and other higher yielding bonds (including unrated bonds). However, for liquidity management purposes, the sub-fund may also invest up to 30% in Investment Grade fixed income securities.

The sub-fund will not invest more than 10% of its net assets in securities issued by or guaranteed by any single sovereign issuer with a credit rating below Investment Grade.

The sub-fund may invest up to 15% of its net assets in contingent convertible securities, however this is not expected to exceed 10%.

The sub-fund may gain exposure to higher yielding bonds by investing up to 10% of its net assets in units or shares of UCITS and/or other Eligible UCIs (including other sub-funds of HSBC Global Investment Funds) with similar debt securities as that of the sub-fund.

The sub-fund does not intend to use financial derivative instruments extensively for investment purposes. However, the sub-fund may invest in financial derivative instruments such as futures, options, swaps (including, but not limited to, credit default swaps and Total Return Swaps), forward currency contracts and other credit derivatives for, *inter alia*, the purposes of managing interest rate risks and credit risks, currency positioning as well as for investment purposes to enhance return at times when the Investment Adviser believes the investment in financial derivative instruments will assist the sub-fund in achieving its investment objectives. The sub-fund may be leveraged through the use of financial derivative instruments.

▶ **Risk Management**

The global exposure relating to this sub-fund will be calculated using a relative Value-at-Risk approach benchmarked against BofA Merrill Lynch Global High Yield BB-B Constrained (USD Hedged)*. The average leverage of the sub-fund, under normal market conditions, calculated as the sum of the notionals of the financial derivative instruments used, is expected to be 75%, although higher levels are possible, under certain circumstances, including but not limited to, during high levels of market volatility (when financial derivative instruments are generally used to manage the risk of the portfolio) or stability (when financial derivative instruments are generally used to access the relevant markets or securities in a more cost efficient way).

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▶ **Profile of the Typical Investor**

Core Plus category

▶ **Fees and Expenses**

Class of Shares*	A	B	E	I	X	Z
Management Fee (%)	1.10	0.55	1.40	0.55	0.50	0.00
Operating, Administrative and Servicing Expenses (%)	0.25	0.25	0.25	0.20	0.15**	0.20

Class of Shares*	J	P	W
Management Fee (%)	n/a	n/a	0.00
Operating, Administrative and Servicing Expenses (%)	n/a	n/a	0.00

* For further details regarding the Dealing Currencies and/or Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Description of Share Classes".

** This percentage is a maximum. The amount paid will be disclosed in the semi-annual and annual reports of the Company.

Each Share Class may incur additional fees and expenses which are not disclosed in the above table. In particular, there may be as and when the sub-fund offers Currency Hedged Share Classes or Currency Overlay Share Classes an additional fee levied in relation to the operation of a currency hedging policy. Please refer to Section 2.10. "Charges and Expenses" for further details.

▶ **Reference Currency**

USD

▶ **Investment Objective**

The sub-fund aims to provide long term total return by investing in a portfolio of inflation linked bonds.

The sub-fund invests (normally a minimum of 90% of its net assets) in inflation linked bonds which are issued by companies, agencies or governments in both developed markets, such as OECD countries, and Emerging Markets. These securities are denominated in developed market and Emerging Market currencies.

The sub-fund may invest up to 15% of its net assets in fixed income securities issued by issuers which are domiciled in, based in, or carry out the larger part of their business in Emerging Markets.

The sub-fund will not invest in securities issued by or guaranteed by issuers with a credit rating below Investment Grade at the time of purchase.

The sub-fund may achieve its investment policy by investing up to 10% of its net assets in units or shares of UCITS and/or other Eligible UCIs (including other sub-funds of the HSBC Global Investment Funds).

The sub-fund may achieve its investment policy by investing in financial derivative instruments. However, the sub-fund does not intend to invest in financial derivative instruments extensively for investment purposes and their primary use will be for hedging and efficient portfolio management, including purposes such as cash flow management and tactical asset allocation. This may include the use of financial derivative instruments to take long and short exposures on the breakeven inflation.

Financial derivative instruments that the sub-fund may use include, but are not limited to foreign exchange forwards (including non-deliverable forwards), exchange traded future options, foreign exchange options and swaptions, exchange traded futures and swaps (interest rate, credit default, inflation, total return and currency). Financial derivative instruments may also be embedded in other instruments used by the sub-fund (for example, convertibles).

The sub-fund's primary currency exposure is to the US dollar. The sub-fund will normally hedge currency exposures into US dollar. On an ancillary basis (normally up to 10% of its net assets), the sub-fund may have exposure to non-US dollar currencies including Emerging Market currencies through an active currency overlay strategy.

▶ **Risk Management**

The commitment approach is used to measure and monitor the level of risk for this sub-fund.

▶ **Profile of the Typical Investor**

Core Plus category

▶ **Fees and Expenses**

Class of Shares*	A	B	E	I	X	Z
Management Fee (%)	0.70	0.35	1.00	0.35	0.35	0.00
Operating, Administrative and Servicing Expenses (%)	0.25	0.25	0.25	0.20	0.15**	0.15

Class of Shares*	J	P	S17	Y	W
Management Fee (%)	n/a	0.17	0.20	0.54	0.00
Operating, Administrative and Servicing Expenses (%)	n/a	0.12	0.12	0.20	0.00

* For further details regarding the Dealing Currencies and/or Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Description of Share Classes".

** This percentage is a maximum. The amount paid will be disclosed in the semi-annual and annual reports of the Company.

Each Share Class may incur additional fees and expenses which are not disclosed in the above table. In particular, there may be as and when the sub-fund offers Currency Hedged Share Classes or Currency Overlay Share Classes an additional fee levied in relation to the operation of a currency hedging policy. Please refer to Section 2.10. "Charges and Expenses" for further details.

▶ **Minimum Investment / Minimum Holding**

Class of Shares	Minimum Initial Investment	Minimum Holding
Class X	USD	5,000,000

▶ **Reference Currency**

USD

▶ **Investment Objective**

The sub-fund aims to provide long term total return by investing in a portfolio of bonds with an average duration expected to be between 6 months and 3 years.

The sub-fund invests in normal market conditions a minimum of 90% of its net assets in Investment Grade and Non-Investment Grade fixed income and other similar securities which are either issued or guaranteed by governments, government agencies and supranational bodies of developed markets, such as OECD countries, or Emerging Markets or by companies which are domiciled in, based in, or carry out the larger part of their business in, developed or Emerging Markets.

The sub-fund may invest up to 10% of its net assets in Non-Investment Grade rated fixed income securities. The sub-fund will not invest more than 10% of its net assets in securities issued by or guaranteed by any single sovereign issuer with a credit rating below Investment Grade.

The sub-fund may invest up to 10% of its net assets in fixed income securities issued in Emerging Markets.

On an ancillary basis, the sub-fund may invest up to 10% of its net assets in Asset Backed Securities ("ABS").

The sub-fund may invest up to 10% of its net assets in contingent convertible securities, however this is not expected to exceed 5%.

The sub-fund may invest up to 10% of its net assets in fixed income and other similar securities which have a maturity longer than five years.

The sub-fund may invest up to 10% of its net assets in units or shares of UCITS and/or other Eligible UCIs (including other sub-funds of HSBC Global Investment Funds).

The sub-fund may also invest in financial derivative instruments including, but not limited to, futures, options, swaps (such as credit default swaps and total return swaps), and forward currency contracts. These may be exchange-traded or over-the-counter contracts. Financial derivative instruments may also be embedded in other instruments in which the sub-fund may invest (for example ABS). The sub-fund intends to use financial derivative instruments primarily for efficient portfolio management purposes including, but not limited to, hedging. Such instruments may also be used for investment purposes.

The sub-fund's primary currency exposure is to the US dollar. The sub-fund will normally hedge currency exposures into US dollar. On an ancillary basis (normally up to 20% of its net assets), the sub-fund may also have exposure to non-US dollar currencies including Emerging Market currencies.

▶ **Risk Management**

The global exposure relating to this sub-fund will be calculated using an absolute Value-at-Risk approach. The average leverage of the sub-fund, under normal market conditions, calculated as the sum of the notionals of the financial derivative instruments used, is expected to be 200%, although higher levels are possible including but not limited to, during high levels of market volatility (when financial derivative instruments are generally used to manage the risk of the portfolio) or stability (when financial derivative instruments are generally used to access the relevant markets or securities in a more cost efficient way).

▶ **Profile of the Typical Investor**

Core category

▶ **Fees and Expenses**

Class of Shares*	A	B	E	I	X	Z
Management Fee (%)	0.50	0.25	0.80	0.25	0.20	0.00
Operating, Administrative and Servicing Expenses (%)	0.20	0.20	0.20	0.18	0.11**	0.15

Class of Shares*	J	P	S16	W
Management Fee (%)	0.60	n/a	0.15	0.00
Operating, Administrative and Servicing Expenses (%)	0.15	n/a	0.11**	0.00

* For further details regarding the Dealing Currencies and/or Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Description of Share Classes".

** This percentage is a maximum. The amount paid will be disclosed in the semi-annual and annual reports of the Company.

Each Share Class may incur additional fees and expenses which are not disclosed in the above table. In particular, there may be as and when the sub-fund offers Currency Hedged Share Classes or Currency Overlay Share Classes an additional fee levied in relation to the operation of a currency hedging policy. Please refer to Section 2.10. "Charges and Expenses" for further details.

▶ **Minimum Investment / Minimum Holding**

Class of Shares	Minimum Initial Investment Minimum Holding	
Class S16	USD	10,000,000

HSBC GLOBAL INVESTMENT FUNDS – GLOBAL SHORT DURATION HIGH YIELD BOND

▶ Reference Currency

USD

▶ Investment Objective

The sub-fund invests for long term total return in a portfolio of global high yield securities whilst maintaining low interest rate risk.

The sub-fund invests (normally a minimum of 90% of its net assets) in Non-Investment Grade and unrated fixed income securities and other higher yielding bonds issued by companies, agencies or governments in developed markets and denominated in or hedged back into US dollars (USD). However, for liquidity and/or risk management purposes, the sub-fund may also invest up to 30% in Investment Grade fixed income securities.

On an ancillary basis, the sub-fund may also invest up to 10% of its net assets in Asset Backed Securities ("ABS") and in fixed income securities issued in Emerging Markets.

The sub-fund will not invest more than 10% of its net assets in securities issued by or guaranteed by any single sovereign issuer with a credit rating below investment grade.

The sub-fund may invest up to 15% of its net assets in contingent convertible securities, however this is not expected to exceed 10%.

The sub-fund may achieve its investment policy and limits by investing up to 10% of its net assets in units or shares of UCITS and/or other open-ended funds (including other sub-funds of HSBC Global Investment Funds).

The sub-fund's primary currency exposure is to the US dollar. However, the sub-fund may also have (up to 10% of its net assets) exposure to non-USD currencies including Emerging Markets local currencies to enhance return.

The sub-fund may also invest in financial derivative instruments such as futures, options, swaps (including, but not limited to, credit default swaps and Total Return Swaps), forward currency contracts and in other currency and credit derivatives. The sub-fund intends to use such financial derivative instruments for, *inter alia*, the purposes of managing interest and credit risks and currency positioning but also to enhance return when the Investment Adviser believes the investment in financial derivative instruments will assist the sub-fund in achieving its investment objectives.

▶ Risk Management

The global exposure relating to this sub-fund will be calculated using a relative Value-at-Risk approach benchmarked against the BofA Merrill Lynch 1-3 Year BB-B US & Euro Non-Financial High Yield 2% Constrained (USD hedged) index*. The average leverage of the sub-fund, under normal market conditions, calculated as the sum of the notionals of the financial derivative instruments used, is expected to be 75%, although higher levels are possible under certain circumstances, including but not limited to, during high levels of market volatility (when financial derivative instruments are generally used to manage the risk of the portfolio) or stability (when financial derivative instruments are generally used to access the relevant markets or securities in a more cost efficient way).

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▶ Profile of the Typical Investor

Core Plus category

▶ Fees and Expenses

Class of Shares*	A	B	E	I	X	Z
Management Fee (%)	0.90	0.45	1.30	0.45	0.40	0.00
Operating, Administrative and Servicing Expenses (%)	0.25	0.25	0.25	0.20	0.15**	0.20

Class of Shares*	J	P	S13	W
Management Fee (%)	0.60	n/a	0.20	0.00
Operating, Administrative and Servicing Expenses (%)	0.20	n/a	0.15**	0.00

* For further details regarding the Dealing Currencies and/or Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Description of Share Classes".

** This percentage is a maximum. The amount paid will be disclosed in the semi-annual and annual reports of the Company.

Each Share Class may incur additional fees and expenses which are not disclosed in the above table. In particular, there may be as and when the sub-fund offers Currency Hedged Share Classes or Currency Overlay Share Classes an additional fee levied in relation to the operation of a currency hedging policy. Please refer to Section 2.10. "Charges and Expenses" for further details.

▶ **Minimum Investment / Minimum Holding**

Class of Shares	Minimum Initial Investment Minimum Holding	
Class S13	USD	10,000,000

▶ **Reference Currency**

USD

▶ **Investment Objective**

The sub-fund aims to provide long term total return by investing in a portfolio of Indian bonds and other similar fixed income securities.

The sub-fund invests in normal market conditions a minimum of 90% of its net assets in:

- Investment and Non-Investment Grade, as well as unrated Indian domestic fixed income securities (e.g. bonds) denominated in Indian Rupee (INR). These will be government and/or corporate issues.
- Investment and Non-Investment Grade, as well as unrated fixed income securities denominated in other currencies (e.g. United States Dollar). These securities will be issued or guaranteed by the government or government agencies of India as well as by companies which have their registered office in India or which carry out a preponderant part of their business activities in India.
- Other instruments (e.g. structured notes) referencing underlying exposure to INR fixed income securities.
- Cash and cash instruments.

Unless otherwise permitted, to invest in Indian domestic fixed income securities, the sub-fund will use a Foreign Institutional Investor (FII) license authorised by the Securities and Exchange Board of India (SEBI) and will be subject to the available FII quota on fixed income investments. The sub-fund may therefore be able to invest in domestic fixed income securities only when FII quota is available and granted to the sub-fund by SEBI. Investors should be aware that the availability of the FII quota can be unpredictable and, as a result, the sub-fund may, at times, have substantial exposure to non-INR denominated investments outside of India.

When the sub-fund invests in instruments which are neither INR denominated or referenced, the sub-fund will normally achieve INR exposure using financial derivative instruments.

The sub-fund may invest up to 100% of its net assets in transferable securities issued or guaranteed by the Indian Government or Indian Government agencies.

The sub-fund may invest up to 10% of its net assets in contingent convertible securities, however this is not expected to exceed 5%.

The sub-fund may use financial derivative instruments for hedging purposes. The sub-fund may also use, but not extensively, financial derivative instruments for investment purposes. The financial derivative instruments the sub-fund is permitted to use include, but are not limited to, futures, options, swaps (such as credit default swaps and total return swaps) and foreign exchange forwards (including non-deliverable forwards). Financial derivative instruments may also be embedded in other instruments in which the sub-fund may invest (for example, structured notes).

▶ **Risk Management**

From 20 June 2016

The global exposure relating to this sub-fund will be calculated using an absolute Value-at-Risk approach. The average leverage of the sub-fund, under normal market conditions, calculated as the sum of the notional of the financial derivative instruments used, is expected to be 120%, although higher levels are possible, under certain circumstances, including but not limited to, during high levels of market volatility (when financial derivative instruments are generally used to manage the risk of the portfolio) or stability (when financial derivative instruments are generally used to access the relevant markets or securities in a more cost efficient way).

Until 19 June 2016

The global exposure relating to this sub-fund will be calculated using an absolute Value-at-Risk approach. The average leverage of the sub-fund, under normal market conditions, calculated as the sum of the notional of the financial derivative instruments used, is expected to be 20%, although higher levels are possible, under certain circumstances, including but not limited to, during high levels of market volatility (when financial derivative instruments are generally used to manage the risk of the portfolio) or stability (when financial derivative instruments are generally used to access the relevant markets or securities in a more cost efficient way).

▶ **Profile of the Typical Investor**

Core Plus category

► **Fees and Expenses**

Class of Shares*	A	B	E	I	X	Z
Management Fee (%)	1.10	0.55	1.40	0.55	0.50	0.00
Operating, Administrative and Servicing Expenses (%)	0.35	0.35	0.35	0.25	0.20**	0.25

Class of Shares*	J	P	W
Management Fee (%)	n/a	n/a	0.00
Operating, Administrative and Servicing Expenses (%)	n/a	n/a	0.00

* For further details regarding the Dealing Currencies and/or Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Description of Share Classes".

** This percentage is a maximum. The amount paid will be disclosed in the semi-annual and annual reports of the Company.

Each Share Class may incur additional fees and expenses which are not disclosed in the above table. In particular, there may be as and when the sub-fund offers Currency Hedged Share Classes or Currency Overlay Share Classes an additional fee levied in relation to the operation of a currency hedging policy. Please refer to Section 2.10. "Charges and Expenses" for further details.

► **Minimum Investment / Minimum Holding**

Class of Shares	Minimum Initial Investment Minimum Holding	
Class X	USD	2,500,000

▶ **Reference Currency**

USD

▶ **Investment Objective**

The sub-fund aims to provide long term total return by investing in a portfolio of Indonesian fixed income securities.

In normal market conditions, the sub-fund invests primarily in:

- Investment and Non-Investment Grade, as well as unrated Indonesian domestic fixed income securities (such as bonds and treasury bills) denominated in Indonesian Rupiah (IDR). These will be government and/or corporate issues.
- Investment and Non-Investment Grade, as well as unrated fixed income securities denominated in other currencies (e.g. United States Dollar). These securities will be issued or guaranteed by the government or government agencies of Indonesia as well as by companies which have their registered office in Indonesia or which carry out a preponderant part of their business activities in Indonesia. When the sub-fund invests in instruments which are neither IDR denominated or referenced, the sub-fund will normally achieve IDR exposure using financial derivative instruments.
- Other instruments (e.g. structured notes) referencing underlying exposure to IDR fixed income securities.

The sub-fund may invest up to 100% of its net assets in transferable securities issued or guaranteed by the Indonesian Government or Indonesian Government agencies.

On an ancillary basis, the sub-fund may also invest into other fixed income securities of any issuer and denominated in any currency.

The sub-fund may use financial derivative instruments for hedging purposes. The sub-fund may also use, but not extensively, financial derivative instruments for investment purposes. The financial derivative instruments the sub-fund is permitted to use include, but are not limited to, futures, options, swaps (such as credit default swaps) and foreign exchange forwards (including non-deliverable forwards). Financial derivative instruments may also be embedded in other instruments in which the sub-fund may invest (for example, callable bonds).

The sub-fund's primary currency exposure is to the Indonesian Rupiah.

▶ **Risk Management**

The commitment approach is used to measure and monitor the level of risk for this sub-fund.

▶ **Profile of the Typical Investor**

Core Plus category

▶ **Fees and Expenses**

Class of Shares*	A	B	E	I	X	Z
Management Fee (%)**	1.25	0.625	1.55	0.625	0.575	0.00
Operating, Administrative and Servicing Expenses (%)	0.40	0.40	0.40	0.35	0.30***	0.35

Class of Shares*	J	P	W
Management Fee (%)	n/a	n/a	0.00
Operating, Administrative and Servicing Expenses (%)	n/a	n/a	0.00

* For further details regarding the Dealing Currencies and/or Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Description of Share Classes".

** The maximum rate for Class A, B, X and Z is 3.5%

*** This percentage is a maximum. The amount paid will be disclosed in the semi-annual and annual reports of the Company.

Each Share Class may incur additional fees and expenses which are not disclosed in the above table. In particular, there may be as and when the sub-fund offers Currency Hedged Share Classes or Currency Overlay Share Classes an additional fee levied in relation to the operation of a currency hedging policy. Please refer to Section 2.10. "Charges and Expenses" for further details.

▶ **Reference Currency**

USD

▶ **Investment Objective**

The sub-fund invests for total return primarily in a diversified portfolio of Investment and Non-Investment Grade, as well as unrated fixed income securities (including but not limited to bonds and notes), cash, deposits (including certificate of deposits) and structured products with effective underlying currency exposure in RMB.

The RMB bond market is new and still developing and the opportunities to invest in RMB bonds are limited. Therefore, until the RMB bond market has fully developed, the fund may at times invest substantially in cash, deposits and other short term instruments.

The sub-fund may invest in non-RMB denominated securities and achieve RMB exposure using financial derivative instruments.

The sub-fund may invest up to 10% of its net assets in contingent convertible securities, however this is not expected to exceed 5%.

The sub-fund may also invest in financial derivative instruments such as futures, forwards (including non-deliverable forwards), swaps (including, but not limited to, credit default swaps and Total Return Swaps), options, as well as other structured products or instruments. The sub-fund intends to use such financial derivative instruments for, *inter alia*, return enhancement, hedging, tax-advantage access to instruments and whenever the Investment Adviser believes the investment in financial derivative instruments will assist the sub-fund in achieving its investment objectives.

▶ **Risk Management**

From 20 June 2016

The global exposure relating to this sub-fund will be calculated using an absolute Value-at-Risk approach. The average leverage of the sub-fund, under normal market conditions, calculated as the sum of the notionals of the financial derivative instruments used, is expected to be 150%, although higher levels are possible, under certain circumstances, including but not limited to, during high levels of market volatility (when financial derivative instruments are generally used to manage the risk of the portfolio) or stability (when financial derivative instruments are generally used to access the relevant markets or securities in a more cost efficient way).

Until 19 June 2016

The global exposure relating to this sub-fund will be calculated using an absolute Value-at-Risk approach. The average leverage of the sub-fund, under normal market conditions, calculated as the sum of the notionals of the financial derivative instruments used, is expected to be 50%, although higher levels are possible under certain circumstances, including but not limited to, during high levels of market volatility (when financial derivative instruments are generally used to manage the risk of the portfolio) or stability (when financial derivative instruments are generally used to access the relevant markets or securities in a more cost efficient way).

▶ **Profile of the Typical Investor**

Core Plus category

▶ **Fees and Expenses**

Class of Shares*	A	B	E	I	X	Z
Management Fee (%)	0.75	0.375	1.05	0.375	0.35	0.00
Operating, Administrative and Servicing Expenses (%)	0.25	0.25	0.25	0.20	0.15**	0.20

Class of Shares*	J	P	W
Management Fee (%)	n/a	n/a	0.00
Operating, Administrative and Servicing Expenses (%)	n/a	n/a	0.00

* For further details regarding the Dealing Currencies and/or Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Description of Share Classes".

** This percentage is a maximum. The amount paid will be disclosed in the semi-annual and annual reports of the Company.

Each Share Class may incur additional fees and expenses which are not disclosed in the above table. In particular, there may be as and when the sub-fund offers Currency Hedged Share Classes or Currency Overlay Share Classes an additional fee levied in relation to the operation of a currency hedging policy. Please refer to Section 2.10. "Charges and Expenses" for further details.

▶ **Minimum Investment / Minimum Holding**

Class of Shares	Minimum Initial Investment Minimum Holding	
Class X	USD	2,500,000

▶ **Reference Currency**

USD

▶ **Investment Objective**

The sub-fund invests for total return primarily in a diversified portfolio of Investment Grade rated fixed income (e.g. bonds) and other similar securities from around the world, denominated in US dollars. The sub-fund will seek to invest primarily in securities issued in developed markets such as the OECD countries.

The sub-fund may invest significantly (up to 50% of its net assets) in Asset Backed Securities ("ABS") and Mortgage Backed Securities ("MBS"), including those backed by the government of the United States of America.

The sub-fund may invest up to 10% of its net assets in contingent convertible securities, however this is not expected to exceed 5%.

The sub-fund may also invest in financial derivative instruments such as futures, options, swaps (including, but not limited to, credit default swaps and Total Return Swaps) and forward currency contracts. The sub-fund intends to use such financial derivative instruments, *inter alia*, for the purposes of managing interest and credit risks and currency positioning but also to enhance return when the Investment Adviser believes the investment in financial derivative instruments will assist the sub-fund in achieving its investment objectives.

▶ **Risk Management**

The global exposure relating to this sub-fund will be calculated using a relative Value-at-Risk approach benchmarked against the Barclays US Aggregate. The average leverage of the sub-fund, under normal market conditions, calculated as the sum of the notionals of the financial derivative instruments used, is expected to be 50%, although higher levels are possible under certain circumstances, including but not limited to, during high levels of market volatility (when financial derivative instruments are generally used to manage the risk of the portfolio) or stability (when financial derivative instruments are generally used to access the relevant markets or securities in a more cost efficient way).

▶ **Profile of the Typical Investor**

Core category

▶ **Fees and Expenses**

Class of Shares*	A	B	E	I	X	Z
Management Fee (%)	0.75	0.375	1.05	0.375	0.35	0.00
Operating, Administrative and Servicing Expenses (%)	0.25	0.25	0.25	0.15	0.15**	0.15

Class of Shares*	J	P	W
Management Fee (%)	n/a	0.50	0.00
Operating, Administrative and Servicing Expenses (%)	n/a	0.25	0.00

* For further details regarding the Dealing Currencies and/or Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Description of Share Classes".

** This percentage is a maximum. The amount paid will be disclosed in the semi-annual and annual reports of the Company.

Each Share Class may incur additional fees and expenses which are not disclosed in the above table. In particular, there may be as and when the sub-fund offers Currency Hedged Share Classes or Currency Overlay Share Classes an additional fee levied in relation to the operation of a currency hedging policy. Please refer to Section 2.10. "Charges and Expenses" for further details.

Equity Sub-Funds

Financial derivative instruments may be used for hedging and efficient portfolio management purposes. Certain Equity sub-funds may also invest in financial derivative instruments for investment purposes to the extent provided for in their specific investment objectives.

International and Regional Equity Sub-Funds

HSBC GLOBAL INVESTMENT FUNDS – ASEAN EQUITY

▶ **Reference Currency**

USD

▶ **Investment Objective**

The sub-fund invests for long term total return in a diversified portfolio of equities from countries which are members of the Association of South East Asian Nations ("ASEAN").

The sub-fund invests (normally a minimum of 90% of its net assets) in equities and equity equivalent securities of companies which are based in any ASEAN country with a focus on Indonesia, Malaysia, the Philippines, Singapore and Thailand as well as those which carry out the larger part of their business activities in ASEAN countries, in both developed and Emerging Markets.

The sub-fund may invest across a range of market capitalisations.

The sub-fund may invest in financial derivative instruments. However, the sub-fund does not intend to invest in financial derivative instruments extensively for investment purposes. The sub-fund may also use financial derivative instruments for hedging purposes and cash flow management (i.e. Equitisation).

Financial derivative instruments that the sub-fund may use include, but are not limited to, foreign exchange forwards (including non-deliverable forwards) and on-exchange traded index futures. Financial derivative instruments may also be embedded in other instruments used by the fund (for example, and convertibles).

▶ **Risk Management**

The commitment approach is used to measure and monitor the level of risk for this sub-fund.

▶ **Profile of the Typical Investor**

Dynamic category

▶ **Fees and Expenses**

Class of Shares*	A	B	E	I	X	Z
Management Fee (%)	1.50	0.75	2.00	0.75	0.70	0.00
Operating, Administrative and Servicing Expenses (%)	0.35	0.35	0.35	0.25	0.20**	0.25

Class of Shares*	J	P	W
Management Fee (%)	0.60	n/a	0.00
Operating, Administrative and Servicing Expenses (%)	0.25	n/a	0.00

* For further details regarding the Dealing Currencies and/or Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Description of Share Classes".

** This percentage is a maximum. The amount paid will be disclosed in the semi-annual and annual reports of the Company.

Each Share Class may incur additional fees and expenses which are not disclosed in the above table. In particular, there may be as and when the sub-fund offers Currency Hedged Share Classes or Currency Overlay Share Classes an additional fee levied in relation to the operation of a currency hedging policy. Please refer to Section 2.10. "Charges and Expenses" for further details.

▶ **Minimum Investment / Minimum Holding**

Class of Shares	Minimum Initial Investment Minimum Holding	
Class X	USD	5,000,000

▶ **Reference Currency**

USD

▶ **Investment Objective**

From 20 June 2016

The sub-fund aims to provide long term capital growth by investing in a portfolio of Asian (excluding Japanese) equities.

The sub-fund invests in normal market conditions a minimum of 90% of its net assets in equities and equity equivalent securities of companies which are domiciled in, based in, or carry out the larger part of their business activities in Asia (excluding Japan), in both developed markets such as OECD countries and Emerging Markets.

Investments in Chinese equities include, but are not limited to, China A-shares and China B-shares (and such other securities as may be available) listed on stock exchanges in the People's Republic of China ("PRC"). The sub-fund may directly invest in China A-shares through the Shanghai-Hong Kong Stock Connect, subject to applicable quota limitations. Furthermore, the sub-fund may gain exposure to China A-shares indirectly through China A-shares Access Products ("CAAP") such as, but not limited to, participation notes linked to China A-shares.

The sub-fund may invest up to 30% of its net assets in China A-shares through the Shanghai-Hong Kong Stock Connect and up to 30% of its net assets in CAAPs. The sub-fund's maximum exposure to China A-shares (through the Shanghai-Hong Kong Stock Connect or CAAP) and China B-shares is 50% of its net assets. The sub-fund will not invest more than 10% of its net assets in CAAPs issued by any single issuer of CAAPs.

The sub-fund normally invests across a range of market capitalisations without any capitalisation restriction.

The sub-fund may invest up to 10% of its net assets in units or shares of UCITS and/or other Eligible UCIs (including other sub-funds of HSBC Global Investment Funds).

The sub-fund may use financial derivative instruments for hedging and cash flow management (for example, Equitisation). However, the sub-fund will not use financial derivative instruments extensively for investment purposes. The financial derivative instruments the sub-fund is permitted to use include, but are not limited to, futures and foreign exchange forwards (including non-deliverable forwards). Financial derivative instruments may also be embedded in other instruments in which the sub-fund may invest.

Until 19 June 2016

The sub-fund seeks long term capital growth by investing primarily in a well-diversified portfolio of investments in equity and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of any Asian country (excluding Japan), as well as companies which carry out a preponderant part of their economic activities in the Asian region (excluding Japan).

As the sub-fund will seek to invest in companies throughout Asia (excluding Japan), these can be both companies with a registered office in, and with an official listing in developed markets such as the Asian OECD countries and also those in emerging Asian countries.

Whilst there are no capitalisation restrictions, it is anticipated that the sub-fund will seek to invest primarily in larger, established companies. At least 60% of the sub-fund's assets will be invested in securities denominated in currencies other than the Korean Won.

▶ **Risk Management**

The commitment approach is used to measure and monitor the level of risk for this sub-fund.

▶ **Profile of the Typical Investor**

Core Plus category

► **Fees and Expenses**

Class of Shares*	A	B	E	I	X	Z
Management Fee (%)	1.50	0.75	2.00	0.75	0.70	0.00
Operating, Administrative and Servicing Expenses (%)	0.35	0.35	0.35	0.25	0.20**	0.25

Class of Shares*	J	P	W
Management Fee (%)	0.60	n/a	0.00
Operating, Administrative and Servicing Expenses (%)	0.25	n/a	0.00

* For further details regarding the Dealing Currencies and/or Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Description of Share Classes".

** This percentage is a maximum. The amount paid will be disclosed in the semi-annual and annual reports of the Company.

Each Share Class may incur additional fees and expenses which are not disclosed in the above table. In particular, there may be as and when the sub-fund offers Currency Hedged Share Classes or Currency Overlay Share Classes an additional fee levied in relation to the operation of a currency hedging policy. Please refer to Section 2.10 "Changes and Expenses" for further details.

▶ **Reference Currency**

USD

▶ **Investment Objective**

From 20 June 2016

The sub-fund aims to provide long term capital growth by investing in a portfolio of Asian (excluding Japan) smaller company equities.

The sub-fund invests in normal market conditions a minimum of 90% of its net assets in equities and equity equivalent securities of companies which are domiciled in, based in, or carry out the larger part of their business activities in Asia (excluding Japan) including both developed markets such as OECD countries and Emerging Markets.

The sub-fund will invest a minimum of 70% of its net assets in equities and equity equivalent securities of smaller companies defined as those in the bottom 25% by market capitalisation of the Asia ex Japan universe (made of the combination of the MSCI AC Asia ex Japan index and the MSCI AC Asia ex Japan Small Cap index).

Investments in Chinese equities include, but are not limited to, China A-shares and China B-shares (and such other securities as may be available) listed on stock exchanges in the People's Republic of China ("PRC"). The sub-fund may directly invest in China A-shares through the Shanghai-Hong Kong Stock Connect, subject to applicable quota limitations. Furthermore, the sub-fund may gain exposure to China A-shares indirectly through China A-shares Access Products ("CAAP") such as, but not limited to, participation notes linked to China A-shares.

The sub-fund may invest up to 30% of its net assets in China A-shares through the Shanghai-Hong Kong Stock Connect and up to 30% of its net assets in CAAPs. The sub-fund's maximum exposure to China A-shares (through the Shanghai-Hong Kong Stock Connect or CAAP) and China B-shares is 50% of its net assets. The sub-fund will not invest more than 10% of its net assets in CAAPs issued by any single issuer of CAAPs.

The sub-fund may invest up to 10% of its net assets in units or shares of UCITS and/or other Eligible UCIs (including other sub-funds of HSBC Global Investment Funds).

The sub-fund may use financial derivative instruments for hedging and cash flow management (for example, Equitisation). However, the sub-fund will not use financial derivative instruments extensively for investment purposes. The financial derivative instruments the sub-fund is permitted to use include, but are not limited to, futures and foreign exchange forwards (including non-deliverable forwards). Financial derivative instruments may also be embedded in other instruments in which the sub-fund may invest.

Until 19 June 2016

The sub-fund seeks long term capital growth by investing primarily in a diversified portfolio of investments in equity and equity equivalent securities of smaller, less-established companies (being defined as those with a maximum market capitalisation of USD 2 billion at the time of purchase) which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of any Asian country (excluding Japan) as well as companies which carry out a preponderant part of their economic activities in the Asian region (excluding Japan).

As the sub-fund will seek to invest in companies throughout Asia (excluding Japan), these will be both companies with a registered office in and with an official listing in, developed markets such as the Asian OECD countries, and also those in emerging Asian countries.

▶ **Risk Management**

The commitment approach is used to measure and monitor the level of risk for this sub-fund.

▶ **Profile of the Typical Investor**

Dynamic category

► **Fees and Expenses**

Class of Shares*	A	B	E	I	X	Z
Management Fee (%)	1.50	0.75	2.00	0.75	0.70	0.00
Operating, Administrative and Servicing Expenses (%)	0.35	0.35	0.35	0.25	0.20**	0.25

Class of Shares*	J	P	W
Management Fee (%)	0.60	n/a	0.00
Operating, Administrative and Servicing Expenses (%)	0.25	n/a	0.00

* For further details regarding the Dealing Currencies and/or Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Description of Share Classes".

** This percentage is a maximum. The amount paid will be disclosed in the semi-annual and annual reports of the Company.

Each Share Class may incur additional fees and expenses which are not disclosed in the above table. In particular, there may be as and when the sub-fund offers Currency Hedged Share Classes or Currency Overlay Share Classes an additional fee levied in relation to the operation of a currency hedging policy. Please refer to Section 2.10. "Charges and Expenses" for further details.

► **Minimum Investment / Minimum Holding**

Class of Shares	Minimum Initial Investment Minimum Holding	
Class X	USD	5,000,000

▶ **Reference Currency**

USD

▶ **Investment Objective**

From 20 June 2016

The sub-fund aims to provide dividend yield whilst also maximising total return by investing in a portfolio of Asia-Pacific (excluding Japan) equities.

The sub-fund aims to invest in a portfolio that offers a dividend yield above the MSCI AC Asia Pacific ex Japan Net.

The sub-fund invests in normal market conditions a minimum of 90% of its net assets in equities and equity equivalent securities of companies which are domiciled in, based in, or carry out the larger part of their business activities in Asia-Pacific (excluding Japan) including both developed markets such as OECD countries and Emerging Markets.

Investments in Chinese equities include, but are not limited to, China A-shares and China B-shares (and such other securities as may be available) listed on stock exchanges in the People's Republic of China ("PRC"). The sub-fund may directly invest in China A-shares through the Shanghai-Hong Kong Stock Connect, subject to applicable quota limitations. Furthermore, the sub-fund may gain exposure to China A-shares indirectly through China A-shares Access Products ("CAAP") such as, but not limited to, participation notes linked to China A-shares.

The sub-fund may invest up to 30% of its net assets in China A-shares through the Shanghai-Hong Kong Stock Connect and up to 30% of its net assets in CAAPs. The sub-fund's maximum exposure to China A-shares (through the Shanghai-Hong Kong Stock Connect or CAAP) and China B-shares is 50% of its net assets. The sub-fund will not invest more than 10% of its net assets in CAAPs issued by any single issuer of CAAPs.

The sub-fund normally invests across a range of market capitalisations without any capitalisation restriction.

The sub-fund may invest up to 10% of its net assets in units or shares of UCITS and/or other Eligible UCIs (including other sub-funds of HSBC Global Investment Funds).

The sub-fund may use financial derivative instruments for hedging and cash flow management (for example, Equitisation). However, the sub-fund will not use financial derivative instruments extensively for investment purposes. The financial derivative instruments the sub-fund is permitted to use include, but are not limited to, futures and foreign exchange forwards (including non-deliverable forwards). Financial derivative instruments may also be embedded in other instruments in which the sub-fund may invest.

Until 19 June 2016

The sub-fund seeks long term capital growth and a high level of income by investing primarily in a diversified portfolio of investments in equity and equity equivalent securities of companies which have their registered office in and with an official listing on a major stock exchange or other Regulated Market of any Asia-Pacific country (excluding Japan) as well as companies which carry out a preponderant part of their economic activities in the Asia-Pacific region (excluding Japan), that offer short-term sustainable dividend yields above the market average and/or the potential for dividend growth above the market average over the short-term.

As the sub-fund will seek to invest in companies throughout the Asia-Pacific region (excluding Japan), these can be both companies with a registered office in, and with an official listing in developed markets, and also those in emerging Asian countries.

Whilst there are no capitalisation restrictions, it is anticipated that the sub-fund will seek to invest primarily in larger, established companies. At least 60% of the sub-fund's assets will be invested in securities denominated in currencies other than the Korean Won.

▶ **Risk Management**

The commitment approach is used to measure and monitor the level of risk for this sub-fund.

▶ **Profile of the Typical Investor**

Dynamic category

► **Fees and Expenses**

Class of Shares*	A	B	E	I	X	Z
Management Fee (%)	1.50	0.75	2.00	0.75	0.70	0.00
Operating, Administrative and Servicing Expenses (%)	0.35	0.35	0.35	0.25	0.20**	0.25

Class of Shares*	J	P	S9	W
Management Fee (%)	0.60	n/a	0.35	0.00
Operating, Administrative and Servicing Expenses (%)	0.25	n/a	0.30	0.00

* For further details regarding the Dealing Currencies and/or Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Description of Share Classes".

** This percentage is a maximum. The amount paid will be disclosed in the semi-annual and annual reports of the Company.

Each Share Class may incur additional fees and expenses which are not disclosed in the above table. In particular, there may be as and when the sub-fund offers Currency Hedged Share Classes or Currency Overlay Share Classes an additional fee levied in relation to the operation of a currency hedging policy. Please refer to Section 2.10. "Charges and Expenses" for further details.

► **Minimum Investment / Minimum Holding**

Class of Shares	Minimum Initial Investment Minimum Holding	
Class X	USD	5,000,000

▶ **Reference Currency**

USD

▶ **Investment Objective**

From 20 June 2016

The sub-fund aims to provide long term total return by investing in a portfolio of equities from Brazil, Russia, India and China (including Hong Kong SAR) ("BRIC").

The sub-fund invests in normal market conditions a minimum of 90% of its net assets in equities and equity equivalent securities of companies which are domiciled in, based in, or carry out the larger part of their business activities in Brazil, Russia, India and/or China (including Hong Kong SAR) (BRIC).

Investments in Chinese equities include, but are not limited to, China A-shares and China B-shares (and such other securities as may be available) listed on stock exchanges in the People's Republic of China ("PRC"). The sub-fund may directly invest in China A-shares through the Shanghai-Hong Kong Stock Connect, subject to applicable quota limitations. Furthermore, the sub-fund may gain exposure to China A-shares indirectly through China A-shares Access Products ("CAAP") such as, but not limited to, participation notes linked to China A-shares.

The sub-fund may invest up to 40% of its net assets in China A-shares through the Shanghai-Hong Kong Stock Connect and up to 30% of its net assets in CAAPs. The sub-fund's maximum exposure to China A-shares (through the Shanghai-Hong Kong Stock Connect or CAAP) and China B-shares is 50% of its net assets. The sub-fund will not invest more than 10% of its net assets in CAAPs issued by any single issuer of CAAPs.

The sub-fund normally invests across a range of market capitalisations without any capitalisation restriction.

The sub-fund may invest up to 10% of its net assets in units or shares of UCITS and/or other Eligible UCIs (including other sub-funds of HSBC Global Investment Funds).

The sub-fund may use financial derivative instruments for hedging and cash flow management (for example, Equitisation). However, the sub-fund will not use financial derivative instruments extensively for investment purposes. The financial derivative instruments the sub-fund is permitted to use include, but are not limited to, futures and foreign exchange forwards (including non-deliverable forwards). Financial derivative instruments may also be embedded in other instruments in which the sub-fund may invest.

Until 19 June 2016

The sub-fund seeks long term returns from capital growth and income by investing primarily in a concentrated portfolio of investments in equity and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market in Brazil, Russia, India and China (including Hong Kong SAR) ("BRIC") as well as those companies with significant operations or carrying out a preponderant part of their business activities in these countries provided that investments in securities dealt in on the Russian markets other than those recognised by the Luxembourg regulator as Regulated Markets are subject to the 10% limit set forth in restriction 1. a) of Appendix 1. "General Investment Restrictions".

These companies will be those that at the time of purchase have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of a BRIC country, as well as those companies which carry out a preponderant part of their business activities in any of the BRIC countries.

Whilst there are no capitalisation restrictions, it is anticipated that the sub-fund will seek to invest across a range of capitalisations.

The portfolio will be actively managed, aiming to achieve total returns to investors without reference to market index weightings.

▶ **Risk Management**

The commitment approach is used to measure and monitor the level of risk for this sub-fund.

▶ **Profile of the Typical Investor**

Dynamic category

► **Fees and Expenses**

Class of Shares*	A	B	E	I	X	Z
Management Fee (%)	1.50	0.75	2.00	0.75	0.70	0,00
Operating, Administrative and Servicing Expenses (%)	0.40	0.40	0.40	0.30	0.25***	0.30

Class of Shares*	J**	L**	M**	R**	W
Management Fee (%)	0.60	0.50	1.00	n/a	0.00
Operating, Administrative and Servicing Expenses (%)	0.30	0.30	0.40	n/a	0.00

* For further details regarding the Dealing Currencies and/or Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Description of Share Classes".

** Performance fee calculations for the Classes of Shares J, L and M were terminated since 22 January 2010. Classes of Shares L and M are closed to new subscriptions since 1 April 2010 except for shareholders having an existing regular saving plan. Class of Shares J remain open to subscriptions for existing and new shareholders who qualify with the definition of Class J as described in Section 1.3. "Description of Share Classes".

*** This percentage is a maximum. The amount paid will be disclosed in the semi-annual and annual reports of the Company.

Each Share Class may incur additional fees and expenses which are not disclosed in the above table. In particular, there may be as and when the sub-fund offers Currency Hedged Share Classes or Currency Overlay Share Classes an additional fee levied in relation to the operation of a currency hedging policy. Please refer to Section 2.10. "Charges and Expenses" for further details.

► **Net Asset Value Calculation**

Each Dealing Day except Business Days immediately preceding January 1st and December 25th.

► **Minimum Investment / Minimum Holding**

Class of Shares	Minimum Initial Investment Minimum Holding	
Class X	USD	5,000,000

▶ **Reference Currency**

USD

▶ **Investment Objective**

From 20 June 2016

The sub-fund aims to provide long term total return by investing in a portfolio of equities from Brazil, Russia, India and China (including Hong Kong SAR) ("BRIC").

The sub-fund invests in normal market conditions a minimum of 90% of its net assets in equities and equity equivalent securities of companies which are domiciled in, based in, or carry out the larger part of their business activities in, Brazil, Russia, India and/or China (including Hong Kong SAR) (BRIC).

Investments in Chinese equities include, but are not limited to, China A-shares and China B-shares (and such other securities as may be available) listed on stock exchanges in the People's Republic of China ("PRC"). The sub-fund may directly invest in China A-shares through the Shanghai-Hong Kong Stock Connect, subject to applicable quota limitations. Furthermore, the sub-fund may gain exposure to China A-shares indirectly through China A-shares Access Products ("CAAP") such as, but not limited to, participation notes linked to China A-shares.

The sub-fund may invest up to 40% of its net assets in China A-shares through the Shanghai-Hong Kong Stock Connect and up to 30% of its net assets in CAAPs. The sub-fund's maximum exposure to China A-shares (through the Shanghai-Hong Kong Stock Connect or CAAP) and China B-shares is 50% of its net assets. The sub-fund will not invest more than 10% of its net assets in CAAPs issued by any single issuer of CAAPs.

The sub-fund normally invests across a range of market capitalisations without any capitalisation restriction.

The sub-fund may invest up to 10% of its net assets in units or shares of UCITS and/or other Eligible UCIs (including other sub-funds of HSBC Global Investment Funds).

The sub-fund may use financial derivative instruments for hedging and cash flow management (for example, Equitisation). However, the sub-fund will not use financial derivative instruments extensively for investment purposes. The financial derivative instruments the sub-fund is permitted to use include, but are not limited to, futures and foreign exchange forwards (including non-deliverable forwards). Financial derivative instruments may also be embedded in other instruments in which the sub-fund may invest.

Until 19 June 2016

The sub-fund aims to provide long term total return by investing in a portfolio of equities from Brazil, Russia, India and China (including Hong Kong SAR) (BRIC).

The sub-fund invests (normally a minimum of 90% of its net assets) in equities and equity equivalent securities of companies which are based in Brazil, Russia, India and China (including Hong Kong SAR) (BRIC) as well as those companies which carry out the larger part of their business activities in these countries.

The sub-fund normally invests across a range of market capitalisations.

The sub-fund may achieve its investment policy by investing up to 10% of its net assets in units or shares of UCITS and/or other Eligible UCIs (excluding other sub-funds of HSBC Global Investment Funds).

The sub-fund may achieve its investment objective by investing in financial derivative instruments. However, the sub-fund does not intend to invest in financial derivative instruments extensively for investment purposes and their primary use will be for hedging and efficient portfolio management, including purposes such as cash flow management.

Financial derivative instruments that the sub-fund may use include, but are not limited to, foreign exchange forwards (including non-deliverable forwards) and on-exchange traded index futures. Financial derivative instruments may also be embedded in other instruments used by the fund (for example, convertibles).

▶ **Risk Management**

The commitment approach is used to measure and monitor the level of risk for this sub-fund.

▶ **Profile of the Typical Investor**

Dynamic category

► **Fees and Expenses**

Class of Shares*	A	B	E	I	X	Z
Management Fee (%)	1.50	0.75	2.00	0.75	0.70	0.00
Operating, Administrative and Servicing Expenses (%)	0.35	0.35	0.35	0.25	0.20**	0.25

Class of Shares*	J	P	W
Management Fee (%)	0.60	n/a	0.00
Operating, Administrative and Servicing Expenses (%)	0.25	n/a	0.00

* For further details regarding the Dealing Currencies and/or Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Description of Share Classes".

** This percentage is a maximum. The amount paid will be disclosed in the semi-annual and annual reports of the Company.

Each Share Class may incur additional fees and expenses which are not disclosed in the above table. In particular, there may be as and when the sub-fund offers Currency Hedged Share Classes or Currency Overlay Share Classes an additional fee levied in relation to the operation of a currency hedging policy. Please refer to Section 2.10. "Charges and Expenses" for further details.

► **Minimum Investment / Minimum Holding**

Class of Shares	Minimum Initial Investment Minimum Holding	
Class X	USD	5,000,000

▶ **Reference Currency**

USD

▶ **Investment Objective**

From 20 June 2016

The sub-fund aims to provide long term total return by investing in a portfolio of equities of companies positioned to benefit from growth in the consumer economy in China.

The sub-fund invests in normal market conditions a minimum of 90% of its net assets in equities and equity equivalent securities of mid to large cap companies which are domiciled in, based in, or carry out business activities in, any country including both developed markets, such as OECD countries, and Emerging Markets.

The reference to "mid to large cap" generally refers to companies in the top 85% of each market by free-float adjusted market capitalisation. Such percentage may differ from market to market and may be subject to change from time to time.

Investments in Chinese equities include, but are not limited to, China A-shares and China B-shares (and such other securities as may be available) listed on stock exchanges in the People's Republic of China ("PRC"). The sub-fund may directly invest in China A-shares through the Shanghai-Hong Kong Stock Connect, subject to applicable quota limitations. Furthermore, the sub-fund may gain exposure to China A-shares indirectly through China A-shares Access Products ("CAAP") such as, but not limited to, participation notes linked to China A-shares.

The sub-fund may invest up to 20% of its net assets in China A-shares through the Shanghai-Hong Kong Stock Connect and up to 30% of its net assets in CAAPs. The sub-fund's maximum exposure to China A-shares (through the Shanghai-Hong Kong Stock Connect or CAAP) and China B-shares is 30% of its net assets. The sub-fund will not invest more than 10% of its net assets in CAAPs issued by any single issuer of CAAPs.

The sub-fund may invest up to 10% of its net assets in units or shares of UCITS and/or other Eligible UCIs (including other sub-funds of HSBC Global Investment Funds).

The sub-fund may use financial derivative instruments for hedging and cash flow management (for example, Equitisation). However, the sub-fund will not use financial derivative instruments extensively for investment purposes. The financial derivative instruments the sub-fund is permitted to use include, but are not limited to, futures and foreign exchange forwards (including non-deliverable forwards). Financial derivative instruments may also be embedded in other instruments in which the sub-fund may invest.

Until 19 June 2016

The sub-fund seeks long term total return by investing at least 90% of its net assets in a diversified portfolio of investments in equity and equity equivalent securities of mid to large cap companies around the world, positioned to benefit from the growing middle class and changing consumer behaviour in China.

The investment universe mainly comprises of mid to large cap global companies with growing revenues in the luxury sector as well as consumer discretionary and staples sectors that have appeal and recognition by Chinese consumers. The reference to "mid to large cap" generally refers to the top 85% of each market's free-float adjusted market capitalisation. Such percentage may differ from market to market and may be subject to change from time to time.

The sub-fund will invest in the consumer discretionary and consumer staples sector which includes, but is not limited to automobiles & components, consumer durables & apparel, consumer services, media, retailing, food & staples retailing, food, beverage & tobacco, household & personal products industries.

The sub-fund may use financial derivative instruments for hedging purposes only.

▶ **Risk Management**

The commitment approach is used to measure and monitor the level of risk for this sub-fund.

▶ **Profile of the Typical Investor**

Dynamic category

► **Fees and Expenses**

Class of Shares*	A	B	E	I	X	Z
Management Fee (%)	1.50	0.75	2.00	0.75	0.70	0.00
Operating, Administrative and Servicing Expenses (%)	0.40	0.40	0.40	0.30	0.25**	0.30

Class of Shares*	J	P	S5	W
Management Fee (%)	n/a	n/a	0.40	0.00
Operating, Administrative and Servicing Expenses (%)	n/a	n/a	0.30	0.00

* For further details regarding the Dealing Currencies and/or Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Description of Share Classes".

** This percentage is a maximum. The amount paid will be disclosed in the semi-annual and annual reports of the Company.

Each Share Class may incur additional fees and expenses which are not disclosed in the above table. In particular, there may be as and when the sub-fund offers Currency Hedged Share Classes or Currency Overlay Share Classes an additional fee levied in relation to the operation of a currency hedging policy. Please refer to Section 2.10. "Charges and Expenses" for further details.

► **Minimum Investment / Minimum Holding**

Class of Shares	Minimum Initial Investment Minimum Holding	
Class X	USD	2,500,000

▶ **Reference Currency**

USD

▶ **Investment Objective**

From 20 June 2016

The sub-fund aims to provide long term total return by investing in a portfolio of equities of companies positioned to benefit from growth in the consumer economy in Emerging Markets.

The sub-fund invests in normal market conditions a minimum of 90% of its net assets in equities and equity equivalent securities of companies which are domiciled in, based in, or carry out business activities in, any country including both developed markets, such as OECD countries, and Emerging Markets.

Investments in Chinese equities include, but are not limited to, China A-shares and China B-shares (and such other securities as may be available) listed on stock exchanges in the People's Republic of China ("PRC"). The sub-fund may directly invest in China A-shares through the Shanghai-Hong Kong Stock Connect, subject to applicable quota limitations. Furthermore, the sub-fund may gain exposure to China A-shares indirectly through China A-shares Access Products ("CAAP") such as, but not limited to, participation notes linked to China A-shares.

The sub-fund may invest up to 20% of its net assets in China A-shares through the Shanghai-Hong Kong Stock Connect and up to 30% of its net assets in CAAPs. The sub-fund's maximum exposure to China A-shares (through the Shanghai-Hong Kong Stock Connect or CAAP) and China B-shares is 30% of its net assets. The sub-fund will not invest more than 10% of its net assets in CAAPs issued by any single issuer of CAAPs.

The sub-fund normally invests across a range of market capitalisations without any capitalisation restriction.

The sub-fund may invest up to 10% of its net assets in units or shares of UCITS and/or other Eligible UCIs (including other sub-funds of HSBC Global Investment Funds).

The sub-fund may use financial derivative instruments for hedging and cash flow management (for example, Equitisation). However, the sub-fund will not use financial derivative instruments extensively for investment purposes. The financial derivative instruments the sub-fund is permitted to use include, but are not limited to, futures and foreign exchange forwards (including non-deliverable forwards). Financial derivative instruments may also be embedded in other instruments in which the sub-fund may invest.

Until 19 June 2016

The sub-fund seeks long term capital growth by investing primarily in a well-diversified portfolio of investments in equity and equity equivalent securities of companies which have their registered office in, and/or with an official listing on a major stock exchange or other Regulated Market of any country.

The sub-fund will seek to benefit from the growing consumer economy in Emerging Markets. The sub-fund will seek to invest in companies with registered office in, and/or with an official listing in, developed markets such as OECD countries, and also those in Emerging Markets.

There are no capitalisation restrictions, and it is anticipated that the sub-fund will seek to invest across a range of market capitalisations.

▶ **Risk Management**

The commitment approach is used to measure and monitor the level of risk for this sub-fund.

▶ **Profile of the Typical Investor**

Core Plus category

► **Fees and Expenses**

Class of Shares*	A	B	E	I	X	Z
Management Fee (%)	1.50	0.75	2.00	0.75	0.60	0.00
Operating, Administrative and Servicing Expenses (%)	0.40	0.40	0.40	0.25	0.20**	0.25

Class of Shares*	J	P	W
Management Fee (%)	0.60	n/a	0.00
Operating, Administrative and Servicing Expenses (%)	0.25	n/a	0.00

* For further details regarding the Dealing Currencies and/or Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Description of Share Classes".

** This percentage is a maximum. The amount paid will be disclosed in the semi-annual and annual reports of the Company.

Each Share Class may incur additional fees and expenses which are not disclosed in the above table. In particular, there may be as and when the sub-fund offers Currency Hedged Share Classes or Currency Overlay Share Classes an additional fee levied in relation to the operation of a currency hedging policy. Please refer to Section 2.10. "Charges and Expenses" for further details.

► **Minimum Investment / Minimum Holding**

Class of Shares	Minimum Initial Investment Minimum Holding	
Class X	USD	5,000,000

HSBC GLOBAL INVESTMENT FUNDS – EUROLAND EQUITY

▶ **Reference Currency**

EUR

▶ **Investment Objective**

The sub-fund seeks long term capital growth by investing primarily in a well-diversified portfolio of investments in equity and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of any European Monetary Union (EMU) member country. Initially this will be the 12 member countries but if others join the EMU in the future then investments in these countries may also be considered. Whilst there are no capitalisation restrictions, it is anticipated that the sub-fund will seek to invest primarily in larger, established companies.

The sub-fund may also invest in financial derivative instruments such as futures, options and swaps (including, but not limited to, credit default swaps) and in other currency and equity derivatives. The sub-fund intends to use such financial derivative instruments, *inter alia*, for the purposes of managing market exposure and currency positioning but also to enhance return when the Investment Adviser believes the investment in financial derivative instruments will assist the sub-fund in achieving its investment objectives.

▶ **Risk Management**

The commitment approach is used to measure and monitor the level of risk for this sub-fund.

▶ **Profile of the Typical Investor**

Core Plus category

▶ **Fees and Expenses**

Class of Shares*	A	B	E	I	X	Z
Management Fee (%)	1.50	0.75	2.00	0.75	0.60	0.00
Operating, Administrative and Servicing Expenses (%)	0.35	0.35	0.35	0.25	0.20**	0.25

Class of Shares*	J	P	W
Management Fee (%)	n/a	n/a	0.00
Operating, Administrative and Servicing Expenses (%)	n/a	n/a	0.00

* For further details regarding the Dealing Currencies and/or Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Description of Share Classes".

** This percentage is a maximum. The amount paid will be disclosed in the semi-annual and annual reports of the Company.

Each Share Class may incur additional fees and expenses which are not disclosed in the above table. In particular, there may be as and when the sub-fund offers Currency Hedged Share Classes or Currency Overlay Share Classes an additional fee levied in relation to the operation of a currency hedging policy. Please refer to Section 2.10. "Charges and Expenses" for further details.

HSBC GLOBAL INVESTMENT FUNDS – EUROLAND EQUITY SMALLER COMPANIES

▶ Reference Currency

EUR

▶ Investment Objective

From 20 June 2016

The sub-fund seeks long-term total return by investing (normally a minimum of 90% of its net assets) in a portfolio of equity and equity equivalent securities of smaller and mid-sized companies which are based in any Eurozone member country.

Smaller and mid-sized companies are those companies whose market capitalisation generally comprises the lowest tier of the aggregate Eurozone market, defined as companies whose market capitalisation is below EUR 10 billion as well as companies within the MSCI EMU SMID index.

The sub-fund may use financial derivative instruments for hedging and cash flow management (for example, Equitisation). However, the sub-fund will not use financial derivative instruments extensively for investment purposes. The financial derivative instruments the sub-fund is permitted to use include, but are not limited to, futures and foreign exchange forwards (including non-deliverable forwards). Financial derivative instruments may also be embedded in other instruments in which the sub-fund may invest.

Until 19 June 2016

The sub-fund seeks long-term total return by investing (normally a minimum of 90% of its net assets) in a portfolio of equity and equity equivalent securities of smaller and mid-sized companies which are based in any Eurozone member country.

Smaller and mid-sized companies are those companies whose market capitalisation generally comprises the lowest tier of the aggregate Eurozone market, defined as companies whose market capitalisation falls below EUR 10 billion.

The sub-fund may also invest in financial derivative instruments such as futures, options and forward currency contracts and in other currency and equity derivatives. The sub-fund intends to use such financial derivative instruments for, *inter alia*, the purposes of managing market exposure and currency positioning but also to enhance return when the Investment Adviser believes the investment in financial derivative instruments will assist the sub-fund in achieving its investment objectives.

▶ Risk Management

The commitment approach is used to measure and monitor the level of risk for this sub-fund.

▶ Profile of the Typical Investor

Dynamic category

▶ Fees and Expenses

Class of Shares*	A	B	E	I	X	Z
Management Fee (%)	1.50	0.75	2.00	0.75	0.70	0.00
Operating, Administrative and Servicing Expenses (%)	0.35	0.35	0.35	0.25	0.20**	0.25

Class of Shares*	J	P	W
Management Fee (%)	n/a	n/a	0.00
Operating, Administrative and Servicing Expenses (%)	n/a	n/a	0.00

* For further details regarding the Dealing Currencies and/or Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Description of Share Classes".

** This percentage is a maximum. The amount paid will be disclosed in the semi-annual and annual reports of the Company.

Each Share Class may incur additional fees and expenses which are not disclosed in the above table. In particular, there may be as and when the sub-fund offers Currency Hedged Share Classes or Currency Overlay Share Classes an additional fee levied in relation to the operation of a currency hedging policy. Please refer to Section 2.10. "Charges and Expenses" for further details.

▶ Minimum Investment / Minimum Holding

Class of Shares	Minimum Initial Investment Minimum Holding	
Class X	USD	5,000,000

HSBC GLOBAL INVESTMENT FUNDS – EUROLAND GROWTH

▶ Reference Currency

EUR

▶ Investment Objective

The sub-fund seeks long term capital growth by investing primarily in a diversified portfolio of investments in equity and equity equivalent securities of growth companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of any European Monetary Union (EMU) member country. Whilst there are no capitalisation restrictions it is anticipated that the sub-fund will seek to invest across a range of capitalisations. The sub-fund will invest almost exclusively in capitalisations exceeding EUR 1 billion.

The sub-fund may also invest in financial derivative instruments such as futures, options and forward currency contracts and in other currency and equity derivatives. The sub-fund intends to use such financial derivative instruments for, *inter alia*, the purposes of managing market exposure and currency positioning but also to enhance return when the Investment Adviser believes the investment in financial derivative instruments will assist the sub-fund in achieving its investment objectives.

▶ Risk Management

The commitment approach is used to measure and monitor the level of risk for this sub-fund.

▶ Profile of the Typical Investor

Core Plus category

▶ Fees and Expenses

Class of Shares*	A	B	E	I	X	Z
Management Fee (%)	1.50	0.75	2.00	0.75	0.60	0.00
Operating, Administrative and Servicing Expenses (%)	0.35	0.35	0.35	0.25	0.20**	0.25

Class of Shares*	J	M***	P	W
Management Fee (%)	n/a	1.25	n/a	0.00
Operating, Administrative and Servicing Expenses (%)	n/a	0.35	n/a	0.00

* For further details regarding the Dealing Currencies and/or Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Description of Share Classes".

** This percentage is a maximum. The amount paid will be disclosed in the semi-annual and annual reports of the Company.

*** Classes of Shares M are closed to new subscriptions.

Each Share Class may incur additional fees and expenses which are not disclosed in the above table. In particular, there may be as and when the sub-fund offers Currency Hedged Share Classes or Currency Overlay Share Classes an additional fee levied in relation to the operation of a currency hedging policy. Please refer to Section 2.10. "Charges and Expenses" for further details.

HSBC GLOBAL INVESTMENT FUNDS – EUROPE EQUITY VOLATILITY FOCUSED

▶ Reference Currency

EUR

▶ Investment Objective

The sub-fund aims to provide long term total return by investing in a portfolio of European equities.

The sub-fund invests in normal market conditions a minimum of 90% of its net assets in equities and equity equivalent securities of companies which are domiciled in, based in, or carry out the larger part of their business activities in, Europe. The sub-fund may invest the remaining assets in financial derivative instruments and/or temporarily in fixed income securities, money market instruments, cash instruments and cash.

The sub-fund aims for a lower portfolio volatility relative to that of the MSCI Europe Index through portfolio construction. The sub-fund uses portfolio optimisation to lower overall portfolio volatility by selecting a combination of lower volatility stocks and higher volatility stocks that are less correlated and thereby diversifying the portfolio. The sub-fund may rely on market research and quantitative analysis to estimate individual stock volatility and intra-stock correlation as part of its portfolio optimisation process.

The sub-fund normally invests across a range of market capitalisations without any capitalisation restriction.

The sub-fund may invest up to 10% of its net assets in units or shares of UCITS and/or other Eligible UCIs (including other sub-funds of HSBC Global Investment Funds).

The sub-fund may use financial derivative instruments for hedging and cash flow management (for example, Equitisation). However, the sub-fund will not use financial derivative instruments extensively for investment purposes. The financial derivative instruments the sub-fund is permitted to use include, but are not limited to, futures and foreign exchange forwards (including non-deliverable forwards). Financial derivative instruments may also be embedded in other instruments in which the sub-fund may invest.

▶ Risk Management

The commitment approach is used to measure and monitor the level of risk for this sub-fund.

▶ Profile of the Typical Investor

Core Plus category

▶ Fees and Expenses

Class of Shares*	A	B	E	I	X	Z
Management Fee (%)**	1.50	0.75	2.00	0.75	0.60	0.00
Operating, Administrative and Servicing Expenses (%)	0.35	0.35	0.35	0.25	0.20***	0.25

Class of Shares*	J	P	W
Management Fee (%)	n/a	n/a	0.00
Operating, Administrative and Servicing Expenses (%)	n/a	n/a	0.00

* For further details regarding the Dealing Currencies and/or Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Description of Share Classes".

** The maximum rate for Class A, B, X and Z is 3.5%.

*** This percentage is a maximum. The amount paid will be disclosed in the semi-annual and annual reports of the Company.

Each Share Class may incur additional fees and expenses which are not disclosed in the above table. In particular, there may be as and when the sub-fund offers Currency Hedged Share Classes or Currency Overlay Share Classes an additional fee levied in relation to the operation of a currency hedging policy. Please refer to Section 2.10. "Charges and Expenses" for further details.

HSBC GLOBAL INVESTMENT FUNDS – EUROPEAN EQUITY

▶ **Reference Currency**

EUR

▶ **Investment Objective**

The sub-fund seeks long term capital growth by investing primarily in a diversified portfolio of investments in equity and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of any developed European country. The portfolio is diversified by sector and individual stock exposure.

There are no capitalisation restrictions, and it is anticipated that the sub-fund will seek to invest across a broad range of capitalisations.

▶ **Risk Management**

The commitment approach is used to measure and monitor the level of risk for this sub-fund.

▶ **Profile of the Typical Investor**

Core Plus category

▶ **Fees and Expenses**

Class of Shares*	A	B	E	I	X	Z
Management Fee (%)	1.50	0.75	2.00	0.75	0.60	0.00
Operating, Administrative and Servicing Expenses (%)	0.35	0.35	0.35	0.25	0.20**	0.25

Class of Shares*	J	P	W
Management Fee (%)	n/a	1.00	0.00
Operating, Administrative and Servicing Expenses (%)	n/a	0.35	0.00

* For further details regarding the Dealing Currencies and/or Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Description of Share Classes".

** This percentage is a maximum. The amount paid will be disclosed in the semi-annual and annual reports of the Company.

Each Share Class may incur additional fees and expenses which are not disclosed in the above table. In particular, there may be as and when the sub-fund offers Currency Hedged Share Classes or Currency Overlay Share Classes an additional fee levied in relation to the operation of a currency hedging policy. Please refer to Section 2.10. "Charges and Expenses" for further details.

HSBC GLOBAL INVESTMENT FUNDS – FRONTIER MARKETS

▶ Reference Currency

USD

▶ Investment Objective

The sub-fund invests for long term total returns in a diversified portfolio of investments in equity and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market in Frontier Markets, as well as those companies with significant operations or carrying out a preponderant part of their business activities in these countries.

The sub-fund may also invest in financial derivative instruments such as futures, options and forward currency contracts and in other currency and equity derivatives. The sub-fund intends to use such financial derivative instruments for, *inter alia*, the purposes of managing market exposure and currency positioning but also to enhance return when the Investment Adviser believes the investment in financial derivative instruments will assist the sub-fund in achieving its investment objectives.

The portfolio will be actively managed, aiming to achieve total returns to investors without reference to market index weightings.

▶ Risk Management

The commitment approach is used to measure and monitor the level of risk for this sub-fund.

▶ Profile of the Typical Investor

Dynamic category

▶ Fees and Expenses

From 20 May 2016

Class of Shares*	A	B	E	I	X	Z
Management Fee (%)	1.75	1.25	2.25	1.25	1.00	0.00
Operating, Administrative and Servicing Expenses (%)	0.50	0.50	0.50	0.40	0.30**	0.40

Class of Shares*	J	P	W
Management Fee (%)	n/a	n/a	0.00
Operating, Administrative and Servicing Expenses (%)	n/a	n/a	0.00

* For further details regarding the Dealing Currencies and/or Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Description of Share Classes".

** This percentage is a maximum. The amount paid will be disclosed in the semi-annual and annual reports of the Company.

Each Share Class may incur additional fees and expenses which are not disclosed in the above table. In particular, there may be as and when the sub-fund offers Currency Hedged Share Classes or Currency Overlay Share Classes an additional fee levied in relation to the operation of a currency hedging policy. Please refer to Section 2.10. "Charges and Expenses" for further details.

Until 19 May 2016

Class of Shares*	A	B	E	I	X	Z
Management Fee (%)	1.75	1.25	2.25	1.25	1.00	0.00
Operating, Administrative and Servicing Expenses (%)	0.40	0.40	0.40	0.30	0.25**	0.30

Class of Shares*	J	P	W
Management Fee (%)	n/a	n/a	0.00
Operating, Administrative and Servicing Expenses (%)	n/a	n/a	0.00

* For further details regarding the Dealing Currencies and/or Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Description of Share Classes".

** This percentage is a maximum. The amount paid will be disclosed in the semi-annual and annual reports of the Company.

Each Share Class may incur additional fees and expenses which are not disclosed in the above table. In particular, there may be as and when the sub-fund offers Currency Hedged Share Classes or Currency Overlay Share Classes an additional fee levied in relation to the operation of a currency hedging policy. Please refer to Section 2.10. "Charges and Expenses" for further details.

▶ **Dealing Day**

On each Net Asset Value Calculation, as defined below.

▶ **Net Asset Value Calculation**

Monday, Tuesday, Wednesday and Thursday unless any of these days are not a Business Day or if stock exchanges and Regulated Markets in countries where the sub-fund is materially invested are not open for normal trading.

▶ **Settlement**

Operation	Due date for receipt of cleared monies/payment of redemption proceeds
Buying Shares	No later than four Business Days after the Net Asset Value Calculation (which are days during which the banks in the principal financial centre for the Settlement Currency of the relevant Share Class are open for business)
Selling Shares	No later than seven Business Days after the Net Asset Value Calculation (which are days during which the banks in the principal financial centre for the Settlement Currency of the relevant Share Class are open for business)

▶ **Minimum Investment / Minimum Holding**

Class of Shares	Minimum Initial Investment Minimum Holding	
	USD	2,500,000

▶ **Reference Currency**

USD

▶ **Investment Objective**

From 20 June 2016

The sub-fund aims to provide long term total return by investing in a portfolio of Emerging Market equities.

The sub-fund invests in normal market conditions a minimum of 90% of its net assets in equities and equity equivalent securities of companies which are domiciled in, based in, or carry out the larger part of their business activities in, Emerging Markets. The sub-fund may also invest in eligible closed-ended Real Estate Investment Trusts ("REITs"). The sub-fund may invest the remaining assets in financial derivative instruments and/or temporarily in fixed income securities, money market instruments, cash instruments and cash.

The sub-fund aims for a lower portfolio volatility relative to that of the MSCI Emerging Markets Index through portfolio construction. The sub-fund uses portfolio optimisation to lower overall portfolio volatility by selecting a combination of lower volatility stocks and higher volatility stocks that are less correlated and thereby diversifying the portfolio. The sub-fund may rely on market research and quantitative analysis to estimate individual stock volatility and intra-stock correlation as part of its portfolio optimisation process.

Investments in Chinese equities include, but are not limited to, China A-shares and China B-shares (and such other securities as may be available) listed on stock exchanges in the People's Republic of China ("PRC"). The sub-fund may directly invest in China A-shares through the Shanghai-Hong Kong Stock Connect, subject to applicable quota limitations. Furthermore, the sub-fund may gain exposure to China A-shares indirectly through China A-shares Access Products ("CAAP") such as, but not limited to, participation notes linked to China A-shares.

The sub-fund may invest up to 30% of its net assets in China A-shares through the Shanghai-Hong Kong Stock Connect and up to 30% of its net assets in CAAPs. The sub-fund's maximum exposure to China A-shares (through the Shanghai-Hong Kong Stock Connect or CAAP) and China B-shares is 40% of its net assets. The sub-fund will not invest more than 10% of its net assets in CAAPs issued by any single issuer of CAAPs.

The sub-fund normally invests across a range of market capitalisations without any capitalisation restriction.

The sub-fund will not invest more than 30% of its net assets in a combination of participation notes and convertible securities.

The sub-fund will not invest more than 10% of its net assets in securities issued by or guaranteed by any single sovereign issuer with a credit rating below Investment Grade.

The sub-fund will not invest more than 10% of its net assets in REITs.

The sub-fund may invest up to 10% of its net assets in units or shares of UCITS and/or other Eligible UCIs (including other sub-funds of HSBC Global Investment Funds).

The sub-fund may use financial derivative instruments for hedging and cash flow management (for example, Equitisation). However, the sub-fund will not use financial derivative instruments extensively for investment purposes. The financial derivative instruments the sub-fund is permitted to use include, but are not limited to, futures and foreign exchange forwards (including non-deliverable forwards). Financial derivative instruments may also be embedded in other instruments in which the sub-fund may invest.

Until 19 June 2016

The sub-fund aims to provide long term total return by investing in a portfolio of Emerging Market equities.

The sub-fund invests in normal market conditions a minimum of 90% of its net assets in equities and equity equivalent securities of companies which are domiciled in, based in, or carry out the larger part of their business activities in, Emerging Markets. The sub-fund may invest the remaining assets in financial derivative instruments and/or temporarily in fixed income securities, money market instruments, cash instruments and cash.

The sub-fund aims for a lower portfolio volatility relative to that of the MSCI Emerging Markets Index through portfolio construction. The sub-fund uses portfolio optimisation to lower overall portfolio volatility by selecting a combination of lower volatility stocks and higher volatility stocks that are less correlated and thereby diversifying the portfolio. The sub-fund may rely on market research and quantitative analysis to estimate individual stock volatility and intra-stock correlation as part of its portfolio optimisation process.

The sub-fund normally invests across a range of market capitalisations without any capitalisation restriction.

The sub-fund will not invest more than 30% of its net assets in a combination of participation notes and convertible securities.

The sub-fund will not invest more than 10% of its net assets in securities issued by or guaranteed by any single sovereign issuer with a credit rating below Investment Grade.

The sub-fund may invest up to 10% of its net assets in units or shares of UCITS and/or other Eligible UCIs (including other sub-funds of HSBC Global Investment Funds).

The sub-fund may also invest in financial derivative instruments including, but not limited to, foreign exchange forwards (including non-deliverable forwards) and on-exchange traded index futures. Financial derivative instruments may also be embedded in other instruments in which the sub-fund may invest (for example, convertible securities). The sub-fund intends to use financial derivative instruments primarily for efficient portfolio management purposes including, but not limited to, hedging. Such instruments may also be used for investment purposes.

▶ **Risk Management**

The commitment approach is used to measure and monitor the level of risk for this sub-fund.

▶ **Profile of the Typical Investor**

Dynamic category

▶ **Fees and Expenses**

Class of Shares*	A	B	E	I	X	Z
Management Fee (%)**	1.50	0.75	2.00	0.75	0.70	0.00
Operating, Administrative and Servicing Expenses (%)	0.40	0.40	0.40	0.30	0.25***	0.30

Class of Shares*	J	P	W
Management Fee (%)	n/a	n/a	0.00
Operating, Administrative and Servicing Expenses (%)	n/a	n/a	0.00

* For further details regarding the Dealing Currencies and/or Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Description of Share Classes".

** The maximum rate for Class A, B, X and Z is 3.5%.

*** This percentage is a maximum. The amount paid will be disclosed in the semi-annual and annual reports of the Company.

Each Share Class may incur additional fees and expenses which are not disclosed in the above table. In particular, there may be as and when the sub-fund offers Currency Hedged Share Classes or Currency Overlay Share Classes an additional fee levied in relation to the operation of a currency hedging policy. Please refer to Section 2.10. "Charges and Expenses" for further details.

▶ **Reference Currency**

USD

▶ **Investment Objective**

From 20 May 2016

The sub-fund aims to provide long term total return by investing in a portfolio of Emerging Market equities.

The sub-fund invests in normal market conditions a minimum of 90% of its net assets in equities and equity equivalent securities of companies which are domiciled in, based in, or carry out the larger part of their business activities in, Emerging Markets. The sub-fund may also invest in eligible closed-ended Real Estate Investment Trusts ("REITs").

To the extent that the sub-fund invests in India, when making new investments or reallocating the portfolio, the sub-fund will invest directly in equities and equity equivalent securities of companies which are domiciled in India and the sub-fund will no longer increase its holdings in the Subsidiary (as defined below). Holdings in the Subsidiary may decrease. During a transitional period, which is expected to begin in September 2016 and to be complete by the end of October 2016, the sub-fund will divest its holdings in the Subsidiary in order to reinvest these assets directly.

Investments in Chinese equities include, but are not limited to, China A-shares and China B-shares (and such other securities as may be available) listed on stock exchanges in the People's Republic of China ("PRC"). The sub-fund may directly invest in China A-shares through the Shanghai-Hong Kong Stock Connect, subject to applicable quota limitations. Furthermore, the sub-fund may gain exposure to China A-shares indirectly through China A-shares Access Products ("CAAP") such as, but not limited to, participation notes linked to China A-shares.

The sub-fund may invest up to 30% of its net assets in China A-shares through the Shanghai-Hong Kong Stock Connect and up to 30% of its net assets in CAAPs. The sub-fund's maximum exposure to China A-shares (through the Shanghai-Hong Kong Stock Connect or CAAP) and China B-shares is 40% of its net assets. The sub-fund will not invest more than 10% of its net assets in CAAPs issued by any single issuer of CAAPs.

The sub-fund normally invests across a range of market capitalisations without any capitalisation restriction.

The sub-fund will not invest more than 15% of its net assets in a combination of participation notes and convertible securities.

The sub-fund will not invest more than 10% of its net assets in REITs.

The sub-fund may invest up to 10% of its net assets in units or shares of UCITS and/or other Eligible UCIs (including other sub-funds of HSBC Global Investment Funds).

The sub-fund may use financial derivative instruments for hedging and cash flow management (for example, Equitisation). However, the sub-fund will not use financial derivative instruments extensively for investment purposes. The financial derivative instruments the sub-fund is permitted to use include, but are not limited to, futures and foreign exchange forwards (including non-deliverable forwards). Financial derivative instruments may also be embedded in other instruments in which the sub-fund may invest.

Mauritius Subsidiary

HSBC GIF Mauritius No.2 Limited, HSBC Centre, 18 Cyber City, Ebene, Mauritius (the "Subsidiary") is a Mauritian company wholly-owned by the Company.

The investment objectives of the Subsidiary are in line with those of Global Emerging Markets Equity (i.e. investments in equities and equity equivalent securities of companies which are domiciled in India) and the Subsidiary will apply the Company's investment restrictions as outlined in this Prospectus.

The Subsidiary was incorporated in Mauritius on 21 November 2007. It is wholly-owned by the Company. It will issue ordinary Shares and redeemable preference Shares only to the Company's Global Emerging Markets Equity sub-fund. The Subsidiary is registered with the Financial Services Commission and has obtained a certificate of tax residency from the Mauritius Revenue Authority in Mauritius (Please refer to Section 2.18. "Taxation").

The directors of the Subsidiary are responsible, *inter alia*, for establishing the investment objectives and policy of the Subsidiary, for monitoring the Subsidiary's investments and performance and for providing advisory services to the exclusive benefit of the Company, including in relation to massive redemptions in the sub-fund.

The Subsidiary has appointed CIM Fund Services, Rogers House, 5 President John Kennedy Street, Port Louis, Mauritius, to provide administrative services to the Subsidiary in Mauritius, including maintenance of its accounts, books and records. The Subsidiary has appointed KPMG Mauritius of KPMG Centre, 30 St George Street, Port Louis, Mauritius, as auditors of the Subsidiary in Mauritius to perform the auditor's duties required by Mauritius law.

The Subsidiary has appointed the Depository Bank as custodian over its assets. The Company has appointed HSBC Bank (Mauritius), a bank incorporated under the laws of Mauritius and a wholly owned subsidiary of The Hong Kong and Shanghai Banking Corporation Limited, and duly licensed to do business in Mauritius, and having an office at HSBC Centre, 18 Cybercity, Ebene, Mauritius, for the remittance of all cash and currency of the Subsidiary for the purpose of inward investment into India by the Subsidiary and in respect of remittances from such investments.

The Company and the Subsidiary shall issue consolidated accounts.

Until 19 May 2016

The sub-fund seeks long term capital growth by investing primarily in a well-diversified portfolio of investments in equity and equity equivalent securities issued by companies which have their registered office in, and with an official listing in, an Emerging Market, as well as companies which carry out a preponderant part of their economic activities in Emerging Markets.

The sub-fund will seek to invest primarily in securities listed on a Regulated Market, but may also invest up to 10% of the sub-fund's net assets in securities listed on markets that are not Regulated Markets. Investment in interest bearing securities is also permitted either for short-term cash surpluses or in response to unfavourable equity market conditions and this is limited to one third of the total assets of the sub-fund. Whilst there are no capitalisation restrictions, it is anticipated that the sub-fund will invest primarily in larger, established companies.

To the extent that the sub-fund may invest in India, the sub-fund intends to invest part of the net proceeds of the issue of Shares in HSBC GIF Mauritius No.2 Limited, HSBC Centre, 18 Cyber City, Ebene, Mauritius (the "Subsidiary") which is a Mauritian company wholly-owned by the Company. Under normal market conditions, that part of the net proceeds allocated to the Subsidiary will be invested substantially in Indian equities and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of India. The remainder of the net proceeds of the issue of Shares will be invested directly in equity and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of Emerging Markets. The investment objectives of the Subsidiary are in line with those of Global Emerging Markets Equity to the extent the sub-fund may invest in India and the Subsidiary will apply the Company's investment restrictions as outlined in this Prospectus.

The Subsidiary was incorporated in Mauritius on 21 November 2007. It is wholly-owned by the Company. It will issue ordinary Shares and redeemable preference Shares only to the Company's Global Emerging Markets Equity sub-fund. The Subsidiary is registered with the Financial Services Commission and has obtained a certificate of tax residency from the Mauritius Revenue Authority in Mauritius (Please refer to Section 2.18. "Taxation").

The directors of the Subsidiary are responsible, *inter alia*, for establishing the investment objectives and policy of the Subsidiary, for monitoring the Subsidiary's investments and performance and for providing advisory services to the exclusive benefit of the Company, including in relation to massive redemptions in the sub-fund.

The Subsidiary has appointed CIM Fund Services (previously known as Multiconsult Limited), Rogers House, 5 President John Kennedy Street, Port Louis, Mauritius, to provide administrative services to the Subsidiary in Mauritius, including maintenance of its accounts, books and records. The Subsidiary has appointed KPMG Mauritius of KPMG Centre, 30 St George Street, Port Louis, Mauritius, as auditors of the Subsidiary in Mauritius to perform the auditor's duties required by Mauritius law.

The Subsidiary has appointed the Depository Bank as custodian over its assets. The Company has appointed HSBC Bank (Mauritius), a bank incorporated under the laws of Mauritius and a wholly owned subsidiary of The Hong Kong and Shanghai Banking Corporation Limited, and duly licensed to do business in Mauritius, and having an office at HSBC Centre, 18 Cybercity, Ebene, Mauritius, for the remittance of all cash and currency of the Subsidiary for the purpose of inward investment into India by the Subsidiary and in respect of remittances from such investments.

The Company and the Subsidiary shall issue consolidated accounts.

► **Risk Management**

The commitment approach is used to measure and monitor the level of risk for this sub-fund.

▶ **Profile of the Typical Investor**

Dynamic category

▶ **Fees and Expenses**

Class of Shares*	A	B	E	I	X	Z
Management Fee (%)	1.50	0.75	2.00	0.75	0.70	0.00
Operating, Administrative and Servicing Expenses (%)	0.40	0.40	0.40	0.30	0.20**	0.30

Class of Shares*	J	P***	S1	W
Management Fee (%)	0.60	1.00	0.55	0.00
Operating, Administrative and Servicing Expenses (%)	0.30	0.40	0.30	0.00

* For further details regarding the Dealing Currencies and/or Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Description of Share Classes".

** This percentage is a maximum. The amount paid will be disclosed in the semi-annual and annual reports of the Company.

*** The Class P Shares are closed to new subscriptions since 22 January 2010 except for shareholders having an existing saving plan.

Each Share Class may incur additional fees and expenses which are not disclosed in the above table. In particular, there may be as and when the sub-fund offers Currency Hedged Share Classes or Currency Overlay Share Classes an additional fee levied in relation to the operation of a currency hedging policy. Please refer to Section 2.10. "Charges and Expenses" for further details.

During a transitional period, as described above under "Investment Objective", the sub-fund will incur additional costs as a result of the divestment of its equity holdings in the Subsidiary and subsequent direct reinvestment of these assets in Indian equity securities. These additional costs will be borne by the shareholders of the sub-fund.

▶ **Net Asset Value Calculation**

Each Dealing Day except Business Days immediately preceding January 1st and December 25th.

▶ **Reference Currency**

USD

▶ **Investment Objective**

From 20 June 2016

The sub-fund aims to provide long term total return by investing in a portfolio of equities worldwide.

The sub-fund invests in normal market conditions a minimum of 90% of its net assets in equities and equity equivalent securities of companies which are domiciled in, based in, or carry out their business activities in, any country including both developed markets, such as OECD countries, and Emerging Markets. The sub-fund may also invest in eligible closed-ended Real Estate Investment Trusts ("REITs").

Investments in Chinese equities include, but are not limited to, China A-shares and China B-shares (and such other securities as may be available) listed on stock exchanges in the People's Republic of China ("PRC"). The sub-fund may directly invest in China A-shares through the Shanghai-Hong Kong Stock Connect, subject to applicable quota limitations. Furthermore, the sub-fund may gain exposure to China A-shares indirectly through China A-shares Access Products ("CAAP") such as, but not limited to, participation notes linked to China A-shares.

The sub-fund may invest up to 10% of its net assets in China A-shares through the Shanghai-Hong Kong Stock Connect and up to 10% of its net assets in CAAPs. The sub-fund's maximum exposure to China A-shares (through the Shanghai-Hong Kong Stock Connect or CAAP) and China B-shares is 20% of its net assets. The sub-fund will not invest more than 10% of its net assets in CAAPs issued by any single issuer of CAAPs.

The sub-fund normally invests across a range of market capitalisations without any capitalisation restriction.

The sub-fund will not invest more than 10% of its net assets in a combination of participation notes and convertible securities.

The sub-fund will not invest more than 10% of its net assets in REITs.

The sub-fund may invest up to 10% of its net assets in units or shares of UCITS and/or other Eligible UCIs (including other sub-funds of HSBC Global Investment Funds).

The sub-fund may use financial derivative instruments for hedging and cash flow management (for example, Equitisation). However, the sub-fund will not use financial derivative instruments extensively for investment purposes. The financial derivative instruments the sub-fund is permitted to use include, but are not limited to, futures and foreign exchange forwards (including non-deliverable forwards). Financial derivative instruments may also be embedded in other instruments in which the sub-fund may invest.

Until 19 June 2016

The sub-fund aims to provide long term total return by investing in a portfolio of equities worldwide.

The sub-fund invests in normal market conditions a minimum of 90% of its net assets in equities and equity equivalent securities of companies which are domiciled in, based in, or carry out their business activities in, any country including both developed markets, such as OECD countries, and Emerging Markets.

The sub-fund normally invests across a range of market capitalisations without any capitalisation restriction.

The sub-fund will not invest more than 10% of its net assets in a combination of participation notes and convertible securities.

The sub-fund may invest up to 10% of its net assets in units or shares of UCITS and/or other Eligible UCIs (including other sub-funds of HSBC Global Investment Funds).

The sub-fund may also invest in financial derivative instruments including, but not limited to, foreign exchange forwards (including non-deliverable forwards) and on-exchange traded index futures. Financial derivative instruments may also be embedded in other instruments in which the sub-fund may invest (for example, convertibles). The sub-fund intends to use financial derivative instruments primarily for efficient portfolio management purposes including, but not limited to, hedging. Such instruments may also be used for investment purposes.

▶ **Risk Management**

The commitment approach is used to measure and monitor the level of risk for this sub-fund.

▶ **Profile of the Typical Investor**

Core Plus category

▶ **Fees and Expenses**

Class of Shares*	A	B	E	I	X	Z
Management Fee (%)**	1.50	0.75	2.00	0.75	0.60	0.00
Operating, Administrative and Servicing Expenses (%)	0.35	0.35	0.35	0.25	0.20***	0.25

Class of Shares*	J	P	W
Management Fee (%)	n/a	n/a	0.00
Operating, Administrative and Servicing Expenses (%)	n/a	n/a	0.00

* For further details regarding the Dealing Currencies and/or Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Description of Share Classes".

** The maximum rate for Class A, B, X and Z is 3.5%.

*** This percentage is a maximum. The amount paid will be disclosed in the semi-annual and annual reports of the Company.

Each Share Class may incur additional fees and expenses which are not disclosed in the above table. In particular, there may be as and when the sub-fund offers Currency Hedged Share Classes or Currency Overlay Share Classes an additional fee levied in relation to the operation of a currency hedging policy. Please refer to Section 2.10. "Charges and Expenses" for further details.

▶ **Reference Currency**

USD

▶ **Investment Objective**

The sub-fund invests for long term total return primarily in a concentrated portfolio of equity and equity equivalent securities of companies that aim to be the market-leaders in their respective sectors at managing their businesses in the face of climate change to maintain or enhance their competitive advantage and which have their registered office in, and/or with an official listing on a major stock exchange or other Regulated Market of any country. The sub-fund will seek to invest in companies with registered office in, and/or with an official listing in, developed markets such as OECD countries, and also those in Emerging Markets. There are no capitalisation restrictions, and it is anticipated that the sub-fund will seek to invest across a range of market capitalisations.

The sub-fund may also invest in financial derivative instruments such as futures, equity swaps, options and forward currency contracts and in other currency and equity derivatives. The sub-fund intends to use such financial derivative instruments for, *inter alia*, the purposes of managing market exposure (up to a maximum of 110% of the sub-fund's net asset value) and currency positioning but also to enhance return when the Investment Adviser believes the investment in financial derivative instruments will assist the sub-fund in achieving its investment objectives.

▶ **Risk Management**

The commitment approach is used to measure and monitor the level of risk for this sub-fund.

▶ **Profile of the Typical Investor**

Dynamic category

▶ **Fees and Expenses**

Class of Shares*	A	B	E	I	X	Z
Management Fee (%)	1.50	0.75	2.00	0.75	0.60	0.00
Operating, Administrative and Servicing Expenses (%)	0.35	0.35	0.35	0.25	0.20**	0.25

Class of Shares*	J	P	W
Management Fee (%)	0.60	n/a	0.00
Operating, Administrative and Servicing Expenses (%)	0.25	n/a	0.00

* For further details regarding the Dealing Currencies and/or Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Description of Share Classes".

** This percentage is a maximum. The amount paid will be disclosed in the semi-annual and annual reports of the Company.

Each Share Class may incur additional fees and expenses which are not disclosed in the above table. In particular, there may be as and when the sub-fund offers Currency Hedged Share Classes or Currency Overlay Share Classes an additional fee levied in relation to the operation of a currency hedging policy. Please refer to Section 2.10. "Charges and Expenses" for further details.

▶ **Minimum Investment / Minimum Holding**

Class of Shares	Minimum Initial Investment	Minimum Holding
Class X	USD	5,000,000

▶ **Reference Currency**

USD

▶ **Investment Objective**

From 20 June 2016

The sub-fund invests for dividend yield whilst also maximising total return in a portfolio of equities worldwide.

The sub-fund aims to invest in a portfolio that offers a dividend yield above the MSCI All Country World Index.

The sub-fund invests in normal market conditions a minimum of 90% of its net assets in equities and equity equivalent securities of companies which are domiciled in, based in, or carry out their business activities in, any country including both developed markets, such as OECD countries, and Emerging Markets. The sub-fund may also invest in eligible closed-ended Real Estate Investment Trusts ("REITs").

Investments in Chinese equities include, but are not limited to, China A-shares and China B-shares (and such other securities as may be available) listed on stock exchanges in the People's Republic of China ("PRC"). The sub-fund may directly invest in China A-shares through the Shanghai-Hong Kong Stock Connect, subject to applicable quota limitations. Furthermore, the sub-fund may gain exposure to China A-shares indirectly through China A-shares Access Products ("CAAP") such as, but not limited to, participation notes linked to China A-shares.

The sub-fund may invest up to 10% of its net assets in China A-shares through the Shanghai-Hong Kong Stock Connect and up to 10% of its net assets in CAAPs. The sub-fund's maximum exposure to China A-shares (through the Shanghai-Hong Kong Stock Connect or CAAP) and China B-shares is 20% of its net assets. The sub-fund will not invest more than 10% of its net assets in CAAPs issued by any single issuer of CAAPs.

The sub-fund will not invest more than 10% of its net assets in REITs.

The sub-fund may invest up to 10% of its net assets in units or shares of UCITS and/or other Eligible UCIs (including other sub-funds of HSBC Global Investment Funds).

The sub-fund may use financial derivative instruments for hedging and cash flow management (for example, Equitisation). However, the sub-fund will not use financial derivative instruments extensively for investment purposes. The financial derivative instruments the sub-fund is permitted to use include, but are not limited to, futures and foreign exchange forwards (including non-deliverable forwards). Financial derivative instruments may also be embedded in other instruments in which the sub-fund may invest.

Until 19 June 2016

The sub-fund invests for dividend yield whilst also maximising total return in a diversified portfolio of global equities.

The sub-fund invests (normally a minimum of 90% of its net assets) in equities and equity equivalent securities of companies located or operating in any country, in both developed markets and Emerging Markets.

The sub-fund will invest in a portfolio of companies that offers a dividend yield above the market weighted average.

The sub-fund may invest up to 10% of its net assets in units or shares of UCITS and/or other Eligible UCIs (including other sub-funds of HSBC Global Investment Funds).

The sub-fund may use financial derivative instruments for hedging purposes only.

▶ **Risk Management**

The commitment approach is used to measure and monitor the level of risk for this sub-fund.

▶ **Profile of the Typical Investor**

Dynamic category

► **Fees and Expenses**

Class of Shares*	A	B	E	I	X	Z
Management Fee (%)	1.50	0.75	2.00	0.75	0.60	0.00
Operating, Administrative and Servicing Expenses (%)	0.35	0.35	0.35	0.25	0.20**	0.25

Class of Shares*	J	P	W
Management Fee (%)	n/a	n/a	0.00
Operating, Administrative and Servicing Expenses (%)	n/a	n/a	0.00

* For further details regarding the Dealing Currencies and/or Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Description of Share Classes".

** This percentage is a maximum. The amount paid will be disclosed in the semi-annual and annual reports of the Company.

Each Share Class may incur additional fees and expenses which are not disclosed in the above table. In particular, there may be as and when the sub-fund offers Currency Hedged Share Classes or Currency Overlay Share Classes an additional fee levied in relation to the operation of a currency hedging policy. Please refer to Section 2.10. "Charges and Expenses" for further details.

▶ **Reference Currency**

USD

▶ **Investment Objective**

From 20 June 2016

The sub-fund aims to provide long term total return by investing in a portfolio of equities worldwide.

The sub-fund invests in normal market conditions a minimum of 90% of its net assets in equities and equity equivalent securities of companies domiciled or operating in both developed markets, such as OECD countries, and Emerging Markets. The sub-fund may also invest in eligible closed-ended Real Estate Investment Trusts ("REITs"). The sub-fund may invest the remaining assets in financial derivative instruments and/or temporarily in fixed income securities, money market instruments, cash instruments and cash.

The sub-fund aims for lower portfolio volatility relative to that of the MSCI All Country World Index through portfolio construction. The sub-fund uses portfolio optimisation to lower overall portfolio volatility by selecting a combination of lower volatility stocks and higher volatility stocks that are less correlated and thereby diversifying the portfolio. The sub-fund may rely on market research and quantitative analysis to estimate individual stock volatility and intra-stock correlation as part of its portfolio optimisation process.

Investments in Chinese equities include, but are not limited to, China A-shares and China B-shares (and such other securities as may be available) listed on stock exchanges in the People's Republic of China ("PRC"). The sub-fund may directly invest in China A-shares through the Shanghai-Hong Kong Stock Connect, subject to applicable quota limitations. Furthermore, the sub-fund may gain exposure to China A-shares indirectly through China A-shares Access Products ("CAAP") such as, but not limited to, participation notes linked to China A-shares.

The sub-fund may invest up to 10% of its net assets in China A-shares through the Shanghai-Hong Kong Stock Connect and up to 10% of its net assets in CAAPs. The sub-fund's maximum exposure to China A-shares (through the Shanghai-Hong Kong Stock Connect or CAAP) and China B-shares is 20% of its net assets. The sub-fund will not invest more than 10% of its net assets in CAAPs issued by any single issuer of CAAPs.

The sub-fund normally invests across a range of market capitalisations without any capitalisation restriction.

The sub-fund will not invest more than 10% of its net assets in a combination of participation notes and convertibles.

The sub-fund will not invest more than 10% of its net assets in securities issued by or guaranteed by any single sovereign issuer with a credit rating below Investment Grade.

The sub-fund will not invest more than 10% of its net assets in REITs.

The sub-fund may invest up to 10% of its net assets in units or shares of UCITS and/or other Eligible UCIs (including other sub-funds of HSBC Global Investment Funds).

The sub-fund may use financial derivative instruments for hedging and cash flow management (for example, Equitisation). However, the sub-fund will not use financial derivative instruments extensively for investment purposes. The financial derivative instruments the sub-fund is permitted to use include, but are not limited to, futures and foreign exchange forwards (including non-deliverable forwards). Financial derivative instruments may also be embedded in other instruments in which the sub-fund may invest.

Until 19 June 2016

The sub-fund aims to provide long term total return by investing in a portfolio of equities.

The sub-fund invests (normally a minimum 90% of its net assets) in equities and equity equivalent securities of companies domiciled or operating in both developed markets, such as OECD countries, and Emerging Markets. The sub-fund may invest the remaining assets in financial derivative instruments and/or temporarily in fixed income securities, money market instruments, cash instruments and cash.

The sub-fund aims for lower portfolio volatility relative to that of the MSCI All Country World Index through portfolio construction. The sub-fund uses portfolio optimisation to lower overall portfolio volatility by selecting a combination of lower volatility stocks and higher volatility stocks that are less correlated and thereby diversifying the portfolio. The sub-fund may rely on market research and quantitative analysis to estimate individual stock volatility and intra-stock correlation as part of its portfolio optimisation process.

The sub-fund normally invests across a range of market capitalisations without any capitalisation restriction.

The sub-fund will not invest more than 10% of its net assets in a combination of participation notes and convertibles.

The sub-fund will invest in China through H shares.

The sub-fund will not invest more than 10% of its net assets in securities issued by or guaranteed by any single sovereign issuer with a credit rating below Investment Grade.

The sub-fund may enter into securities lending transactions for up to 30% of its net assets. The sub-fund will not enter into repurchase or reverse repurchase transactions.

The sub-fund may achieve its investment objective by investing in financial derivative instruments. However, the sub-fund does not intend to invest in financial derivative instruments extensively for investment purposes, including cash flow management (i.e. Equitisation) and their primary use will be for hedging purposes.

Financial derivative instruments that the sub-fund may use include, but are not limited to, foreign exchange forwards (including non-deliverable forwards) and on-exchange traded index futures. Financial derivative instruments may also be embedded in other instruments used by the sub-fund (for example, convertibles).

▶ **Risk Management**

The commitment approach is used to measure and monitor the level of risk for this sub-fund.

▶ **Profile of the Typical Investor**

Core Plus category

▶ **Fees and Expenses**

Class of Shares*	A	B	E	I	X	Z
Management Fee (%)	1.50	0.75	2.00	0.75	0.60	0.00
Operating, Administrative and Servicing Expenses (%)	0.35	0.35	0.35	0.25	0.20**	0.25

Class of Shares*	J	P	W
Management Fee (%)	n/a	n/a	0.00
Operating, Administrative and Servicing Expenses (%)	n/a	n/a	0.00

* For further details regarding the Dealing Currencies and/or Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Description of Share Classes".

** This percentage is a maximum. The amount paid will be disclosed in the semi-annual and annual reports of the Company.

Each Share Class may incur additional fees and expenses which are not disclosed in the above table. In particular, there may be as and when the sub-fund offers Currency Hedged Share Classes or Currency Overlay Share Classes an additional fee levied in relation to the operation of a currency hedging policy. Please refer to Section 2.10. "Charges and Expenses" for further details.

▶ **Minimum Investment / Minimum Holding**

Class of Shares	Minimum Initial Investment Minimum Holding	
Class X	USD	5,000,000

▶ **Reference Currency**

USD

▶ **Investment Objective**

From 20 June 2016

The sub-fund aims to provide long term total return by investing worldwide in a portfolio of equities of companies related to the real estate industry.

The sub-fund invests in normal market conditions a minimum of 90% of its net assets in equities issued by companies related to the real estate industry and/or eligible closed ended Real Estate Investment Trusts ("REITs") or their equivalents. Whilst the sub-fund will primarily invest in developed markets, such as OECD countries, it may also invest in Emerging Markets.

Investments in Chinese equities include, but are not limited to, China A-shares and China B-shares (and such other securities as may be available) listed on stock exchanges in the People's Republic of China ("PRC"). The sub-fund may directly invest in China A-shares through the Shanghai-Hong Kong Stock Connect, subject to applicable quota limitations. Furthermore, the sub-fund may gain exposure to China A-shares indirectly through China A-shares Access Products ("CAAP") such as, but not limited to, participation notes linked to China A-shares.

The sub-fund may invest up to 10% of its net assets in China A-shares through the Shanghai-Hong Kong Stock Connect and up to 10% of its net assets in CAAPs. The sub-fund's maximum exposure to China A-shares (through the Shanghai-Hong Kong Stock Connect or CAAP) and China B-shares is 20% of its net assets. The sub-fund will not invest more than 10% of its net assets in CAAPs issued by any single issuer of CAAPs.

The sub-fund normally invests across a range of market capitalisations.

The sub-fund may use financial derivative instruments for hedging and cash flow management (for example, Equitisation). However, the sub-fund will not use financial derivative instruments extensively for investment purposes. The financial derivative instruments the sub-fund is permitted to use include, but are not limited to, futures and foreign exchange forwards (including non-deliverable forwards). Financial derivative instruments may also be embedded in other instruments in which the sub-fund may invest.

Until 19 June 2016

The sub-fund aims to provide long term total return by investing in a portfolio of equities of companies related to the real estate industry.

The sub-fund invests (normally a minimum of 90% of its net assets) in equities issued by companies related to the real estate industry and/or eligible closed ended Real Estate Investment Trusts ("REITs") or their equivalents. Whilst the sub-fund will primarily invest in developed markets, such as OECD countries, it may also invest in Emerging Markets.

The sub-fund normally invests across a range of market capitalisations.

The sub-fund may achieve its investment objective by investing in financial derivative instruments. However, the sub-fund does not intend to invest in financial derivative instruments extensively for investment purposes including cash flow management (i.e. Equitisation) and their primary use will be hedging and efficient portfolio management purposes.

Financial derivative instruments that the sub-fund may use include, but are not limited to, foreign exchange forwards (including non-deliverable forwards) and on-exchange traded index futures. Financial derivative instruments may also be embedded in other instruments used by the sub-fund (for example, convertibles).

▶ **Risk Management**

The commitment approach is used to measure and monitor the level of risk for this sub-fund.

▶ **Profile of the Typical Investor**

Core Plus category

► **Fees and Expenses**

Class of Shares*	A	B	E	I	X	Z
Management Fee (%)**	1.50	0.75	2.00	0.75	0.60	0.00
Operating, Administrative and Servicing Expenses (%)	0.40	0.40	0.40	0.25	0.20***	0.25

Class of Shares*	J	P	S24	W
Management Fee (%)	n/a	n/a	0.40	0.00
Operating, Administrative and Servicing Expenses (%)	n/a	n/a	0.30	0.00

* For further details regarding the Dealing Currencies and/or Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Description of Share Classes".

** The maximum rate for Class A, B, X and Z is 3.5%.

*** This percentage is a maximum. The amount paid will be disclosed in the semi-annual and annual reports of the Company.

Each Share Class may incur additional fees and expenses which are not disclosed in the above table. In particular, there may be as and when the sub-fund offers Currency Hedged Share Classes or Currency Overlay Share Classes an additional fee levied in relation to the operation of a currency hedging policy. Please refer to Section 2.10. "Charges and Expenses" for further details.

HSBC GLOBAL INVESTMENT FUNDS – GREATER CHINA EQUITY

▶ Reference Currency

USD

▶ Investment Objective

The sub-fund aims to provide long term total return by investing in a portfolio of Chinese, Hong Kong and Taiwanese equities (together referred to as "Greater China").

The sub-fund invests in normal market conditions a minimum of 90% of its net assets in equities and equity equivalent securities of companies which are domiciled in, based in, or carry out the larger part of their business activities in, the region of Greater China.

Investments in Chinese equities include, but are not limited to, China A-shares and China B-shares (and such other securities as may be available) listed on stock exchanges in the People's Republic of China ("PRC"). The sub-fund may directly invest in China A-shares through the Shanghai-Hong Kong Stock Connect, subject to applicable quota limitations. Furthermore, the sub-fund may gain exposure to China A-shares indirectly through China A-shares Access Products ("CAAP") such as, but not limited to, participation notes linked to China A-shares.

The sub-fund may invest up to 70% of its net assets in China A-shares through the Shanghai-Hong Kong Stock Connect and up to 50% of its net assets in CAAPs. The sub-fund's maximum exposure to China A-shares (through the Shanghai-Hong Kong Stock Connect or CAAP) and China B-shares is 70% of its net assets. The sub-fund will not invest more than 10% of its net assets in CAAPs issued by any single issuer of CAAPs.

The sub-fund normally invests across a range of market capitalisations without any capitalisation restriction.

The sub-fund may invest up to 10% of its net assets in units or shares of UCITS and/or other Eligible UCIs (including other sub-funds of HSBC Global Investment Funds).

The sub-fund may use financial derivative instruments for hedging and cash flow management (for example, Equitisation). However, the sub-fund will not use financial derivative instruments extensively for investment purposes. The financial derivative instruments the sub-fund is permitted to use include, but are not limited to, futures and foreign exchange forwards (including non-deliverable forwards). Financial derivative instruments may also be embedded in other instruments in which the sub-fund may invest.

▶ Risk Management

The commitment approach is used to measure and monitor the level of risk for this sub-fund.

▶ Profile of the Typical Investor

Dynamic category

▶ Fees and Expenses

Class of Shares*	A	B	E	I	X	Z
Management Fee (%)**	1.50	0.75	2.00	0.75	0.60	0.00
Operating, Administrative and Servicing Expenses (%)	0.40	0.40	0.40	0.30	0.20***	0.30

Class of Shares*	J	P	W
Management Fee (%)	n/a	n/a	0.00
Operating, Administrative and Servicing Expenses (%)	n/a	n/a	0.00

* For further details regarding the Dealing Currencies and/or Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Description of Share Classes".

** The maximum rate for Class A, B, X and Z is 3.5%.

*** This percentage is a maximum. The amount paid will be disclosed in the semi-annual and annual reports of the Company.

Each Share Class may incur additional fees and expenses which are not disclosed in the above table. In particular, there may be as and when the sub-fund offers Currency Hedged Share Classes or Currency Overlay Share Classes an additional fee levied in relation to the operation of a currency hedging policy. Please refer to Section 2.10. "Charges and Expenses" for further details.

HSBC GLOBAL INVESTMENT FUNDS – LATIN AMERICAN EQUITY

▶ **Reference Currency**

USD

▶ **Investment Objective**

The sub-fund seeks long term returns from capital growth and income by investing primarily in a concentrated portfolio of investments in equity and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of any Latin American country, as well as companies which carry out a preponderant part of their economic activities in Latin America.

The sub-fund will seek to invest primarily in securities listed on a Regulated Market but may also invest up to 10% of the sub-fund's net assets in securities listed on markets that are not Regulated Markets.

▶ **Risk Management**

The commitment approach is used to measure and monitor the level of risk for this sub-fund.

▶ **Profile of the Typical Investor**

Dynamic category

▶ **Fees and Expenses**

Class of Shares*	A	B	E	I	X	Z
Management Fee (%)	1.50	0.75	2.00	0.75	0.70	0.00
Operating, Administrative and Servicing Expenses (%)	0.40	0.40	0.40	0.30	0.25***	0.25

Class of Shares*	J	L**	M**	R	S2	W
Management Fee (%)	n/a	0.50	1.00	n/a	1.75	0.00
Operating, Administrative and Servicing Expenses (%)	n/a	0.30	0.40	n/a	0.30	0.00

* For further details regarding the Dealing Currencies and/or Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Description of Share Classes".

** Performance fee calculations for Class L and M Shares ceased from 26 October 2009. Classes of Shares L, M are closed to new subscriptions since 1 April 2010 except for shareholders having an existing saving plan.

*** This percentage is a maximum. The amount paid will be disclosed in the semi-annual and annual reports of the Company.

Each Share Class may incur additional fees and expenses which are not disclosed in the above table. In particular, there may be as and when the sub-fund offers Currency Hedged Share Classes or Currency Overlay Share Classes an additional fee levied in relation to the operation of a currency hedging policy. Please refer to Section 2.10. "Charges and Expenses" for further details.

▶ **Net Asset Value Calculation**

Each Dealing Day except Business Days immediately preceding January 1st and December 25th.

▶ **Minimum Investment / Minimum Holding**

Class of Shares	Minimum Initial Investment	Minimum Holding
Class X	USD	5,000,000

Market Specific sub-funds

HSBC GLOBAL INVESTMENT FUNDS – BRAZIL EQUITY

▶ **Reference Currency**

USD

▶ **Investment Objective**

The sub-fund seeks long term capital growth by investing primarily in a well-diversified portfolio of investments in equity and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of Brazil, as well as those companies which carry out a preponderant part of their business activities in Brazil.

There are no capitalisation restrictions, and it is anticipated that the sub-fund will seek to invest across a range of capitalisations.

▶ **Risk Management**

The commitment approach is used to measure and monitor the level of risk for this sub-fund.

▶ **Profile of the Typical Investor**

Dynamic category

▶ **Fees and Expenses**

Class of Shares*	A	B	E	I	X	Z
Management Fee (%)	1.75	0.875	2.25	0.875	0.70	0.00
Operating, Administrative and Servicing Expenses (%)	0.40	0.40	0.40	0.30	0.20**	0.30

Class of Shares*	J	P	S3	W
Management Fee (%)	n/a	n/a	0.55	0.00
Operating, Administrative and Servicing Expenses (%)	n/a	n/a	0.30	0.00

* For further details regarding the Dealing Currencies and/or Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Description of Share Classes".

** This percentage is a maximum. The amount paid will be disclosed in the semi-annual and annual reports of the Company.

Each Share Class may incur additional fees and expenses which are not disclosed in the above table. In particular, there may be as and when the sub-fund offers Currency Hedged Share Classes or Currency Overlay Share Classes an additional fee levied in relation to the operation of a currency hedging policy. Please refer to Section 2.10. "Charges and Expenses" for further details.

▶ **Minimum Investment / Minimum Holding**

Class of Shares	Minimum Initial Investment	Minimum Holding
Class X	USD	5,000,000

▶ **Reference Currency**

USD

▶ **Investment Objective**

From 20 June 2016

The sub-fund aims to provide long term capital growth by investing in a portfolio of Chinese equities.

The sub-fund invests in normal market conditions a minimum of 90% of its net assets in equities and equity equivalent securities of companies which are domiciled in, based in, or carry out the larger part of their business activities in the People's Republic of China ("China"), including Hong Kong SAR.

Investments in Chinese equities include, but are not limited to, China A-shares and China B-shares (and such other securities as may be available) listed on stock exchanges in the People's Republic of China ("PRC"). The sub-fund may directly invest in China A-shares through the Shanghai-Hong Kong Stock Connect, subject to applicable quota limitations. Furthermore, the sub-fund may gain exposure to China A-shares indirectly through China A-shares Access Products ("CAAP") such as, but not limited to, participation notes linked to China A-shares.

The sub-fund may invest up to 50% of its net assets in China A-shares through the Shanghai-Hong Kong Stock Connect and up to 50% of its net assets in CAAPs. The sub-fund's maximum exposure to China A-shares (through the Shanghai-Hong Kong Stock Connect or CAAP) and China B-shares is 70% of its net assets. The sub-fund will not invest more than 10% of its net assets in CAAPs issued by any single issuer of CAAPs.

The sub-fund normally invests across a range of market capitalisations without any capitalisation restriction.

The sub-fund may invest up to 10% of its net assets in units or shares of UCITS and/or other Eligible UCIs (including other sub-funds of HSBC Global Investment Funds).

The sub-fund may use financial derivative instruments for hedging and cash flow management (for example, Equitisation). However, the sub-fund will not use financial derivative instruments extensively for investment purposes. The financial derivative instruments the sub-fund is permitted to use include, but are not limited to, futures and foreign exchange forwards (including non-deliverable forwards). Financial derivative instruments may also be embedded in other instruments in which the sub-fund may invest.

Until 19 June 2016

The sub-fund seeks long term capital growth by investing primarily in a well-diversified portfolio of investments in equity and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of the People's Republic of China ("China"), including Hong Kong SAR, as well as those companies which carry out a preponderant part of their business activities in China.

There are no capitalisation restrictions, and it is anticipated that the sub-fund will seek to invest across a range of capitalisations.

▶ **Risk Management**

The commitment approach is used to measure and monitor the level of risk for this sub-fund.

▶ **Profile of the Typical Investor**

Dynamic category

▶ **Fees and Expenses**

Class of Shares*	A	B	E	I	X	Z
Management Fee (%)	1.50	0.75	2.00	0.75	0.70	0.00
Operating, Administrative and Servicing Expenses (%)	0.40	0.40	0.40	0.30	0.20**	0.30

Class of Shares*	J	P	W
Management Fee (%)	0.60	n/a	0.00
Operating, Administrative and Servicing Expenses (%)	0.30	n/a	0.00

* For further details regarding the Dealing Currencies and/or Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Description of Share Classes".

** This percentage is a maximum. The amount paid will be disclosed in the semi-annual and annual reports of the Company.

Each Share Class may incur additional fees and expenses which are not disclosed in the above table. In particular, there may be as and when the sub-fund offers Currency Hedged Share Classes or Currency Overlay Share Classes an additional fee levied in relation to the operation of a currency hedging policy. Please refer to Section 2.10. "Charges and Expenses" for further details.

▶ **Minimum Investment / Minimum Holding**

Class of Shares	Minimum Initial Investment Minimum Holding	
Class X	USD	5,000,000

▶ **Reference Currency**

USD

▶ **Investment Objective**

From 20 June 2016

The sub-fund aims to provide long term capital growth by investing in a portfolio of Hong Kong equities.

The sub-fund invests in normal market conditions a minimum of 90% of its net assets in equities and equity equivalent securities of companies which are domiciled in, based in, carry out the larger part of their business activities, or are listed on a Regulated Market, in Hong Kong SAR.

Investments in Chinese equities include, but are not limited to, China A-shares and China B-shares (and such other securities as may be available) listed on stock exchanges in the People's Republic of China ("PRC"). The sub-fund may directly invest in China A-shares through the Shanghai-Hong Kong Stock Connect, subject to applicable quota limitations. Furthermore, the sub-fund may gain exposure to China A-shares indirectly through China A-shares Access Products ("CAAP") such as, but not limited to, participation notes linked to China A-shares.

The sub-fund may invest up to 10% of its net assets in China A-shares through the Shanghai-Hong Kong Stock Connect and up to 10% of its net assets in CAAPs. The sub-fund's maximum exposure to China A-shares (through the Shanghai-Hong Kong Stock Connect or CAAP) and China B-shares is 20% of its net assets. The sub-fund will not invest more than 10% of its net assets in CAAPs issued by any single issuer of CAAPs.

The sub-fund normally invests across a range of market capitalisations without any capitalisation restriction.

The sub-fund may invest up to 10% of its net assets in units or shares of UCITS and/or other Eligible UCIs (including other sub-funds of HSBC Global Investment Funds).

The sub-fund may use financial derivative instruments for hedging and cash flow management (for example, Equitisation). However, the sub-fund will not use financial derivative instruments extensively for investment purposes. The financial derivative instruments the sub-fund is permitted to use include, but are not limited to, futures and foreign exchange forwards (including non-deliverable forwards). Financial derivative instruments may also be embedded in other instruments in which the sub-fund may invest.

Until 19 June 2016

The sub-fund seeks long term capital growth by investing primarily in a well-diversified portfolio of investments in equity and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of Hong Kong SAR as well as those companies which carry out a preponderant part of their business activities in Hong Kong SAR.

Whilst there are no capitalisation restrictions, it is anticipated that the sub-fund will seek to invest primarily in larger, established companies.

▶ **Risk Management**

The commitment approach is used to measure and monitor the level of risk for this sub-fund.

▶ **Profile of the Typical Investor**

Core Plus category

▶ **Fees and Expenses**

Class of Shares*	A	B	E	I	X	Z
Management Fee (%)	1.50	0.75	2.00	0.75	0.70	0.00
Operating, Administrative and Servicing Expenses (%)	0.35	0.35	0.35	0.25	0.20**	0.25

Class of Shares*	J	P	W
Management Fee (%)	0.60	1.00	0.00
Operating, Administrative and Servicing Expenses (%)	0.25	0.35	0.00

* For further details regarding the Dealing Currencies and/or Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Description of Share Classes".

** This percentage is a maximum. The amount paid will be disclosed in the semi-annual and annual reports of the Company.

Each Share Class may incur additional fees and expenses which are not disclosed in the above table. In particular, there may be as and when the sub-fund offers Currency Hedged Share Classes or Currency Overlay Share Classes an additional fee levied in relation to the operation of a currency hedging policy. Please refer to Section 2.10. "Charges and Expenses" for further details.

▶ **Minimum Investment / Minimum Holding**

Class of Shares	Minimum Initial Investment Minimum Holding	
Class X	USD	2,500,000

▶ **Reference Currency**

USD

▶ **Investment Objective**

From 20 May 2016

The sub-fund aims to provide long-term total return by investing in a portfolio of Indian equities.

The sub-fund invests, in normal market conditions, a minimum of 90% of its net assets in equities and equity equivalent securities of companies which are domiciled in, based in, or carry out the larger part of their business activities in, India.

When making new investments or reallocating the portfolio, the sub-fund will invest directly in equities and equity equivalent securities of companies which are domiciled in India and the sub-fund will no longer increase its holdings in the Subsidiary (as defined below). Holdings in the Subsidiary may decrease. During a transitional period, which is expected to begin in May 2016 and to be complete by the end of October 2016, the sub-fund will divest its holdings in the Subsidiary in order to reinvest these assets directly.

The sub-fund normally invests across a range of market capitalisations.

The sub-fund will not invest more than 30% of its net assets in a combination of participation notes and convertible securities.

The sub-fund may use financial derivative instruments for hedging and cash flow management (for example, Equitisation). However, the sub-fund will not use financial derivative instruments extensively for investment purposes. The financial derivative instruments the sub-fund is permitted to use include, but are not limited to, futures and foreign exchange forwards (including non-deliverable forwards). Financial derivative instruments may also be embedded in other instruments in which the sub-fund may invest.

Mauritius Subsidiary

HSBC GIF Mauritius Limited, HSBC Centre, 18 Cyber City, Ebene, Mauritius (the "Subsidiary") is a Mauritian company wholly-owned by the Company.

The investment objectives of the Subsidiary are in line with those of Indian Equity (i.e. investments in equities and equity equivalent securities of companies which are domiciled in India) and the Subsidiary will apply the Company's investment restrictions as outlined in this Prospectus.

The Subsidiary was incorporated in Mauritius on 3 October 1995. It is wholly-owned by the Company. It will issue ordinary Shares and redeemable preference Shares only to the Company's Indian Equity fund. The Subsidiary is registered with the Mauritius Financial Services Commission and has obtained a certificate of tax residency from the Mauritius Revenue Authority in Mauritius (Please refer to Section 2.18. "Taxation").

The directors of the Subsidiary are responsible, *inter alia*, for establishing the investment objectives and policy of the Subsidiary, for monitoring the Subsidiary's investments and performance and for providing advisory services to the exclusive benefit of the Company, including in relation to massive redemptions in the sub-fund.

The Subsidiary has appointed CIM Fund Services, Rogers House, 5 President John Kennedy Street, Port Louis, Mauritius, to provide administrative services to the Subsidiary in Mauritius, including maintenance of its accounts, books and records. The Subsidiary has appointed KPMG Mauritius of KPMG Centre, 30 St George Street, Port Louis, Mauritius, as auditors of the Subsidiary in Mauritius to perform the auditor's duties required by Mauritius law.

The Subsidiary has appointed the Depositary Bank as custodian over its assets. The Company has appointed HSBC Bank (Mauritius) Limited, a bank incorporated under the laws of Mauritius and a wholly owned subsidiary of the Hong Kong and Shanghai Banking Corporation Limited, and duly licensed to do business in Mauritius, and having an office at HSBC Centre, 18 Cybercity, Ebene, Mauritius, for the remittance of all cash and currency of the Subsidiary for the purpose of inward investment into India by the Subsidiary and in respect of remittances from such investments.

The Company and the Subsidiary shall issue consolidated accounts.

Until 19 May 2016

The sub-fund seeks long term capital growth by investing primarily in a diversified portfolio of investments in equity and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of India, as well as those companies which carry out

a preponderant part of their business activities in India. Whilst there are no capitalisation restrictions, it is anticipated that the sub-fund will seek to invest across a range of market capitalisations with a bias to medium and large companies.

The sub-fund intends to invest part or all of the net proceeds of the issue of Shares in HSBC GIF Mauritius Limited, HSBC Centre, 18 Cyber City, Ebene, Mauritius (the "Subsidiary") which is a Mauritian company wholly-owned by the Company. Under normal market conditions, the Subsidiary will invest substantially all of its assets in Indian equities and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of India.

The remainder of the net proceeds of the issue of Shares will be invested directly in equity and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of India. The investment objectives of the Subsidiary are in line with those of Indian Equity and the Subsidiary will apply the Company's investment restrictions as outlined in this Prospectus.

The Subsidiary was incorporated in Mauritius on 3 October 1995. It is wholly-owned by the Company. It will issue ordinary Shares and redeemable preference Shares only to the Company's Indian Equity fund. The Subsidiary is registered with the Mauritius Financial Services Commission and has obtained a certificate of tax residency from the Mauritius Revenue Authority in Mauritius (Please refer to Section 2.18. "Taxation").

The directors of the Subsidiary are responsible, *inter alia*, for establishing the investment objectives and policy of the Subsidiary, for monitoring the Subsidiary's investments and performance and for providing advisory services to the exclusive benefit of the Company, including in relation to massive redemptions in the sub-fund.

The Subsidiary has appointed CIM Fund Services (previously known as Multiconsult Limited), Rogers House, 5 President John Kennedy Street, Port Louis, Mauritius, to provide administrative services to the Subsidiary in Mauritius, including maintenance of its accounts, books and records. The Subsidiary has appointed KPMG Mauritius of KPMG Centre, 30 St George Street, Port Louis, Mauritius, as auditors of the Subsidiary in Mauritius to perform the auditor's duties required by Mauritius law.

The Subsidiary has appointed the Depositary Bank as custodian over its assets. The Company has appointed HSBC Bank (Mauritius) Limited, a bank incorporated under the laws of Mauritius and a wholly owned subsidiary of the Hong Kong and Shanghai Banking Corporation Limited, and duly licensed to do business in Mauritius, and having an office at HSBC Centre, 18 Cybercity, Ebene, Mauritius, for the remittance of all cash and currency of the Subsidiary for the purpose of inward investment into India by the Subsidiary and in respect of remittances from such investments.

The Company and the Subsidiary shall issue consolidated accounts.

▶ **Risk Management**

The commitment approach is used to measure and monitor the level of risk for this sub-fund.

▶ **Profile of the Typical Investor**

Dynamic category

▶ **Fees and Expenses**

Class of Shares*	A	B	E	I	X	Z
Management Fee (%)	1.50	0.75	2.00	0.75	0.70	0.00
Operating, Administrative and Servicing Expenses (%)	0.40	0.40	0.40	0.30	0.20**	0.30

Class of Shares*	J	P	W
Management Fee (%)	0.60	n/a	0.00
Operating, Administrative and Servicing Expenses (%)	0.40	n/a	0.00

* For further details regarding the Dealing Currencies and/or Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Description of Share Classes".

** This percentage is a maximum. The amount paid will be disclosed in the semi-annual and annual reports of the Company.

Each Share Class may incur additional fees and expenses which are not disclosed in the above table. In particular, there may be as and when the sub-fund offers Currency Hedged Share Classes or Currency Overlay Share Classes an additional fee levied in relation to the operation of a currency hedging policy. Please refer to Section 2.10. "Charges and Expenses" for further details.

During a transitional period, as described above under "Investment Objective", the sub-fund will incur additional costs as a result of the divestment of its equity holdings in the Subsidiary and subsequent direct reinvestment of these assets in Indian equity securities. These additional costs will be borne by the sub-fund.

▶ **Minimum Investment / Minimum Holding**

Class of Shares	Minimum Initial Investment Minimum Holding	
Class X	USD	5,000,000

HSBC GLOBAL INVESTMENT FUNDS – KOREAN EQUITY

▶ Reference Currency

USD

▶ Investment Objective

The sub-fund seeks long term capital growth by investing primarily in a diversified portfolio of investments in equity and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of Korea, as well as those companies which carry out a preponderant part of their business activities in Korea.

There are no capitalisation restrictions and it is anticipated that the sub-fund will seek to invest across a range of capitalisations.

▶ Risk Management

The commitment approach is used to measure and monitor the level of risk for this sub-fund.

▶ Profile of the Typical Investor

Dynamic category

▶ Fees and Expenses

Class of Shares*	A	B	E	I	X	Z
Management Fee (%)	1.50	0.75	2.00	0.75	0.70	0.00
Operating, Administrative and Servicing Expenses (%)	0.40	0.40	0.40	0.30	0.20**	0.30

Class of Shares*	J	P	W
Management Fee (%)	0.60	n/a	0.00
Operating, Administrative and Servicing Expenses (%)	0.30	n/a	0.00

* For further details regarding the Dealing Currencies and/or Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Description of Share Classes".

** This percentage is a maximum. The amount paid will be disclosed in the semi-annual and annual reports of the Company.

Each Share Class may incur additional fees and expenses which are not disclosed in the above table. In particular, there may be as and when the sub-fund offers Currency Hedged Share Classes or Currency Overlay Share Classes an additional fee levied in relation to the operation of a currency hedging policy. Please refer to Section 2.10. "Charges and Expenses" for further details.

▶ Minimum Investment / Minimum Holding

Class of Shares	Minimum Initial Investment	Minimum Holding
Class X	USD	2,500,000

HSBC GLOBAL INVESTMENT FUNDS – MEXICO EQUITY

▶ Reference Currency

USD

▶ Investment Objective

The sub-fund invests for long term total return in a portfolio of Mexican equities.

The sub-fund invests (normally a minimum of 90% of its net assets) in equities and equity equivalent securities of companies which are based in Mexico as well as those companies which carry out the larger part of their business activities in Mexico.

There are no capitalisation restrictions and the sub-fund will normally invest across a range of market capitalisations.

The sub-fund may achieve its investment objective by investing up to 10% of its net assets in units or shares of UCITS and/or other Eligible UCIs (excluding other sub-funds of HSBC Global Investment Funds).

The sub-fund may use financial derivative instruments (including foreign exchange forwards, non-deliverable forwards and on-exchange traded index futures) only for hedging purposes and cash flow management.

▶ Risk Management

The commitment approach is used to measure and monitor the level of risk for this sub-fund.

▶ Profile of the Typical Investor

Dynamic category

▶ Fees and Expenses

Class of Shares*	A	B	E	I	X	Z
Management Fee (%)	1.75	0.875	2.25	0.875	0.75	0.00
Operating, Administrative and Servicing Expenses (%)	0.40	0.40	0.40	0.30	0.25**	0.30

Class of Shares*	J	P	W
Management Fee (%)	0.60	n/a	0.00
Operating, Administrative and Servicing Expenses (%)	0.30	n/a	0.00

* For further details regarding the Dealing Currencies and/or Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Description of Share Classes".

** This percentage is a maximum. The amount paid will be disclosed in the semi-annual and annual reports of the Company.

Each Share Class may incur additional fees and expenses which are not disclosed in the above table. In particular, there may be as and when the sub-fund offers Currency Hedged Share Classes or Currency Overlay Share Classes an additional fee levied in relation to the operation of a currency hedging policy. Please refer to Section 2.10. "Charges and Expenses" for further details.

▶ Minimum Investment / Minimum Holding

Class of Shares	Minimum Initial Investment Minimum Holding	
Class X	USD	2,500,000

HSBC GLOBAL INVESTMENT FUNDS – RUSSIA EQUITY

▶ Reference Currency

USD

▶ Investment Objective

The sub-fund seeks long term capital growth by investing primarily in a concentrated portfolio of investments in equity and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market in Russia as well as those companies with significant operations or carrying out a preponderant part of their business activities in this country provided that investments in securities dealt in on the Russian markets other than those recognised by the Luxembourg regulator as Regulated Markets are subject to the 10% limit set forth in restriction 1. a) of Appendix 1. "General Investment Restrictions".

There are no capitalisation restrictions, and it is anticipated that the sub-fund will seek to invest across a range of capitalisations.

▶ Risk Management

The commitment approach is used to measure and monitor the level of risk for this sub-fund.

▶ Profile of the Typical Investor

Dynamic category

▶ Fees and Expenses

Class of Shares*	A	B	E	I	X	Z
Management Fee (%)	1.75	0.875	2.25	0.875	0.70	0.00
Operating, Administrative and Servicing Expenses (%)	0.40	0.40	0.40	0.30	0.20**	0.30

Class of Shares*	J	P	S7	W
Management Fee (%)	n/a	n/a	0.45	0.00
Operating, Administrative and Servicing Expenses (%)	n/a	n/a	0.30	0.00

* For further details regarding the Dealing Currencies and/or Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Description of Share Classes".

** This percentage is a maximum. The amount paid will be disclosed in the semi-annual and annual reports of the Company.

Each Share Class may incur additional fees and expenses which are not disclosed in the above table. In particular, there may be as and when the sub-fund offers Currency Hedged Share Classes or Currency Overlay Share Classes an additional fee levied in relation to the operation of a currency hedging policy. Please refer to Section 2.10. "Charges and Expenses" for further details.

▶ Minimum Investment / Minimum Holding

Class of Shares	Minimum Initial Investment Minimum Holding	
Class X	USD	2,500,000

HSBC GLOBAL INVESTMENT FUNDS – SINGAPORE EQUITY

▶ **Reference Currency**

USD

▶ **Investment Objective**

The sub-fund seeks long term capital growth by investing primarily in a well-diversified portfolio of investments in equity and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of Singapore as well as those companies which carry out a preponderant part of their business activities in Singapore.

There are no capitalisation restrictions and it is anticipated that the sub-fund will seek to invest across a range of capitalisations.

▶ **Risk Management**

The commitment approach is used to measure and monitor the level of risk for this sub-fund.

▶ **Profile of the Typical Investor**

Core Plus category

▶ **Fees and Expenses**

Class of Shares*	A	B	E	I	X	Z
Management Fee (%)	1.50	0.75	2.00	0.75	0.70	0.00
Operating, Administrative and Servicing Expenses (%)	0.40	0.40	0.40	0.30	0.20**	0.30

Class of Shares*	J	P	W
Management Fee (%)	0.60	1.00	0.00
Operating, Administrative and Servicing Expenses (%)	0.30	0.40	0.00

* For further details regarding the Dealing Currencies and/or Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Description of Share Classes".

** This percentage is a maximum. The amount paid will be disclosed in the semi-annual and annual reports of the Company.

Each Share Class may incur additional fees and expenses which are not disclosed in the above table. In particular, there may be as and when the sub-fund offers Currency Hedged Share Classes or Currency Overlay Share Classes an additional fee levied in relation to the operation of a currency hedging policy. Please refer to Section 2.10. "Charges and Expenses" for further details.

▶ **Minimum Investment / Minimum Holding**

Class of Shares	Minimum Initial Investment Minimum Holding	
Class X	USD	2,500,000

HSBC GLOBAL INVESTMENT FUNDS – TAIWAN EQUITY

▶ **Reference Currency**

USD

▶ **Investment Objective**

The sub-fund seeks long term capital growth by investing primarily in a diversified portfolio of investments in equity and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of Taiwan, as well as those companies which carry out a preponderant part of their business activities in Taiwan.

There are no capitalisation restrictions and it is anticipated that the sub-fund will seek to invest across a range of capitalisations.

▶ **Risk Management**

The commitment approach is used to measure and monitor the level of risk for this sub-fund.

▶ **Profile of the Typical Investor**

Dynamic category

▶ **Fees and Expenses**

Class of Shares*	A	B	E	I	X	Z
Management Fee (%)	1.50	0.75	2.00	0.75	0.70	0.00
Operating, Administrative and Servicing Expenses (%)	0.40	0.40	0.40	0.30	0.20**	0.30

Class of Shares*	J	P	W
Management Fee (%)	0.60	n/a	0.00
Operating, Administrative and Servicing Expenses (%)	0.30	n/a	0.00

* For further details regarding the Dealing Currencies and/or Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Description of Share Classes".

** This percentage is a maximum. The amount paid will be disclosed in the semi-annual and annual reports of the Company.

Each Share Class may incur additional fees and expenses which are not disclosed in the above table. In particular, there may be as and when the sub-fund offers Currency Hedged Share Classes or Currency Overlay Share Classes an additional fee levied in relation to the operation of a currency hedging policy. Please refer to Section 2.10. "Charges and Expenses" for further details.

▶ **Minimum Investment / Minimum Holding**

Class of Shares	Minimum Initial Investment Minimum Holding	
Class X	USD	2,500,000

HSBC GLOBAL INVESTMENT FUNDS – THAI EQUITY

▶ **Reference Currency**

USD

▶ **Investment Objective**

The sub-fund seeks long term capital growth by investing primarily in a well-diversified portfolio of investments in equity and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of Thailand as well as those companies which carry out a preponderant part of their business activities in Thailand.

There are no capitalisation restrictions and it is anticipated that the sub-fund will seek to invest across a range of capitalisations.

▶ **Risk Management**

The commitment approach is used to measure and monitor the level of risk for this sub-fund.

▶ **Profile of the Typical Investor**

Dynamic category

▶ **Fees and Expenses**

Class of Shares*	A	B	E	I	X	Z
Management Fee (%)	1.50	0.75	2.00	0.75	0.70	0.00
Operating, Administrative and Servicing Expenses (%)	0.35	0.35	0.35	0.25	0.20**	0.25

Class of Shares*	J	P	W
Management Fee (%)	0.60	n/a	0.00
Operating, Administrative and Servicing Expenses (%)	0.25	n/a	0.00

* For further details regarding the Dealing Currencies and/or Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Description of Share Classes".

** This percentage is a maximum. The amount paid will be disclosed in the semi-annual and annual reports of the Company.

Each Share Class may incur additional fees and expenses which are not disclosed in the above table. In particular, there may be as and when the sub-fund offers Currency Hedged Share Classes or Currency Overlay Share Classes an additional fee levied in relation to the operation of a currency hedging policy. Please refer to Section 2.10. "Charges and Expenses" for further details.

▶ **Minimum Investment / Minimum Holding**

Class of Shares	Minimum Initial Investment Minimum Holding	
Class X	USD	2,500,000

HSBC GLOBAL INVESTMENT FUNDS – TURKEY EQUITY

▶ Reference Currency

EUR

▶ Investment Objective

The sub-fund seeks long term returns from capital growth and income by investing primarily in equity securities and equity equivalent securities of companies which have their registered office in Turkey, and with an official listing on a major stock exchange or other Regulated Market of Turkey, as well as those companies which carry out a preponderant part of their business activities in Turkey.

Whilst there are no capitalisation restrictions, it is anticipated that the sub-fund will seek to invest across a range of market capitalisations.

For the purpose of efficient portfolio management the sub-fund may also invest in index futures to gain market exposure.

▶ Risk Management

The commitment approach is used to measure and monitor the level of risk for this sub-fund.

▶ Profile of the Typical Investor

Dynamic category

▶ Fees and Expenses

Class of Shares*	A	B	E	I	X	Z
Management Fee (%)	1.75	0.875	2.25	0.875	0.70	0.00
Operating, Administrative and Servicing Expenses (%)	0.40	0.40	0.40	0.30	0.20**	0.30

Class of Shares*	J	P	W
Management Fee (%)	0.60	n/a	0.00
Operating, Administrative and Servicing Expenses (%)	0.30	n/a	0.00

* For further details regarding the Dealing Currencies and/or Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Description of Share Classes".

** This percentage is a maximum. The amount paid will be disclosed in the semi-annual and annual reports of the Company.

Each Share Class may incur additional fees and expenses which are not disclosed in the above table. In particular, there may be as and when the sub-fund offers Currency Hedged Share Classes or Currency Overlay Share Classes an additional fee levied in relation to the operation of a currency hedging policy. Please refer to Section 2.10. "Charges and Expenses" for further details.

▶ Minimum Investment / Minimum Holding

Class of Shares	Minimum Initial Investment Minimum Holding	
Class X	USD	2,500,000

▶ **Reference Currency**

GBP

▶ **Investment Objective**

From 20 June 2016

The sub-fund aims to provide long term total return by investing in a portfolio of UK equities.

The sub-fund invests in normal market conditions primarily in equities and equity equivalent securities of companies which are domiciled in, based in, carry out the larger part of their business activities in, or are listed on a Regulated Market, in the United Kingdom.

The sub-fund normally invests across a range of market capitalisations without any capitalisation restriction.

The sub-fund may use financial derivative instruments for hedging and cash flow management (for example, Equitisation). However, the sub-fund will not use financial derivative instruments extensively for investment purposes. The financial derivative instruments the sub-fund is permitted to use include, but are not limited to, futures and foreign exchange forwards (including non-deliverable forwards).

Until 19 June 2016

The sub-fund seeks long term capital growth by investing primarily in a diversified portfolio of investments in equity and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market in the UK as well as those companies which carry out a preponderant part of their business activities in the UK. The portfolio is diversified by sector and individual stock exposure.

There are no capitalisation restrictions, and it is anticipated that the sub-fund will seek to invest across a broad range of capitalisations.

▶ **Risk Management**

The commitment approach is used to measure and monitor the level of risk for this sub-fund.

▶ **Profile of the Typical Investor**

Core Plus category

▶ **Fees and Expenses**

Class of Shares*	A	B	E	I	X	Z
Management Fee (%)	1.50	0.75	2.00	0.75	0.60	0.00
Operating, Administrative and Servicing Expenses (%)	0.31	0.31	0.31	0.25	0.20**	0.25

Class of Shares*	J	P	W
Management Fee (%)	n/a	n/a	0.00
Operating, Administrative and Servicing Expenses (%)	n/a	n/a	0.00

* For further details regarding the Dealing Currencies and/or Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Description of Share Classes".

** This percentage is a maximum. The amount paid will be disclosed in the semi-annual and annual reports of the Company.

Each Share Class may incur additional fees and expenses which are not disclosed in the above table. In particular, there may be as and when the sub-fund offers Currency Hedged Share Classes or Currency Overlay Share Classes an additional fee levied in relation to the operation of a currency hedging policy. Please refer to Section 2.10. "Charges and Expenses" for further details.

▶ **Minimum Investment / Minimum Holding**

Class of Shares	Minimum Initial Investment Minimum Holding	
Class X	USD	5,000,000

HSBC GLOBAL INVESTMENT FUNDS – US EQUITY

▶ Reference Currency

USD

▶ Investment Objective

The sub-fund aims to provide long term total return by investing in a portfolio of US equities.

The sub-fund invests in normal market conditions a minimum of 90% of its net assets in equities and equity equivalent securities of companies which are domiciled in, based in, or carry out the larger part of their business activities, in the United States of America.

The sub-fund normally invests across a range of market capitalisations without any capitalisation restriction.

The sub-fund may invest up to 10% of its net assets in units or shares of UCITS and/or other Eligible UCIs (including other sub-funds of HSBC Global Investment Funds).

The sub-fund may use financial derivative instruments for hedging and cash flow management (for example, Equitisation). However, the sub-fund will not use financial derivative instruments extensively for investment purposes. The financial derivative instruments the sub-fund is permitted to use include, but are not limited to, futures and foreign exchange forwards (including non-deliverable forwards). Financial derivative instruments may also be embedded in other instruments in which the sub-fund may invest.

▶ Risk Management

The commitment approach is used to measure and monitor the level of risk for this sub-fund.

▶ Profile of the Typical Investor

Core Plus category

▶ Fees and Expenses

Class of Shares*	A	B	E	I	X	Z
Management Fee (%)**	1.50	0.75	2.00	0.75	0.60	0.00
Operating, Administrative and Servicing Expenses (%)	0.35	0.35	0.35	0.25	0.20***	0.25

Class of Shares*	J	P	W
Management Fee (%)	n/a	n/a	0.00
Operating, Administrative and Servicing Expenses (%)	n/a	n/a	0.00

* For further details regarding the Dealing Currencies and/or Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Description of Share Classes".

** The maximum rate for Class A, B, X and Z is 3.5%.

*** This percentage is a maximum. The amount paid will be disclosed in the semi-annual and annual reports of the Company.

Each Share Class may incur additional fees and expenses which are not disclosed in the above table. In particular, there may be as and when the sub-fund offers Currency Hedged Share Classes or Currency Overlay Share Classes an additional fee levied in relation to the operation of a currency hedging policy. Please refer to Section 2.10. "Charges and Expenses" for further details.

HSBC GLOBAL INVESTMENT FUNDS – US EQUITY VOLATILITY FOCUSED

▶ Reference Currency

USD

▶ Investment Objective

The sub-fund aims to provide long term total return by investing in a portfolio of US equities.

The sub-fund invests in normal market conditions a minimum of 90% of its net assets in equities and equity equivalent securities of companies which are domiciled in, based in, or carry out the larger part of their business activities in, the United States of America. The sub-fund may invest the remaining assets in financial derivative instruments and/or temporarily in fixed income securities, money market instruments, cash instruments and cash.

The sub-fund aims for a lower portfolio volatility relative to that of the S&P500 Index through portfolio construction. The sub-fund uses portfolio optimisation to lower overall portfolio volatility by selecting a combination of lower volatility stocks and higher volatility stocks that are less correlated and thereby diversifying the portfolio. The sub-fund may rely on market research and quantitative analysis to estimate individual stock volatility and intra-stock correlation as part of its portfolio optimisation process.

The sub-fund normally invests across a range of market capitalisations without any capitalisation restriction.

The sub-fund may invest up to 10% of its net assets in units or shares of UCITS and/or other Eligible UCIs (including other sub-funds of HSBC Global Investment Funds).

The sub-fund may also invest in financial derivative instruments including, but are not limited to, foreign exchange forwards (including non-deliverable forwards) and on-exchange traded index futures. The sub-fund intends to use financial derivative instruments primarily for efficient portfolio management purposes including, but not limited to, hedging. Such instruments may also be used for investment purposes.

▶ Risk Management

The commitment approach is used to measure and monitor the level of risk for this sub-fund.

▶ Profile of the Typical Investor

Core Plus category

▶ Fees and Expenses

Class of Shares*	A	B	E	I	X	Z
Management Fee (%)**	1.50	0.75	2.00	0.75	0.60	0.00
Operating, Administrative and Servicing Expenses (%)	0.35	0.35	0.35	0.25	0.20***	0.25

Class of Shares*	J	P	W
Management Fee (%)	n/a	n/a	0.00
Operating, Administrative and Servicing Expenses (%)	n/a	n/a	0.00

* For further details regarding the Dealing Currencies and/or Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Description of Share Classes".

** The maximum rate for Class A, B, X and Z is 3.5%.

*** This percentage is a maximum. The amount paid will be disclosed in the semi-annual and annual reports of the Company.

Each Share Class may incur additional fees and expenses which are not disclosed in the above table. In particular, there may be as and when the sub-fund offers Currency Hedged Share Classes or Currency Overlay Share Classes an additional fee levied in relation to the operation of a currency hedging policy. Please refer to Section 2.10. "Charges and Expenses" for further details.

Index Sub-Funds

HSBC GLOBAL INVESTMENT FUNDS – ECONOMIC SCALE INDEX GEM EQUITY

▶ **Reference Currency**

USD

▶ **Investment Objective**

The sub-fund aims to track the HSBC Economic Scale Index Emerging Markets (the "GEM Index") by investing in securities that are included in the GEM Index.

The sub-fund will use a Full Replication strategy to track the GEM Index. The Investment Adviser may also decide to employ a strategy of Optimised Replication in specific circumstances, including but not limited to, the size of the sub-fund. The Optimised Replication strategy involves the acquisition of a subset of the component securities of the GEM Index and possibly of some securities that are not included in the GEM Index that are designed to help the sub-fund track the performance of the GEM Index.

The sub-fund may also invest in financial derivative instruments for hedging purposes and cash flow management (e.g. Equitisation). Where the sub-fund may be restricted to invest in certain component securities of the GEM Index, due to HSBC Group and/or local regulator restrictions, the sub-fund may use financial derivative instruments (e.g. contracts for difference) to achieve exposure to such components.

▶ **Risk Management**

The commitment approach is used to measure and monitor the level of risk for this sub-fund.

▶ **Profile of the Typical Investor**

Dynamic category

▶ **Fees and Expenses**

Class of Shares*	A	B	E	I	X	Z
Management Fee (%)	0.60	0.30	0.90	0.30	0.30	0.00
Operating, Administrative and Servicing Expenses (%)	0.35	0.35	0.35	0.30	0.20**	0.30

Class of Shares*	J	P	Y	W
Management Fee (%)	n/a	n/a	n/a	0.00
Operating, Administrative and Servicing Expenses (%)	n/a	n/a	n/a	0.00

* For further details regarding the Dealing Currencies and/or Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Description of Share Classes".

** This percentage is a maximum. The amount paid will be disclosed in the semi-annual and annual reports of the Company.

Each Share Class may incur additional fees and expenses which are not disclosed in the above table. In particular, there may be as and when the sub-fund offers Currency Hedged Share Classes or Currency Overlay Share Classes an additional fee levied in relation to the operation of a currency hedging policy. Please refer to Section 2.10. "Charges and Expenses" for further details.

▶ **Dealing Cut-Off Times**

Operation	Cut-off time applicable to all jurisdictions (excluding Hong Kong)
Buying Shares	10.00 a.m. Luxembourg time on the Business Day prior to the Dealing Day, which is also a day on which banks are open for normal banking business in the UK and is not Christmas Eve or New Year's Eve.
Selling Shares	10.00 a.m. Luxembourg time on the Business Day prior to the Dealing Day, which is also a day on which banks are open for normal banking business in the UK and is not Christmas Eve or New Year's Eve.

Operation	Cut-off time applicable to Hong Kong
Buying Shares	4.00 p.m. Hong Kong time on the Business Day prior to the Dealing Day, which is also a day on which banks are open for normal banking business in Hong Kong and the UK and is not Christmas Eve or New Year's Eve.
Selling Shares	4.00 p.m. Hong Kong time on the Business Day prior to the Dealing Day, which is also a day on which banks are open for normal banking business in Hong Kong and the UK and is not Christmas Eve or New Year's Eve.

► **Settlement**

Operation	Due date for receipt of cleared monies / payment of redemption proceeds
Buying Shares	Five Business Days after application unless the fifth Business Day is a day on which the banks in the principal financial centre for the Settlement Currency are closed for business, in which case receipt of cleared monies will be the next Business Day where the banks in the principal financial centre for the Settlement Currency are open for business.
Selling Shares	Five Business Days after application unless the fifth Business Day is a day on which the banks in the principal financial centre for the Settlement Currency are closed for business, in which case payment of cleared monies will be the next Business Day where the banks in the principal financial centre for the Settlement Currency are open for business.

► **The GEM Index**

The GEM Index comprises securities of companies that have their registered office in, and/or with an official listing on a major stock exchange or other Regulated Market in an Emerging Market.

Securities in the GEM Index are weighted in proportion of their value added, a measure of a company's economic scale, which is the difference between a company's output (sales) and its inputs (purchases of goods and services from other business).

The GEM Index is calculated and published by Euromoney Indices (the Calculation Agent) on behalf of HSBC Global Asset Management Limited (the Index Sponsor) on a daily basis by using the official closing price in the markets where constituents in the GEM Index are traded. The Calculation Agent is not part of the HSBC Group.

The GEM Index is available on Bloomberg (HESIYEMU) and on the following website:
(<http://www.global.assetmanagement.hsbc.com/investment-capabilities/alternative-indexation>).

The Investment Adviser, the Company, the Management Company and the Index Sponsor are part of the HSBC Group. There are rigorous processes in place to manage any conflict of interests. The Investment Adviser, the Management Company and/or the Company are not involved in the calculation and publication of the GEM Index.

▪ Methodology

The GEM Index methodology uses a screening process to determine whether a security is eligible for inclusion in the index.

Such process takes into consideration:

1. Minimum free floated market capitalisation: free float is defined as the number of shares outstanding and available for purchase multiplied by the share price.
2. Minimum liquidity: this is calculated using the average daily traded value for each security over a period of 6 months.
3. Minimum length of trading: this does not apply to securities resulting from a corporate action that were already part of the GEM Index.
4. Foreign ownership availability: the GEM Index includes only securities that are available to international investors (i.e. any security restricted to local investors only will be excluded from the index).
5. Any other factors such as availability of a security, trading costs and minimum contribution to the GEM Index.

The securities selected for inclusion in the index are then weighted in proportion to the issuing company's value added.

The GEM Index is calculated in US Dollars and applies dividend withholding tax rates to gross dividends. The GEM Index methodology may be amended from time to time by the Index Sponsor and investors informed by making the GEM Index methodology available on the website above.

- Maintenance

The GEM Index will be reviewed on a semi-annual or more frequent basis.

- Constituent securities of the GEM Index

As of 30 November 2015, the 10 largest constituents in the GEM Index are:

	Stock name	Country	Sector	Weighting %
1	Gazprom	Russia	Energy	2.6
2	Petrochina	China	Energy	2.5
3	Industrial & Commercial Bank of China	China	Financials	2.2
4	China Mobile	China	Telecommunication Services	2.1
5	China Construction Bank	China	Financials	1.8
6	China Petroleum and Chemicals	China	Energy	1.5
7	Samsung Electronics	Korea	Information Technology	1.5
8	Agricultural Bank of China	China	Financials	1.4
9	China Telecom	China	Telecommunication Services	1.4
10	Rosneft	Russia	Energy	1.3

- ▶ **Tracking Error**

The anticipated level of tracking error in normal market conditions is 0.6%.

HSBC GLOBAL INVESTMENT FUNDS – ECONOMIC SCALE INDEX GLOBAL EQUITY

▶ Reference Currency

USD

▶ Investment Objective

The sub-fund aims to track the HSBC Economic Scale Index World (the "Global Index") by investing in securities that are included in the Global Index.

The sub-fund will use a Full Replication strategy to track the Global Index. The Investment Adviser may also decide to employ a strategy of Optimised Replication in specific circumstances, including but not limited to where the size of the sub-fund is too small or falls below a threshold and it is not cost effective to adopt a fully replicated strategy or where there are market disruption events (i.e. market access issues). The Optimised Replication strategy involves the acquisition of a subset of the component securities of the Global Index and possibly of some securities that are not included in the Global Index that are designed to help the sub-fund track the performance of the Global Index.

The sub-fund does not intend to enter into any securities lending, repurchase or reverse repurchase transactions or similar over the counter transactions.

The sub-fund does not intend to use financial derivative instruments extensively for investment purposes. However, the sub-fund may also invest in financial derivative instruments for hedging purposes and cash flow management (e.g. Equitisation). Where the sub-fund may be restricted to invest in certain component securities of the Global Index, due to HSBC Group and/or local regulator restrictions, the sub-fund may use financial derivative instruments (e.g. contracts for difference) to achieve exposure to such components.

▶ Risk Management

The commitment approach is used to measure and monitor the level of risk for this sub-fund.

▶ Profile of the Typical Investor

Core Plus category

▶ Fees and Expenses

Class of Shares*	A	B	E	I	X	Z
Management Fee (%)	0.60	0.30	0.90	0.30	0.30	0.00
Operating, Administrative and Servicing Expenses (%)	0.35	0.35	0.35	0.25	0.20**	0.25

Class of Shares*	J	P	W
Management Fee (%)	0.30	n/a	0.00
Operating, Administrative and Servicing Expenses (%)	0.25	n/a	0.00

* For further details regarding the Dealing Currencies and/or Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Description of Share Classes".

** This percentage is a maximum. The amount paid will be disclosed in the semi-annual and annual reports of the Company.

Each Share Class may incur additional fees and expenses which are not disclosed in the above table. In particular, there may be as and when the sub-fund offers Currency Hedged Share Classes or Currency Overlay Share Classes an additional fee levied in relation to the operation of a currency hedging policy. Please refer to Section 2.10. "Charges and Expenses" for further details.

▶ Dealing Cut-Off Times

Operation	Cut-off time applicable to all jurisdictions (excluding Hong Kong)
Buying Shares	10.00 a.m. Luxembourg time on the Business Day prior to the Dealing Day, which is also a day on which banks are open for normal banking business in the UK and is not Christmas Eve or New Year's Eve.
Selling Shares	10.00 a.m. Luxembourg time on the Business Day prior to the Dealing Day, which is also a day on which banks are open for normal banking business in the UK and is not Christmas Eve or New Year's Eve.

Operation	Cut-off time applicable to Hong Kong
Buying Shares	4.00 p.m. Hong Kong time on the Business Day prior to the Dealing Day, which is also a day on which banks are open for normal banking business in Hong Kong and the UK and is not Christmas Eve or New Year's Eve.
Selling Shares	4.00 p.m. Hong Kong time on the Business Day prior to the Dealing Day, which is also a day on which banks are open for normal banking business in Hong Kong and the UK and is not Christmas Eve or New Year's Eve.

► **Settlement**

Operation	Due date for receipt of cleared monies / payment of redemption proceeds
Buying Shares	Five Business Days after application unless the fifth Business Day is a day on which the banks in the principal financial centre for the Settlement Currency are closed for business, in which case receipt of cleared monies will be the next Business Day where the banks in the principal financial centre for the Settlement Currency are open for business.
Selling Shares	Five Business Days after application unless the fifth Business Day is a day on which the banks in the principal financial centre for the Settlement Currency are closed for business, in which case payment of cleared monies will be the next Business Day where the banks in the principal financial centre for the Settlement Currency are open for business.

► **The Global Index**

The Global Index comprises securities of companies that have their registered office in, and/or with an official listing on a major stock exchange or other Regulated Market in a developed market anywhere in the world.

Securities in the Global Index are weighted in proportion of their value added, a measure of a company's economic scale, which is the difference between a company's output (sales) and its inputs (purchases of goods and services from other business).

The Global Index is calculated and published by Euromoney Indices (the Calculation Agent) on behalf of HSBC Global Asset Management Limited (the Index Sponsor) on a daily basis by using the official closing price in the markets where constituents in the Global Index are traded. The Calculation Agent is not part of the HSBC Group.

The Global Index is available on Bloomberg (HESIYWDU) and on the following website: (<http://www.global.assetmanagement.hsbc.com/investment-capabilities/alternative-indexation>).

The Investment Adviser, the Company, the Management Company and the Index Sponsor are part of the HSBC Group. There are rigorous processes in place to manage any conflict of interests. The Investment Adviser, the Management Company and/or the Company are not involved in the calculation and publication of the Global Index.

▪ Methodology

The Global Index methodology uses a screening process to determine whether a security is eligible for inclusion in the index.

Such process takes into consideration:

1. Minimum free floated market capitalisation: free float is defined as the number of shares outstanding and available for purchase multiplied by the share price.
2. Minimum liquidity: this is calculated using the average daily traded value for each security over a period of 6 months.
3. Minimum length of trading: this does not apply to securities resulting from a corporate action that were already part of the Global Index.
4. Foreign ownership availability: the Global Index includes only securities that are available to international investors (i.e. any security restricted to local investors only will be excluded from the index).
5. Any other factors such as availability of a security, trading costs and minimum contribution to the Global Index.

The securities selected for inclusion in the index are then weighted in proportion to the issuing company's value added.

The Global Index is calculated in US Dollars and applies dividend withholding tax rates to gross dividends. The Global Index methodology may be amended from time to time by the Index Sponsor and investors informed by making the Global Index methodology available on the website above.

- Maintenance

The Global Index will be reviewed at least on a semi-annual or more frequent basis.

- Constituent securities of the Global Index

As of 30 November 2015, the 10 largest constituents in the Global Index are:

	Stock name	Country	Sector	Weighting %
1	Wal-Mart Stores	USA	Consumer Staples	1.6
2	General Electric	USA	Industrials	1.3
3	Exxon Mobil	USA	Energy	1.1
4	AT&T	USA	Telecommunication Services	0.9
5	Nippon Telegraph & Telephone	Japan	Telecommunication Services	0.7
6	Royal Dutch Shell	UK	Energy	0.7
7	JP Morgan Chase	USA	Financials	0.7
8	Siemens	Germany	Industrials	0.6
9	Chevron	USA	Energy	0.6
10	Wells Fargo	USA	Financials	0.6

- ▶ **Tracking Error**

The anticipated level of tracking error in normal market conditions is 0.2%.

▶ **Reference Currency**

JPY

▶ **Investment Objective**

The sub-fund aims to track the HSBC Economic Scale Index Japan (the "Japan Index") by investing in securities that are included in the Japan Index.

The sub-fund will use a Full Replication strategy to track the Japan Index. The Investment Adviser may also decide to employ a strategy of Optimised Replication in specific circumstances, including but not limited to where the size of the sub-fund is too small or falls below a threshold and it is not cost effective to adopt a fully replicated strategy or where there are market disruption events (i.e. market access issues). The Optimised Replication strategy involves the acquisition of a subset of the component securities of the Japan Index and possibly of some securities that are not included in the Japan Index that are designed to help the sub-fund track the performance of the Japan Index.

The sub-fund does not intend to enter into any securities lending, repurchase or reverse repurchase transactions or similar over the counter transactions.

The sub-fund does not intend to use financial derivative instruments extensively for investment purposes. However, the sub-fund may also invest in financial derivative instruments for hedging purposes and cash flow management (e.g. Equitisation). Where the sub-fund may be restricted to invest in certain component securities of the Japan Index, due to HSBC Group and/or local regulator restrictions, the sub-fund may use financial derivative instruments (e.g. contracts for difference) to achieve exposure to such components.

▶ **Risk Management**

The commitment approach is used to measure and monitor the level of risk for this sub-fund.

▶ **Profile of the Typical Investor**

Core Plus category

▶ **Fees and Expenses**

Class of Shares*	A	B	E	I	X	Z
Management Fee (%)	0.60	0.30	0.90	0.30	0.30	0.00
Operating, Administrative and Servicing Expenses (%)	0.35	0.35	0.35	0.25	0.20**	0.25

Class of Shares*	J	P	W
Management Fee (%)	n/a	0.40	0.00
Operating, Administrative and Servicing Expenses (%)	n/a	0.35	0.00

* For further details regarding the Dealing Currencies and/or Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Description of Share Classes".

** This percentage is a maximum. The amount paid will be disclosed in the semi-annual and annual reports of the Company.

Each Share Class may incur additional fees and expenses which are not disclosed in the above table. In particular, there may be as and when the sub-fund offers Currency Hedged Share Classes or Currency Overlay Share Classes an additional fee levied in relation to the operation of a currency hedging policy. Please refer to Section 2.10. "Charges and Expenses" for further details.

▶ **Minimum Investment / Minimum Holding**

Class of Shares	Minimum Initial Investment Minimum Holding	
Class X	USD	5,000,000

▶ **Dealing Cut-Off Times**

Operation	Cut-off time applicable to all jurisdictions (excluding Hong Kong)
Buying Shares	10.00 a.m. Luxembourg time on the Business Day prior to the Dealing Day, which is also a day on which banks are open for normal banking business in the UK and is not Christmas Eve or New Year's Eve.
Selling Shares	10.00 a.m. Luxembourg time on the Business Day prior to the Dealing Day, which is also a day on which banks are open for normal banking business in the UK and is not Christmas Eve or New Year's Eve.

Operation	Cut-off time applicable to Hong Kong
Buying Shares	4.00 p.m. Hong Kong time on the Business Day prior to the Dealing Day, which is also a day on which banks are open for normal banking business in Hong Kong and the UK and is not Christmas Eve or New Year's Eve.
Selling Shares	4.00 p.m. Hong Kong time on the Business Day prior to the Dealing Day, which is also a day on which banks are open for normal banking business in Hong Kong and the UK and is not Christmas Eve or New Year's Eve.

► **Settlement**

Operation	Due date for receipt of cleared monies / payment of redemption proceeds
Buying Shares	Five Business Days after application unless the fifth Business Day is a day on which the banks in the principal financial centre for the Settlement Currency are closed for business, in which case receipt of cleared monies will be the next Business Day where the banks in the principal financial centre for the Settlement Currency are open for business.
Selling Shares	Five Business Days after application unless the fifth Business Day is a day on which the banks in the principal financial centre for the Settlement Currency are closed for business, in which case payment of cleared monies will be the next Business Day where the banks in the principal financial centre for the Settlement Currency are open for business.

► **The Japan Index**

The Japan Index comprises securities of companies that have their registered office in, and/or with an official listing on a major stock exchange or other Regulated Market in Japan.

Securities in the Japan Index are weighted in proportion to their value added, a measure of a company's economic scale, which is the difference between a company's output (sales) and its inputs (purchases of goods and services from other business).

The Japan Index is calculated and published by Euromoney Indices (the Calculation Agent) on behalf of HSBC Global Asset Management Limited (the Index Sponsor) on a daily basis by using the official closing price in the markets where constituents in the Japan Index are traded. The Calculation Agent is not part of the HSBC Group.

The Japan Index is available on Bloomberg (HESIYJPJ) and on the following website:
(<http://www.global.assetmanagement.hsbc.com/investment-capabilities/alternative-indexation>).

The Investment Adviser, the Company, the Management Company and the Index Sponsor are part of the HSBC Group. There are rigorous processes in place to manage any conflict of interests. The Investment Adviser, the Management Company and/or the Company are not involved in the calculation and publication of the Japan Index.

▪ Methodology

The Japan Index methodology uses a screening process to determine whether a security is eligible for inclusion in the index. Such process takes into consideration:

1. Minimum free floated market capitalisation: free float is defined as the number of shares outstanding and available for purchase multiplied by the share price.
2. Minimum liquidity: this is calculated using the average daily traded value for each security over a period of 6 months.
3. Minimum length of trading: this does not apply to securities resulting from a corporate action that were already part of the Japan Index.
4. Foreign ownership availability: the Japan Index includes only securities that are available to international investors (i.e. any security restricted to local investors only will be excluded from the index).
5. Any other factors such as availability of a security, trading costs and minimum contribution to the Japan Index.

The securities selected for inclusion in the index are then weighted in proportion to the issuing company's value added.

The Japan Index is calculated in US Dollars and applies dividend withholding tax rates to gross dividends. The Japan Index methodology may be amended from time to time by the Index Sponsor and investors informed by making the Japan Index methodology available on the website above.

- Maintenance

The Japan Index will be reviewed at least on a semi-annual or more frequent basis.

- Constituent securities of the Japan Index

As of 30 November 2015, the 10 largest constituents in the Japan Index are:

	Stock name	Country	Sector	Weighting %
1	Nippon Telegraph & Telephone	Japan	Telecommunication Services	5.2
2	Toyota	Japan	Consumer Discretionary	3.6
3	Hitachi	Japan	Information Technology	2.7
4	Panasonic	Japan	Consumer Discretionary	2.4
5	Honda	Japan	Consumer Discretionary	2.0
6	Canon	Japan	Information Technology	1.8
7	NTT Docomo	Japan	Telecommunication Services	1.8
8	Nissan	Japan	Consumer Discretionary	1.6
9	Sony	Japan	Consumer Discretionary	1.5
10	Mitsubishi UFJ Financial	Japan	Financials	1.4

- ▶ **Tracking Error**

The anticipated level of tracking error in normal market conditions is 0.2%.

HSBC GLOBAL INVESTMENT FUNDS – ECONOMIC SCALE INDEX US EQUITY

▶ Reference Currency

USD

▶ Investment Objective

The sub-fund aims to track the HSBC Economic Scale Index United States (the "US Index") by investing in securities that are included in the US Index.

The sub-fund will use a Full Replication strategy to track the US Index. The Investment Adviser may also decide to employ a strategy of Optimised Replication in specific circumstances, including but not limited to where the size of the sub-fund is too small or falls below a threshold and it is not cost effective to adopt a fully replicated strategy or where there are market disruption events (i.e. market access issues). The Optimised Replication strategy involves the acquisition of a subset of the component securities of the US Index and possibly of some securities that are not included in the US Index that are designed to help the sub-fund track the performance of the US Index.

The sub-fund does not intend to enter into any securities lending, repurchase or reverse repurchase transactions or similar over the counter transactions.

The sub-fund does not intend to use financial derivative instruments extensively for investment purposes. However, the sub-fund may also invest in financial derivative instruments for hedging purposes and cash flow management (e.g. Equitisation). Where the sub-fund may be restricted to invest in certain component securities of the US Index, due to HSBC Group and/or local regulator restrictions, the sub-fund may use financial derivative instruments (e.g. contracts for difference) to achieve exposure to such components.

▶ Risk Management

The commitment approach is used to measure and monitor the level of risk for this sub-fund.

▶ Profile of the Typical Investor

Core Plus category

▶ Fees and Expenses

Class of Shares*	A	B	E	I	X	Z
Management Fee (%)	0.60	0.30	0.90	0.30	0.30	0.00
Operating, Administrative and Servicing Expenses (%)	0.35	0.35	0.35	0.25	0.20**	0.25

Class of Shares*	J	P	Y***	W
Management Fee (%)	n/a	0.40	0.15	0.00
Operating, Administrative and Servicing Expenses (%)	n/a	0.35	0.25	0.00

* For further details regarding the Dealing Currencies and/or Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Description of Share Classes".

** This percentage is a maximum. The amount paid will be disclosed in the semi-annual and annual reports of the Company.

*** Class Y Shares are closed to new subscriptions since 7 December 2009 except for shareholders having an existing regular saving plan.

Each Share Class may incur additional fees and expenses which are not disclosed in the above table. In particular, there may be as and when the sub-fund offers Currency Hedged Share Classes or Currency Overlay Share Classes an additional fee levied in relation to the operation of a currency hedging policy. Please refer to Section 2.10. "Charges and Expenses" for further details.

▶ The US Index

The US Index comprises securities of companies that have their registered office in, and/or with an official listing on a major stock exchange or other Regulated Market in the US.

Securities in the US Index are weighted in proportion to their value added, a measure of a company's economic scale, which is the difference between a company's output (sales) and its inputs (purchases of goods and services from other business).

The US Index is calculated and published by Euromoney Indices (the Calculation Agent) on behalf of HSBC Global Asset Management Limited (the Index Sponsor) on a daily basis by using the official closing price in the markets where constituents in the US Index are traded. The Calculation Agent is not part of the HSBC Group.

The US Index is available on Bloomberg (HES1YUSU) and on the following website: (<http://www.global.assetmanagement.hsbc.com/investment-capabilities/alternative-indexation>).

The Investment Adviser, the Company, the Management Company and the Index Sponsor are part of the HSBC

Group. There are rigorous processes in place to manage any conflict of interests. The Investment Adviser, the Management Company and/or the Company are not involved in the calculation and publication of the US Index.

▪ Methodology

The US Index methodology uses a screening process to determine whether a security is eligible for inclusion in the index. Such process takes into consideration:

1. Minimum free floated market capitalisation: free float is defined as the number of shares outstanding and available for purchase multiplied by the share price.
2. Minimum liquidity: this is calculated using the average daily traded value for each security over a period of 6 months.
3. Minimum length of trading: this does not apply to securities resulting from a corporate action that were already part of the US Index.
4. Foreign ownership availability: the US Index includes only securities that are available to international investors (i.e. any security restricted to local investors only will be excluded from the index).
5. Any other factors such as availability of a security, trading costs and minimum contribution to the US Index.

The securities selected for inclusion in the index are then weighted in proportion to the issuing company's value added.

The US Index is calculated in US Dollars and applies dividend withholding tax rates to gross dividends. The US Index methodology may be amended from time to time by the Index Sponsor and investors informed by making the US Index methodology available on the website above.

▪ Maintenance

The US Index will be reviewed at least on a semi-annual basis.

▪ Constituent securities of the US Index

As of 30 November 2015, the 10 largest constituents in the US Index are:

	Stock name	Country	Sector	Weighting %
1	Wal-Mart Stores	USA	Consumer Staples	3.3
2	General Electric	USA	Industrials	2.0
3	Exxon Mobil	USA	Energy	2.0
4	AT&T	USA	Telecommunication Services	1.6
5	JP Morgan Chase	USA	Financials	1.2
6	United Parcel Service	USA	Industrials	1.2
7	Wells Fargo	USA	Financials	1.1
8	Chevron	USA	Energy	1.0
9	Bank of America	USA	Industrials	1.0
10	Vodafone	USA	Telecommunication Services	0.9

▶ **Tracking Error**

The anticipated level of tracking error in normal market conditions is 0.2%.

Shariah Compliant Sub-Funds

HSBC GLOBAL INVESTMENT FUNDS – ISLAMIC GLOBAL EQUITY INDEX

▶ **Reference Currency**

USD

▶ **Investment Objective**

The sub-fund aims to track the Dow Jones Islamic Market Titans 100 index (the "Islamic Index") by investing in securities that are included in the Islamic Index. These securities meet Shariah compliance principles as interpreted and laid down or approved by the Shariah Committee and provided to the Board of Directors.

The sub-fund will use a Full Replication strategy to track the Islamic Index.

The sub-fund will not invest in financial derivative instruments.

▶ **Shariah Compliant Investment Principles**

Details on Shariah Compliant Investment Principles are provided in Appendix 4. "Investment Policy of Shariah Compliant Sub-Funds" of the Prospectus.

▶ **Risk Management**

The commitment approach is used to measure and monitor the level of risk for this sub-fund.

▶ **Profile of the Typical Investor**

Core category

▶ **Fees and Expenses**

Class of Shares*	A	B	E	I	X	Z
Management Fee (%)**	0.75	0.375	1.25	0.375	0.35	0.00
Operating, Administrative and Servicing Expenses (%)	0.25	0.25	0.25	0.20	0.20***	0.20

Class of Shares*	S25	W
Management Fee (%)	0.00	0.00
Operating, Administrative and Servicing Expenses (%)	0.30	0.00

* For further details regarding the Dealing Currencies and/or Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Description of Share Classes".

** The maximum rate for Class A, B, X and Z is 3.5%.

*** This percentage is a maximum. The amount paid will be disclosed in the semi-annual and annual reports of the Company.

Each Share Class may incur additional fees and expenses which are not disclosed in the above table. Please refer to Section 2.10. "Charges and Expenses" for further details.

▶ **Dealing Cut-Off Times**

Operation	Cut-off time applicable to all jurisdictions
Buying Shares	3.00 p.m. Luxembourg time on a Dealing Day.
Selling Shares	3.00 p.m. Luxembourg time on a Dealing Day.

▶ **Purification proceeds**

The monies paid out with respect to purification are separate and are in addition to the fees described above. The amount will vary each financial year - details of which can be found in the Company's annual report. Further information on purification is provided for in Appendix 4. "Investment Policy of Shariah Compliant Sub-Funds".

► The Islamic Index

The Islamic Index comprises securities of companies that have their registered office in, and/or with an official listing on a major stock exchange or other Regulated Market in a developed market or Emerging Market anywhere in the world. At the date of this Prospectus, the Islamic Index comprises 100 constituents in 14 markets.

Securities in the Islamic Index are weighted by float-adjusted market capitalisation. Each component's weight is capped at 10% of the index's total free-float market capitalisation. Weights are reviewed on a quarterly basis.

The Islamic Index is calculated and published by S&P Dow Jones (the "Index Provider") on a daily basis, using the closing price of each component stock. For stocks that did not trade on the current day, the closing prices or adjusted closing prices from the previous trading day are used.

The Islamic Index's methodology and constituents are available on Bloomberg and on the following website (<http://supplemental.spindices.com/supplemental-data/eu>).

The Investment Adviser, the Management Company and the Company are not involved in the calculation and publication of the Islamic Index.

▪ Methodology

The Islamic Index methodology uses a screening process to determine whether a security is eligible for inclusion in the index. Index components are selected by filtering the index universe through screens for business activities and financial ratios to remove stocks that are not Shariah compliant.

Business activities which are excluded from inclusion of the index are: alcohol, tobacco, pork-related products, conventional financial services, weapons and defences, certain entertainment and gambling.

▪ Maintenance

The Islamic Index undergoes a full review in September. On a quarterly basis, March, June, September and December the Islamic Index may be rebalanced. The Islamic Index is also reviewed on an ongoing basis to account for corporate actions such as mergers, delistings or bankruptcies.

▪ Replication

The Investment Adviser will use a Full Replication strategy to track the Islamic Index.

▪ Constituent securities of the Islamic Index

As of 30 November 2015, the 10 largest constituents in the Islamic Index are:

	Stock name	Country	Sector	Weighting %
1	Apple Inc	US	Information technology	6.7%
2	Microsoft Corp	US	Information technology	4.3%
3	Exxon Mobil Corporation	US	Energy	3.4%
4	Johnson & Johnson	US	Health Care	2.8%
5	Facebook Inc Class A	US	Information technology	2.3%
6	Nestle SA	CH	Consumer Staples	2.2%
7	Alphabet Inc Class A	US	Information technology	2.2%
8	Alphabet Inc Class C Capital Stock	US	Information technology	2.2%
9	Procter & Gamble Co	US	Consumer Staples	2.0%
10	Pfizer Inc	US	Health Care	2.0%

▪ Tracking Error

The anticipated level of tracking error in normal market conditions is 0.2%.

(6) Other Sub-Funds

HSBC GLOBAL INVESTMENT FUNDS – EURO CONVERTIBLE BOND

▶ **Reference Currency**

EUR

▶ **Investment Objective**

The sub-fund aims to provide long term total return by investing in a portfolio of Euro denominated and Euro-hedged convertible securities.

The sub-fund invests in normal market conditions a minimum of 75% of its net assets in Investment Grade, Non-Investment Grade, non-rated convertible bonds and other similar securities (including, but not limited to convertible notes and any other eligible convertible or exchangeable securities) denominated in Euro or hedged to Euro and issued by European issuers (which are domiciled in, based in, or carry out the larger part of their business in Europe).

The sub-fund may also invest up to 10% of its net assets in Investment Grade, Non-Investment Grade, non-rated convertible bonds and other similar securities denominated in Euro or hedged to Euro and issued by non-European issuers, including Emerging Market issuers.

The sub-fund invests in convertible securities issued by companies of any market capitalisation.

The sub-fund may invest up to 15% of its net assets in contingent convertible securities, however this is not expected to exceed 10%.

The sub-fund may invest up to 25% of its net assets in non-convertible fixed income securities, up to 10% of its net assets in equity securities and up to 10% of its net assets in units or shares of UCITS and/or other Eligible UCIs (including other sub-funds of HSBC Global Investment Funds).

The sub-fund may use financial derivative instruments for hedging. The sub-fund may also use, but not extensively, financial derivative instruments for investment purposes by synthetically replicating convertible securities. The financial derivative instruments the sub-fund is permitted to use include, but are not limited to, futures, options, swaps (such as interest rate, credit default, inflation and currency swaps) and foreign exchange forwards (including non-deliverable forwards). Financial derivative instruments may also be embedded in other instruments in which the sub-fund may invest (for example, callable bonds).

▶ **Risk Management**

The commitment approach is used to measure and monitor the level of risk for this sub-fund.

▶ **Profile of the Typical Investor**

Core Plus category

▶ **Fees and Expenses**

Class of Shares*	A	B	E	I	X	Z
Management Fee (%)**	1.20	0.60	1.60	0.60	0.55	0.00
Operating, Administrative and Servicing Expenses (%)	0.25	0.25	0.25	0.20	0.15***	0.15

Class of Shares*	J	P	S23	W
Management Fee (%)	0.65	n/a	0.25	0.00
Operating, Administrative and Servicing Expenses (%)	0.20	n/a	0.15***	0.00

* For further details regarding the Dealing Currencies and/or Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Description of Share Classes".

** The maximum rate for Class A, B, X and Z is 3.5%.

*** This percentage is a maximum. The amount paid will be disclosed in the semi-annual and annual reports of the Company.

Each Share Class may incur additional fees and expenses which are not disclosed in the above table. In particular, there may be as and when the sub-fund offers Currency Hedged Share Classes or Currency Overlay Share Classes an additional fee levied in relation to the operation of a currency hedging policy. Please refer to Section 2.10. "Charges and Expenses" for further details.

▶ **Reference Currency**

EUR

▶ **Investment Objective**

The sub-fund seeks to achieve stable absolute returns in excess of its benchmark. The targeted returns are intended to be largely de-correlated from those of the major asset classes. To reach this objective the sub-fund's assets will be actively allocated to different asset classes (including cash, equities, bonds and currencies worldwide).

Assets are allocated to different strategies so as to deliver a recurrent return through diversification. The share of each strategy in the sub-fund can change over time as a function of perceived market opportunities.

Strategies may exploit differences in expected returns across a given asset class while having little or no exposure to the return of the asset class or adequate time exposure to given asset classes. The Investment Adviser will constantly analyse eligible asset classes to identify new opportunities and develop strategies providing absolute returns.

Exposure to the different asset classes will be mainly achieved by using financial derivative instruments (such as equity futures, bond futures, options, credit default swaps, Total Return Swaps, currency forwards and non-deliverable forwards) through the taking of both long and short positions within the investment universe. Short positions are only taken by using financial derivative instruments.

▶ **Risk Management**

The global exposure relating to this sub-fund will be calculated using an absolute Value-at-Risk approach. The average leverage of the sub-fund, under normal market conditions, calculated as the sum of the notionals of the financial derivative instruments used, is expected to be 600%, although higher levels are possible including but not limited to, during high levels of market volatility (when financial derivative instruments are generally used to manage the risk of the portfolio) or stability (when financial derivative instruments are generally used to access the relevant markets or securities in a more cost efficient way).

▶ **Profile of the Typical Investor**

Unconstrained category

▶ **Fees and Expenses**

Class of Shares*	J**	L**	M**	N**	R**	ZP**
Management Fee (%)	n/a	1.00	1.50	0.75	2.00	0.00
Operating, Administrative and Servicing Expenses (%)	n/a	0.20	0.30	0.30	0.30	0.20

Class of Shares*	W	Z
Management Fee (%)	0.00	0.00
Operating, Administrative and Servicing Expenses (%)	0.00	0.25

* For further details regarding the Dealing Currencies and/or Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Description of Share Classes".

** Performance fee for Class J1, J2, etc., L1, L2, etc., M1, M2, etc., N1, N2, etc., R1, R2, etc. and ZP1, ZP2, etc. as disclosed in the Section 2.10. "Charges and Expenses", may be charged in addition to the management fees. It is not currently the intention of the Management Company to charge a performance fee for Class J Shares in this sub-fund.

Each Share Class may incur additional fees and expenses which are not disclosed in the above table. In particular, there may be as and when the sub-fund offers Currency Hedged Share Classes or Currency Overlay Share Classes an additional fee levied in relation to the operation of a currency hedging policy. Please refer to Section 2.10. "Charges and Expenses" for further details.

► **Performance Fee**

Details on the methodology used for the calculation of performance fees are disclosed in Section 2.10 (3) "Performance Fees".

Applicable Share Classes	Hurdle Rate	Performance Rate
L, M, N, R, ZP except Currency Hedged Share Classes	1 month EURIBOR	20%
CHF Hedged	1 month CHF LIBOR	
GBP Hedged	1 month GBP LIBOR	
JPY Hedged	1 month JPY LIBOR	
NOK Hedged	1 month NOK LIBOR	
SEK Hedged	1 month SEK STIBOR	
USD Hedged	1 month USD LIBOR	

When the hurdle rate of a currency is not listed in the table above, the overnight index or domestic interest rate corresponding to the Reference Currency of the Share Class will be used as Hurdle Rate.

▶ Reference Currency

EUR

▶ Investment Objective

The sub-fund aims to provide income and moderate capital growth through an active asset allocation in a diversified portfolio of fixed income and equity securities as well as money market, cash instruments and other instruments in both developed and Emerging Markets.

The sub-fund invests in normal market conditions a minimum of 90% of its net assets in or gains exposure to:

- fixed income and equity securities directly and/or through investments in UCITS and/or other Eligible UCIs.
- Asset Backed Securities ("ABS") and Mortgage Backed Securities ("MBS") either directly or through investments in UCITS and/or other Eligible UCIs.
- other asset classes including, but not limited to, real estate, private equity, commodities and alternative investment strategies through investments in equity securities, UCITS and/or other Eligible UCIs.

The sub-fund invests in Investment Grade and Non-Investment Grade rated fixed income and other similar securities issued or guaranteed by governments, government agencies or supranational bodies of developed markets, such as OECD countries, or Emerging Markets or by companies which are domiciled in, based in, or carry out the larger part of their business activities in, developed or Emerging Markets. These securities are denominated either in Euro, in other developed market currencies mostly hedged into Euro, or in local Emerging Market currencies.

The sub-fund invests in equities and equity equivalent securities issued by companies which are based or operating in developed and/or Emerging Markets. The sub-fund normally invests across a range of market capitalisations. These securities are denominated either in developed or Emerging Market currencies.

The sub-fund may invest up to 100% of its net assets in units or shares of UCITS and/or other Eligible UCIs (including other sub-funds of HSBC Global Investment Funds and other sub-funds managed or affiliated with the HSBC Group). The sub-fund's exposure to such holdings will normally be between 50% and 100%.

The sub-fund will not invest more than 10% of its net assets in securities issued by or guaranteed by any single sovereign issuer with a credit rating below Investment Grade.

The sub-fund may also invest in financial derivative instruments including, but not limited to, foreign exchange forwards (including non-deliverable forwards), exchange traded futures, and credit default swaps. Financial derivative instruments may also be embedded in other instruments in which the sub-fund may invest (for example, Eligible UCIs). The sub-fund intends to use financial derivative instruments for efficient portfolio management including, but not limited to, hedging. Such instruments may also be used for investment purposes.

▶ Asset class exposure limits

For the specific groups of asset classes described in the table below, the sub-fund has a total maximum exposure limit as follows:

Asset Class	Maximum exposure
Equity	80%
Fixed income	100%
Asset Backed Securities / Mortgage Backed Securities	20%
Total of the following:	30%
▪ Real estate*	15%
▪ Private equity	10%
▪ Commodities*	10%
▪ Alternative investment strategies	25%

* The sub-fund will not invest directly in real estate and commodities.

▶ Risk Management

The commitment approach is used to measure and monitor the level of risk for this sub-fund.

▶ Profile of the Typical Investor

Core Plus

► **Fees and Expenses**

Class of Shares*	A	B	E	I	X	Z
Management Fee (%)**	1.35	0.675	1.65	0.675	0.65	0.00
Operating, Administrative and Servicing Expenses (%)	0.25	0.25	0.25	0.25	0.20***	0.20

Class of Shares*	J	P	W
Management Fee (%)	n/a	n/a	0.00
Operating, Administrative and Servicing Expenses (%)	n/a	n/a	0.00

* For further details regarding the Dealing Currencies and/or Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Description of Share Classes".

** The maximum rate for Class A, B, X and Z is 3.5%.

*** This percentage is a maximum. The amount paid will be disclosed in the semi-annual and annual reports of the Company.

Each Share Class may incur additional fees and expenses which are not disclosed in the above table. In particular, there may be as and when the sub-fund offers Currency Hedged Share Classes or Currency Overlay Share Classes an additional fee levied in relation to the operation of a currency hedging policy. Please refer to Section 2.10. "Charges and Expenses" for further details.

► **Dealing Cut-Off Times**

Operation	Cut-off time applicable to all jurisdictions
Buying Shares	2.00 p.m. Luxembourg time on the Business Day prior to the Dealing Day*, which is also a day on which banks are open for normal banking business in the UK and is not Christmas Eve or New Year's Eve.
Selling Shares	2.00 p.m. Luxembourg time on the Business Day prior to the Dealing Day*, which is also a day on which banks are open for normal banking business in the UK and is not Christmas Eve or New Year's Eve.

* For the purposes of this sub-fund, Dealing Day means any Business Day (other than days during a period of suspension of dealing in Shares) and which is also a day where UCITS and/or other Eligible UCIs in which the sub-fund is materially invested are open for normal trading and stock exchanges and Regulated Markets in countries where the sub-fund is materially invested are open for normal trading. A Dealing Day is the day on which an investor's purchase, conversion or redemption of shares will be fulfilled using the prevailing Net Asset Value per Share.

The Business Days which are not Dealing Days will be listed in the annual report and semi-annual reports and are available at the registered office of the Company. Any amendments to such lists are also available at the registered office of the Company.

► **Settlement**

Operation	Due date for receipt of cleared monies
Buying Shares	Five Business Days after application unless the fifth Business Day is a day on which the banks in the principal financial centre for the Settlement Currency are closed for business, in which case receipt of cleared monies will be the next Business Day where the banks in the principal financial centre for the Settlement Currency are open for business.
Selling Shares	Five Business Days after application unless the fifth Business Day is a day on which the banks in the principal financial centre for the Settlement Currency are closed for business, in which case payment of cleared monies will be the next Business Day where the banks in the principal financial centre for the Settlement Currency are open for business.

▶ **Reference Currency**

USD

▶ **Investment Objective**

From 20 June 2016

The sub-fund invests for long term total return through an active asset allocation in a diversified portfolio of fixed income and equity securities as well as money market and cash instruments.

The sub-fund will normally invest a minimum of 70% of its net assets in Asian (including Asia-Pacific and excluding Japan) based assets in both fixed income and equity markets including, but not limited to Asia-Pacific (excluding Japan) equities, sovereign bonds and corporate bonds. The sub-fund may also invest in other non-Asian based assets such as global emerging market bonds, US Treasuries and eligible closed-ended Real Estate Investment Trusts ("REITs"). Exposure to these assets may be achieved through direct investments and/or investments in units or shares of UCITS and/or other Eligible UCIs.

The sub-fund will invest in Investment Grade, Non-Investment Grade and unrated fixed income securities issued or guaranteed by governments, government agencies or supranational bodies worldwide or companies in both developed and Emerging Markets. The sub-fund will not invest more than 10% of its net assets in securities issued by or guaranteed by any single sovereign issuer with a credit rating below Investment Grade.

The sub-fund will also invest in equity and equity equivalent securities. Such securities will predominantly be listed securities that are selected based on their market capitalisation, sector, country and stock valuation. There are no capitalisation restrictions, and the sub-fund will normally invest across a range of market capitalisations.

Investments in Chinese equities include, but are not limited to, China A-shares and China B-shares (and such other securities as may be available) listed on stock exchanges in the People's Republic of China ("PRC"). The sub-fund may directly invest in China A-shares through the Shanghai-Hong Kong Stock Connect, subject to applicable quota limitations. Furthermore, the sub-fund may gain exposure to China A-shares indirectly through China A-shares Access Products ("CAAP") such as, but not limited to, participation notes linked to China A-shares.

The sub-fund may invest up to 15% of its net assets in China A-shares through the Shanghai-Hong Kong Stock Connect and up to 15% of its net assets in CAAPs. The sub-fund's maximum exposure to China A-shares (through the Shanghai-Hong Kong Stock Connect or CAAP) and China B-shares is 15% of its net assets. The sub-fund will not invest more than 10% of its net assets in CAAPs issued by any single issuer of CAAPs.

The sub-fund will not invest more than 10% of its net assets in REITs.

The sub-fund may invest up to 10% of its net assets in contingent convertible securities, however this is not expected to exceed 5%.

The sub-fund may invest up to 50% of its net assets in units or shares of UCITS and/or other Eligible UCIs (including other sub-funds of HSBC Global Investment Funds).

The asset allocation may change over time depending on the Investment Adviser's view on market opportunities.

The sub-fund will normally be exposed to currencies of Asia-Pacific (excluding Japan) countries as well as other emerging and developed market currencies.

The sub-fund may use financial derivative instruments for hedging and cash flow management (for example, Equitisation). However, the sub-fund will not use financial derivative instruments extensively for investment purposes. The financial derivative instruments the sub-fund is permitted to use include, but are not limited to, futures and foreign exchange forwards (including non-deliverable forwards). Financial derivative instruments may also be embedded in other instruments in which the sub-fund may invest (for example, units or shares of UCITS and/or other Eligible UCIs).

Until 19 June 2016

The sub-fund invests for long term total return through an active asset allocation in a diversified portfolio of fixed income and equity securities as well as money market and cash instruments. The sub-fund will normally invest a minimum of 70% of its net assets in Asian (including Asia-Pacific and excluding Japan) based assets in both fixed income and equity markets including, but not limited to Asia-Pacific (excluding Japan) equities, sovereign bonds and corporate bonds. The sub-fund may also invest in other non-Asian based assets such as global emerging market bonds and US Treasuries. Exposure to these assets may be achieved through direct investments and/or investments in units or shares of UCITS and/or other Eligible UCIs.

The sub-fund will invest in Investment Grade, Non-Investment Grade and unrated fixed income securities issued or guaranteed by governments, government agencies or supranational bodies worldwide or companies in both

developed and Emerging Markets. The sub-fund will not invest more than 10% of its net assets in securities issued by or guaranteed by any single sovereign issuer with a credit rating below Investment Grade.

The sub-fund will also invest in equity and equity equivalent securities. Such securities will predominantly be listed securities that are selected based on their market capitalisation, sector, country and stock valuation. There are no capitalisation restrictions, and the sub-fund will normally invest across a range of market capitalisations.

The sub-fund may invest up to 50% of its net assets in units or shares of UCITS and/or other Eligible UCIs (including other sub-funds of HSBC Global Investment Funds).

The asset allocation may change over time depending on the Investment Adviser's view on market opportunities.

The sub-fund will normally be exposed to currencies of Asia-Pacific (excluding Japan) as well as other emerging and developed market currencies.

The sub-fund may use financial derivative instruments for hedging purposes only. However, the sub-fund may also invest in units or shares of UCITS and/or other Eligible UCIs which may use financial derivative instruments for investment and/or hedging purposes.

► **Asset Class Exposure Limits**

For the specific group of asset classes described in the table below, the sub-fund will have a total maximum exposure limit as follows:

From 20 June 2016

Asset Class*	Maximum exposure
Equity	30%
Fixed Income, including Bonds, Money Market instruments, other Fixed Income instruments and Cash**	100%
Others, including Real Estate	30%

* Exposure to these asset classes may be achieved through direct investments and/or investment in units or shares of UCITS and/or other Eligible UCIs.

** The aggregate exposure to money market instruments and cash will be less than 30% of the sub-fund's net assets.

Until 19 June 2016

Asset Class*	Maximum exposure
Equity	30%
Fixed Income, including Bonds, Money Market instruments, other Fixed Income instruments and Cash	100%

* Exposure to these asset classes may be achieved through direct investments and/or investment in units or shares of UCITS and/or other Eligible UCIs.

The Investment Adviser will seek to maximize the portfolio's risk-adjusted expected long term total return by investing in a diversified portfolio of fixed income and equity securities as well as money market and cash instruments. Exposure to each asset class will be determined by taking into account valuation, risk and liquidity. In principle, the Investment Adviser will overweight asset classes with the most attractive growth prospects and underweight those that appear as overvalued, by taking into account the risk profile. Asset allocation to various asset classes will be managed with a view to grow capital throughout a market cycle. The sub-fund will remain diversified to maintain a balance between risk and return. Within each asset class, the Investment Adviser seeks to add further value through security selection.

► **Investment Restrictions**

In addition to the restrictions outlined under Appendix 1. "General Investment Restrictions", Appendix 2. "Restrictions on the use of techniques and instruments" and Appendix 3. "Additional Restrictions", the sub-fund's investment in units or shares of UCITS and/or other Eligible UCIs shall be subject to the following restrictions:

- Not more than 10% of the net asset value of the sub-fund may be invested in units or shares of UCITS and/or other Eligible UCIs that are non-recognised jurisdiction schemes, as defined under the Hong Kong Code on unit trust and mutual funds (the "Hong Kong Code") and not authorised by the Securities and Futures Commission in Hong Kong.
- No investment may be made in any UCITS or other Eligible UCI which invests primarily in investments prohibited by Chapter 7 of the Hong Kong Code; and where the objective of the UCITS or other Eligible UCI is to invest primarily in investments restricted by Chapter 7 of the Hong Kong Code, such holdings may not be in contravention of the relevant restriction.

▶ **Risk Management**

The commitment approach is used to measure and monitor the level of risk for this sub-fund.

▶ **Profile of the Typical Investor**

Core Plus category

▶ **Fees and Expenses**

Class of Shares*	A	B	E	I	X	Z
Management Fee (%)**	0.70	0.50	1.00	0.50	0.45	0.00
Operating, Administrative and Servicing Expenses (%)	0.35	0.35	0.35	0.25	0.20**	0.25

Class of Shares*	J	P	W
Management Fee (%)	n/a	0.80	0.00
Operating, Administrative and Servicing Expenses (%)	n/a	0.35	0.00

* For further details regarding the Dealing Currencies and/or Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Description of Share Classes".

** This percentage is a maximum. The amount paid will be disclosed in the semi-annual and annual reports of the Company.

Each Share Class may incur additional fees and expenses which are not disclosed in the above table. In particular, there may be as and when the sub-fund offers Currency Hedged Share Classes or Currency Overlay Share Classes an additional fee levied in relation to the operation of a currency hedging policy. Please refer to Section 2.10. "Charges and Expenses" for further details.

▶ **Minimum Investment / Minimum Holding**

Class of Shares	Minimum Initial Investment Minimum Holding	
Class P	USD	100,000

▶ **Reference Currency**

USD

▶ **Investment Objective**

From 20 June 2016

The sub-fund invests for long term total return through an active asset allocation in a diversified portfolio of equity and fixed income securities as well as money market and cash instruments.

The sub-fund will normally invest a minimum of 70% of its net assets in Asian (including Asia-Pacific and excluding Japan) based assets in both equity and fixed income markets including, but not limited to Asia-Pacific (excluding Japan) equities, sovereign bonds and corporate bonds. The sub-fund may also invest in other non-Asian based assets such as global developed and emerging market equities, US Treasuries and eligible closed-ended Real Estate Investment Trusts ("REITs"). Exposure to these assets may be achieved through direct investments and/or investments in units or shares of UCITS and/or other Eligible UCIs.

The sub-fund will invest in equity and equity equivalent securities. Such securities will predominantly be listed securities that are selected based on their market capitalisation, sector, country and stock valuation. There are no capitalisation restrictions, and the sub-fund will normally invest across a range of market capitalisations.

Investments in Chinese equities include, but are not limited to, China A-shares and China B-shares (and such other securities as may be available) listed on stock exchanges in the People's Republic of China ("PRC"). The sub-fund may directly invest in China A-shares through the Shanghai-Hong Kong Stock Connect, subject to applicable quota limitations. Furthermore, the sub-fund may gain exposure to China A-shares indirectly through China A-shares Access Products ("CAAP") such as, but not limited to, participation notes linked to China A-shares.

The sub-fund may invest up to 30% of its net assets in China A-shares through the Shanghai-Hong Kong Stock Connect and up to 30% of its net assets in CAAPs. The sub-fund's maximum exposure to China A-shares (through the Shanghai-Hong Kong Stock Connect or CAAP) and China B-shares is 50% of its net assets. The sub-fund will not invest more than 10% of its net assets in CAAPs issued by any single issuer of CAAPs.

The sub-fund will also invest in Investment Grade, Non-Investment Grade and unrated fixed income securities issued or guaranteed by governments, government agencies or supranational bodies worldwide or companies in both developed and Emerging Markets. The sub-fund will not invest more than 10% of its net assets in securities issued by or guaranteed by any single sovereign issuer with a credit rating below Investment Grade.

The sub-fund will not invest more than 10% of its net assets in REITs.

The sub-fund may invest up to 10% of its net assets in contingent convertible securities, however this is not expected to exceed 5%.

The sub-fund may invest up to 50% of its net assets in units or shares of UCITS and/or other Eligible UCIs (including other sub-funds of HSBC Global Investment Funds).

The asset allocation may change over time depending on the Investment Adviser's view on market opportunities.

The sub-fund will normally be exposed to currencies of Asia-Pacific (excluding Japan) countries as well as other emerging and developed market currencies.

The sub-fund may use financial derivative instruments for hedging and cash flow management (for example, Equitisation). However, the sub-fund will not use financial derivative instruments extensively for investment purposes. The financial derivative instruments the sub-fund is permitted to use include, but are not limited to, futures and foreign exchange forwards (including non-deliverable forwards). Financial derivative instruments may also be embedded in other instruments in which the sub-fund may invest (for example, units or shares of UCITS and/or other Eligible UCIs).

Until 19 June 2016

The sub-fund invests for long term total return through an active asset allocation in a diversified portfolio of equity and fixed income securities as well as money market and cash instruments. The sub-fund will normally invest a minimum of 70% of its net assets in Asian (including Asia-Pacific and excluding Japan) based assets in both equity and fixed income markets including, but not limited to Asia-Pacific (excluding Japan) equities, sovereign bonds, and corporate bonds. The sub-fund may also invest in other non-Asian based assets such as global developed and emerging market equities, US Treasuries and global closed-ended REITs. Exposure to these assets may be achieved through direct investments and/or investments in units or shares of UCITS and/or other Eligible UCIs.

The sub-fund will invest in equity and equity equivalent securities. Such securities will predominantly be listed securities that are selected based on their market capitalisation, sector, country and stock valuation. There are no capitalisation restrictions, and the sub-fund will normally invest across a range of market capitalisations.

The sub-fund will also invest in Investment Grade, Non-Investment Grade and unrated fixed income securities issued or guaranteed by governments, government agencies or supranational bodies worldwide or companies in both developed and Emerging Markets. The sub-fund will not invest more than 10% of its net assets in securities issued by or guaranteed by any single sovereign issuer with a credit rating below Investment Grade.

The sub-fund may invest up to 50% of its net assets in units or shares of UCITS and/or other Eligible UCIs (including other sub-funds of HSBC Global Investment Funds).

The asset allocation may change over time depending on the Investment Adviser's view on market opportunities.

The sub-fund will normally be exposed to currencies of Asia-Pacific (excluding Japan) countries as well as other emerging and developed market currencies.

The sub-fund may use financial derivative instruments for hedging purposes only. However, the sub-fund may also invest in units or shares of UCITS and/or other Eligible UCIs which may use financial derivative instruments for investment and/or hedging purposes.

► **Asset Class Exposure Limits**

For the specific group of asset classes described in the table below, the sub-fund will have a total maximum exposure limit as follows:

From 20 June 2016

Asset Class*	Maximum exposure
Equity	100%
Fixed Income, including Bonds, Money Market instruments, other Fixed Income instruments and Cash**	50%
Others, including Real Estate	30%

* Exposure to these asset classes may be achieved through direct investments and/or investment in units or shares of UCITS and/or other Eligible UCIs.

** The aggregate exposure to money market instruments and cash will be less than 30% of the sub-fund's net assets.

Until 19 June 2016

Asset Class*	Maximum exposure
Equity	100%
Fixed Income, including Bonds, Money Market instruments, other Fixed Income instruments and Cash	50%
Others, including Real Estate	30%

* Exposure to these asset classes may be achieved through direct investments and/or investment in units or shares of UCITS and/or other Eligible UCIs.

The Investment Adviser will seek to maximize the portfolio's risk-adjusted expected return in investing in a diversified portfolio of bonds, equity and currency. Exposure to each asset class will be determined taking into account valuation, risk and liquidity. In principle, we will mainly focus on overweighing asset classes with the most attractive growth prospects and underweighing those that appear as overvalued. Asset allocation to various asset classes will be managed with a view to grow capital throughout a market cycle. The sub-fund will remain diversified among different asset classes to maintain a balance between risk and return. Within each asset class, the Investment Adviser seeks to add further value through security selection.

► **Investment Restrictions**

In addition to the restrictions outlined under Appendix 1. "General Investment Restrictions", Appendix 2. "Restrictions on the use of techniques and instruments" and Appendix 3. "Additional Restrictions", the sub-fund's investment in units or shares of UCITS and/or other Eligible UCIs shall be subject to the following restrictions:

- Not more than 10% of the net asset value of the sub-fund may be invested in units or shares of UCITS and/or other Eligible UCIs that are non-recognised jurisdiction schemes, as defined under the Hong Kong Code on unit trust and mutual funds (the "Hong Kong Code") and not authorised by the Securities and Futures Commission in Hong Kong.

- No investment may be made in any UCITS or other Eligible UCI which invests primarily in investments prohibited by Chapter 7 of the Hong Kong Code; and where the objective of the UCITS or other Eligible UCI is to invest primarily in investments restricted by Chapter 7 of the Hong Kong Code, such holdings may not be in contravention of the relevant limitation.

▶ **Risk Management**

The commitment approach is used to measure and monitor the level of risk for this sub-fund.

▶ **Profile of the Typical Investor**

Core Plus category

▶ **Fees and Expenses**

Class of Shares*	A	B	E	I	X	Z
Management Fee (%)	1.50	0.75	2.00	0.75	0.60	0.00
Operating, Administrative and Servicing Expenses (%)	0.35	0.35	0.35	0.25	0.20**	0.25

Class of Shares*	J	P	W
Management Fee (%)	n/a	1.25	0.00
Operating, Administrative and Servicing Expenses (%)	n/a	0.35	0.00

* For further details regarding the Dealing Currencies and/or Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Description of Share Classes".

** This percentage is a maximum. The amount paid will be disclosed in the semi-annual and annual reports of the Company.

Each Share Class may incur additional fees and expenses which are not disclosed in the above table. In particular, there may be as and when the sub-fund offers Currency Hedged Share Classes or Currency Overlay Share Classes an additional fee levied in relation to the operation of a currency hedging policy. Please refer to Section 2.10. "Charges and Expenses" for further details.

▶ **Minimum Investment / Minimum Holding**

Class of Shares	Minimum Initial Investment Minimum Holding	
Class P	USD	100,000

▶ **Reference Currency**

USD

▶ **Investment Objective**

From 20 June 2016

The sub-fund invests for income and moderate capital growth through an active asset allocation in a diversified portfolio of fixed income and equity securities as well as money market and cash instruments.

The sub-fund will normally invest a minimum of 70% of its net assets in Asian (including Asia-Pacific and excluding Japan) based income oriented assets in both fixed income and equity markets including, but not limited to corporate bonds, sovereign bonds and higher yielding equities. The sub-fund may also invest in other non-Asian based assets such as global emerging market bonds, US Treasuries and eligible closed-ended Real Estate Investment Trusts ("REITs"). Exposure to these assets may be achieved through direct investments and/or investment in units or shares of UCITS and/or other Eligible UCIs.

The sub-fund will invest in Investment Grade, Non-Investment Grade and unrated fixed income securities issued or guaranteed by governments, government agencies or supranational bodies worldwide or companies in both developed and Emerging Markets.

The sub-fund will also invest in equity and equity equivalent securities, particularly those that offer above average dividend yields and/or the potential for sustainable dividend growth.

Investments in Chinese equities include, but are not limited to, China A-shares and China B-shares (and such other securities as may be available) listed on stock exchanges in the People's Republic of China ("PRC"). The sub-fund may directly invest in China A-shares through the Shanghai-Hong Kong Stock Connect, subject to applicable quota limitations. Furthermore, the sub-fund may gain exposure to China A-shares indirectly through China A-shares Access Products ("CAAP") such as, but not limited to, participation notes linked to China A-shares.

The sub-fund may invest up to 25% of its net assets in China A-shares through the Shanghai-Hong Kong Stock Connect and up to 25% of its net assets in CAAPs. The sub-fund's maximum exposure to China A-shares (through the Shanghai-Hong Kong Stock Connect or CAAP) and China B-shares is 25% of its net assets. The sub-fund will not invest more than 10% of its net assets in CAAPs issued by any single issuer of CAAPs.

The sub-fund will not invest more than 10% of its net assets in REITs.

The sub-fund may invest up to 10% of its net assets in contingent convertible securities, however this is not expected to exceed 5%.

The sub-fund may invest up to 50% of its net assets in units or shares of UCITS and/or other Eligible UCIs (including other sub-funds of the HSBC Global Investment Funds).

The asset allocation may change over time depending on the Investment Adviser's view on market opportunities.

The sub-fund will normally be exposed to currencies of Asia-Pacific (excluding Japan) countries as well as other emerging and developed markets currencies.

The sub-fund may use financial derivative instruments for hedging and cash flow management (for example, Equitisation). However, the sub-fund will not use financial derivative instruments extensively for investment purposes. The financial derivative instruments the sub-fund is permitted to use include, but are not limited to, futures and foreign exchange forwards (including non-deliverable forwards). Financial derivative instruments may also be embedded in other instruments in which the sub-fund may invest (for example, units or shares of UCITS and/or other Eligible UCIs).

Until 19 June 2016

The sub-fund invests for income and moderate capital growth through an active asset allocation in a diversified portfolio of fixed income and equity securities as well as money market and cash instruments. The sub-fund will normally invest a minimum of 70% of its net assets in Asian ex-Japan based income oriented assets in both fixed income and equity markets including, but not limited to corporate bonds, sovereign bonds and higher yielding equities. The sub-fund may also invest in other non-Asian based assets such as global emerging market bonds, US Treasuries and global closed-ended REITs. Exposure to these assets may be achieved through direct investments and/or investments in units or shares of UCITS and/or other Eligible UCIs.

The sub-fund will invest in Investment Grade, Non-Investment Grade and unrated fixed income securities issued or guaranteed by governments, government agencies or supranational bodies worldwide or companies in both

developed and Emerging Markets.

The sub-fund will also invest in equity and equity equivalent securities, particularly those that offer above average dividend yields and/or the potential for sustainable dividend growth.

The sub-fund may invest up to 50% of its net assets in units or shares of UCITS and/or other Eligible UCIs (including other sub-funds of HSBC Global Investment Funds).

The asset allocation may change over time depending on the Investment Adviser's view on market opportunities.

The sub-fund will normally be exposed to currencies of Asian and Emerging Markets countries and USD.

The sub-fund may use financial derivative instruments for hedging purposes only. However, the sub-fund may also invest in units or shares of UCITS and/or other Eligible UCIs which may use financial derivative instruments for investment and/or hedging purposes.

► **Asset Class Exposure Limits**

For the specific group of asset classes described in the table below, the sub-fund will have a total maximum exposure limit as follows:

From 20 June 2016

Asset Class*	Maximum exposure
Equity	50%
Fixed Income, including Bonds, Money Market instruments, other Fixed Income instruments and Cash**	100%
Others, including Real Estate	30%

* Exposure to these asset classes may be achieved through direct investments and/or investment in units or shares of UCITS and/or other Eligible UCIs.

** The aggregate exposure to money market instruments and cash will be less than 30% of the sub-fund's net assets.

Until 19 June 2016

Asset Class*	Maximum exposure
Equity	50%
Fixed Income, including Bonds, Money Market instruments, other Fixed Income instruments and Cash	100%
Others, including Real Estate	30%

* Exposure to these asset classes may be achieved through direct investments and/or investment in units or shares of UCITS and/or other Eligible UCIs.

Asset allocation to different income oriented assets will be managed to maximize the sub-fund's risk-adjusted yield and total return. Exposure to each asset class will be determined based on its level of expected yield premium (i.e. its yield above cash rate), risk and liquidity. In principle, the higher the risk-adjusted yield premium, the higher the exposure to such asset classes. Asset allocation will vary over market cycles as both the yield and risks of different asset classes evolve. The sub-fund will remain diversified among different asset classes to maintain a balance between risk, return and income. Within each asset class, the Investment Adviser seeks to add further value through security selection.

► **Investment Restrictions**

In addition to the restrictions outlined under Appendix 2. "Restrictions on the Use of Techniques and Instruments" and Appendix 3. "Additional Restrictions", the sub-fund's investment in units or shares of UCITS and/or other Eligible UCIs shall be subject to the following restrictions:

- Not more than 10% of the net asset value of the sub-fund may be invested in units or shares of UCITS and/or other Eligible UCIs that are non-recognised jurisdiction schemes, as defined under the Hong Kong Code on unit trust and mutual funds (the "Hong Kong Code") and not authorised by the Securities and Futures Commission.
- No investment may be made in any UCITS or other Eligible UCI which invests primarily in investments prohibited by Chapter 7 of the Hong Kong Code; and where the objective of the UCITS or other Eligible UCI is to invest primarily in investments restricted by Chapter 7 of the Hong Kong Code, such holdings may not be in contravention of the relevant limitation.

► **Risk Management**

The commitment approach is used to measure and monitor the level of risk for this sub-fund.

▶ **Profile of the Typical Investor**

Core Plus category

▶ **Fees and Expenses**

Class of Shares*	A	B	E	I	X	Z
Management Fee (%)	1.25	0.625	1.55	0.625	0.60	0.00
Operating, Administrative and Servicing Expenses (%)	0.35	0.35	0.35	0.25	0.20**	0.25

Class of Shares*	J	P	W
Management Fee (%)	n/a	1.00	0.00
Operating, Administrative and Servicing Expenses (%)	n/a	0.35	0.00

* For further details regarding the Dealing Currencies and/or Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Description of Share Classes".

** This percentage is a maximum. The amount paid will be disclosed in the semi-annual and annual reports of the Company.

Each Share Class may incur additional fees and expenses which are not disclosed in the above table. In particular, there may be as and when the sub-fund offers Currency Hedged Share Classes or Currency Overlay Share Classes an additional fee levied in relation to the operation of a currency hedging policy. Please refer to Section 2.10. "Charges and Expenses" for further details.

▶ **Minimum Investment / Minimum Holding**

Class of Shares	Minimum Initial Investment Minimum Holding	
Class P	USD	100,000

HSBC GLOBAL INVESTMENT FUNDS – MULTI-ASSET STYLE FACTORS

▶ Reference Currency

EUR

▶ Investment Objective

The sub-fund aims to provide long term total return with a low correlation to traditional asset classes.

The sub-fund employs long/short investment strategies within a set of distinct investment styles ("Styles") and across a diversified range of asset classes (including equity, fixed income and currency) on a global basis, including Emerging Markets.

The Styles employed by the sub-fund include, but are not limited to, carry, value and momentum.

- Carry: Carry strategies seek to take long positions in higher yielding assets and short positions in lower yielding assets.
- Value: Value strategies seek to take long positions in undervalued assets and short positions in overvalued assets.
- Momentum: Momentum strategies seek to take long positions in assets with higher recent performance and short positions in assets with lower recent performance.

It is expected that the Styles will have low correlation to each other.

The sub-fund implements the Styles by primarily investing (both long and short positions) in financial derivative instruments including, but not limited to, equity futures, bond futures, interest rate swaps and currency forwards (including non-deliverable forwards).

The sub-fund holds cash and cash instruments and may invest in money market instruments and short-term fixed income securities.

The sub-fund may invest up to 10% of its net assets in units or shares of UCITS and/or other Eligible UCIs (including other sub-funds of HSBC Global Investment Funds).

▶ Risk Management

The global exposure relating to this sub-fund will be calculated using an absolute Value-at-Risk approach. The average leverage of the sub-fund, under normal market conditions, calculated as the sum of the notionals of the financial derivative instruments used, is expected to be 500%, although higher levels are possible including but not limited to, during high levels of market volatility (when financial derivative instruments are generally used to manage the risk of the portfolio) or stability (when financial derivative instruments are generally used to access the relevant markets or securities in a more cost efficient way).

▶ Profile of the Typical Investor

Unconstrained category

▶ Fees and Expenses

Class of Shares*	A	B	E	I	X	Z
Management Fee (%)**	1.50	0.75	2.00	0.75	0.60	0.00
Operating, Administrative and Servicing Expenses (%)	0.20	0.20	0.20	0.20	0.15***	0.15***

Class of Shares*	J	P	W
Management Fee (%)	n/a	n/a	0.00
Operating, Administrative and Servicing Expenses (%)	n/a	n/a	0.00

* For further details regarding the Dealing Currencies and/or Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Description of Share Classes".

** The maximum rate for Class A, B, X and Z is 3.5%.

*** This percentage is a maximum. The amount paid will be disclosed in the semi-annual and annual reports of the Company.

Each Share Class may incur additional fees and expenses which are not disclosed in the above table. In particular, there may be as and when the sub-fund offers Currency Hedged Share Classes or Currency Overlay Share Classes an additional fee levied in relation to the operation of a currency hedging policy. Please refer to Section 2.10. "Charges and Expenses" for further details.

▶ **Minimum Investment / Minimum Holding**

Class of Shares	Minimum Initial Investment Minimum Holding	
Class P	USD	100,000

3.3. Sub-Fund Specific Risk Considerations

General risk considerations are defined in Section 1.4. "General Risk Considerations".

The following risk factors do not purport to be a complete explanation of the risks involved in investing in the Shares. Prospective investors should read the entire Prospectus and Key Investor Information Documents and consult with their legal, tax and financial advisors before making any decision to invest in any sub-fund.

Chinese Equity

Currently applies to: Asia ex Japan Equity, Asia ex Japan Equity Smaller Companies, Asia Pacific ex Japan Equity High Dividend, BRIC Equity, BRIC Markets Equity, China Consumer Opportunities, Chinese Equity, Emerging Wealth, GEM Equity Volatility Focused, Global Emerging Markets Equity, Global Equity, Global Equity Dividend, Global Equity Volatility Focused, Greater China Equity, Hong Kong Equity, Managed Solutions – Asia Focused Conservative, Managed Solutions – Asia Focused Growth and Managed Solutions – Asia Focused Income.

Investors should be aware of a number of special risk factors attendant on investment in Emerging Markets generally and the markets in China in particular.

- a) Emerging Markets can be significantly more volatile than developed markets, so that the price of Shares may be subject to large fluctuations. The sub-fund's investments are subject to changes in regulations and tax policies going forward as China has now joined the WTO and engages in continuing market liberalisation.
- b) The Chinese currency, the Renminbi, is not a freely convertible currency. The State Council's securities regulation body, the CSRC, also supervises the two official stock exchanges in China (the Shanghai Stock Exchange and the Shenzhen Securities Exchange) on which shares of Chinese issuers are listed in two categories, of which the "B" shares are quoted and traded in foreign currencies (currently Hong Kong Dollars and US dollars) and are available to foreign investors.
- c) The China "B" share market is relatively illiquid so that the choice of investments will be limited by comparison with that of major international stock exchanges.
- d) The sub-funds will invest directly in securities quoted on the regulated Stock Exchanges in China and also in securities of companies listed in other Stock Exchanges which have substantial business or investment links in China. For this purpose, Chinese Equity will generally only invest in companies listed outside China where those companies are owned or controlled by Chinese interests, or where at least 40% of the earnings, production facilities, turnover, assets or investments of such companies are based in or derived from China.
- e) Certain sub-funds may invest more than 5% of their net assets in China A-Shares which may be accessed by overseas investors via the Shanghai-Hong Kong Stock Connect, as detailed under (3) "Shanghai-Hong Kong Stock Connect" of this section.

The sub-funds may invest in equity markets in China other than the Shanghai and Shenzhen exchanges once such markets have been established and approved by the authorities in China.

China

Currently applies to: Asia ex Japan Equity, Asia ex Japan Equity Smaller Companies, Asia Pacific ex Japan Equity High Dividend, BRIC Equity, BRIC Markets Equity, China Consumer Opportunities, Chinese Equity, Emerging Wealth, GEM Equity Volatility Focused, Global Emerging Markets Equity, Global Equity, Global Equity Dividend, Global Equity Volatility Focused, Greater China Equity, Hong Kong Equity, Managed Solutions – Asia Focused Conservative, Managed Solutions – Asia Focused Growth, Managed Solutions – Asia Focused Income and RMB Fixed Income.

► Chinese Markets Risk

Investing in emerging markets such as the PRC subjects the sub-fund to a higher level of market risk than investments in a developed country. This is due to, among other things, greater market volatility, lower trading volume, political and economic instability, settlement risk, greater risk of market shut down and more governmental limitations on foreign investment than those typically found in developed markets.

Investors should be aware that for more than 50 years, the Chinese government has adopted a planned economic system. Since 1978, the Chinese government has implemented economic reform measures which emphasise decentralisation and the utilisation of market forces in the development of the Chinese economy. Such reforms have resulted in significant economic growth and social progress.

On 21 July 2005, the PRC government introduced a managed floating exchange rate system to allow the value of

RMB to fluctuate within a regulated band based on market supply and demand and by reference to a basket of currencies. There can be no assurance that such exchange rate will not fluctuate widely against the United States dollars, Hong Kong dollars or any other foreign currency in the future. Any appreciation of RMB will increase the value of any dividends that the sub-fund may receive from its PRC investments and the value of investments, which will be reported in currency, and vice versa.

Many of the economic reforms in China are unprecedented or experimental and are subject to adjustment and modification, and such adjustment and modification may not always have a positive effect on investment in the companies in China.

The national regulatory and legal framework for capital markets and joint stock companies in China is not well developed when compared with those of developed countries.

Both the Shanghai and Shenzhen securities markets are in the process of development and change. This may lead to trading volatility, difficulty in the settlement and recording of transactions and difficulty in interpreting and applying the relevant regulations.

Under the prevailing tax policy in China, there are certain tax incentives available to foreign investment. There can be no assurance, however, that the aforesaid tax incentives will not be abolished in the future.

Investments in China will be sensitive to any significant change in political, social or economic policy in China. Such sensitivity may, for the reasons specified above, adversely affect the capital growth and thus the performance of these investments.

The Chinese government's control of currency conversion and future movements in exchange rates may adversely affect the operations and financial results of the companies invested in by the sub-funds, and the abilities of such companies to make payment of dividends declared in respect of the shares in the China companies.

► **Accounting and Reporting Standards**

PRC companies are required to follow PRC accounting standards and practice which, to a certain extent, follow international accounting standards to certain extent. However, the accounting, auditing and financial reporting standards and practices applicable to PRC companies may be less rigorous, and there may be significant differences between financial statements prepared by accountants following the PRC accounting standards and practice and those prepared in accordance with international accounting standards. For example, there are differences in the valuation methods of properties and assets and in the requirements for disclosure of information to investors which may result in non-disclosure of certain material information of the investee entities the Investment Adviser invest in for the account of the sub-fund.

As the disclosure and regulatory standards in China are less stringent than in more developed markets, there might be substantially less publicly available information about Chinese issuers. Therefore, disclosure of certain material information may not be made, and less information may be available to the Investment Adviser and other investors.

► **Taxation in the PRC**

The Investment Adviser may decide to make or not to make any tax provisions in respect of the sub-fund. Even if tax provisions are made, such provisions may be more than or less than the sub-fund's actual PRC tax liabilities and it is possible that such tax provisions made by the Investment Adviser may be insufficient. In case of a difference between the sub-fund's provision for taxes and its actual PRC tax liabilities, the relevant amounts shall be credited to or debited from the sub-fund's assets (as the case may be). As a result, the income from, and/or the performance of, the sub-fund may/may not be adversely affected and the impact/degree of impact on individual shareholders of the sub-fund may vary, depending on factors such as the level of the sub-fund's provision for taxes (if any) and the amount of the difference at the relevant time and when the relevant shareholders subscribed for and/or redeemed their Shares in the sub-fund.

Any tax provision, if made by the Investment adviser, will be reflected in the net asset value of the relevant sub-fund at the time of debit or refund and thus will only impact on Shares which remain in such sub-fund at that time. Shares which are redeemed prior to such time will not be affected by any debit of insufficient tax provisions. Likewise, such Shares will not benefit from any refund of excess tax provisions. Investors should note that no shareholders who have redeemed their Shares in the sub-fund before the distribution of any excess provision shall be entitled to claim in whatsoever form any part of the withholding amounts distributed to the sub-fund, which amount would be reflected in the value of Shares in the sub-fund. In the event the Investment Adviser considers it necessary to adopt any tax provision (whether in respect of the PRC Enterprise Income Tax Law or any other applicable tax regulation/laws in the PRC) on a retrospective basis, the prevailing and/or future net asset value of the sub-fund may be negatively impacted.

The Investment Adviser will review and make adjustments to its tax provision policy as and when it considers necessary from time to time and as soon as practicable upon issuance of further notices or clarification issued by the PRC tax authority in respect of the application of the PRC Enterprise Income Tax and/or any other applicable tax regulations/laws and the respective implementation rules.

There is a possibility that the current tax laws, rules, regulations and practice in mainland China and/or the current interpretation or understanding thereof may change in the future and such change(s) may have retrospective effect. The sub-fund could become subject to additional taxation that is not anticipated as at the date hereof or when the relevant investments are made, valued or disposed of. Any of those changes may reduce the income from, and/or the value of, the relevant investments in the sub-fund.

► RMB Currency and Exchange Risk

Investors should be aware of the fact that the Chinese Renminbi (RMB) is subject to a managed floating exchange rate based on market supply and demand with reference to a basket of currencies. Currently, the RMB is traded in two markets: one in Mainland China, and one outside Mainland China (primarily in Hong Kong). The RMB traded in Mainland China is not freely convertible and is subject to exchange controls and certain requirements by the government of Mainland China. The RMB traded outside Mainland China, on the other hand, is freely accessible to any person or entity for any purpose.

In calculating the value of the investments denominated in RMB, the Investment Adviser will normally apply the exchange rate for RMB traded outside Mainland China. This rate may be at a premium or discount to the exchange rate for RMB traded in Mainland China and there may be significant bid and offer spreads.

In addition, there may be liquidity risk associated with RMB products, especially if such investments may not have an active secondary market and their prices subject to significant bid and offer spread.

China A-Shares Access Product ("CAAP")

Currently applies to: Asia ex Japan Equity, Asia ex Japan Equity Smaller Companies, Asia Pacific ex Japan Equity High Dividend, BRIC Equity, BRIC Markets Equity, China Consumer Opportunities, Chinese Equity, Emerging Wealth, GEM Equity Volatility Focused, Global Emerging Markets Equity, Global Equity, Global Equity Dividend, Global Equity Volatility Focused, Greater China Equity, Hong Kong Equity, Managed Solutions – Asia Focused Conservative, Managed Solutions – Asia Focused Growth and Managed Solutions – Asia Focused Income.

The sub-fund may invest in CAAP linked to China A-shares in the PRC. Issuers of CAAP may deduct various charges, expenses or potential liabilities from the prices of the CAAP (including but not limited to any actual or potential tax liabilities determined by the CAAP issuer at its discretion) and such deduction is not refundable.

CAAPs may not be listed and are subject to the terms and conditions imposed by its issuer. These terms may lead to delays in implementing the Investment Adviser's investment strategy. Investment in CAAPs can be illiquid as there may not be an active market in the CAAPs. In order to liquidate investments, the sub-fund relies upon the counterparty issuing the CAAPs to quote a price to unwind any part of the CAAPs.

An investment in a CAAP is not an investment directly in the underlying investments (such as shares) themselves. An investment in the CAAP does not entitle the holder of such instrument to the beneficial interest in the shares nor to make any claim against the company issuing the shares.

The sub-fund will be subject to credit risk of the issuers of the CAAPs invested by the sub-fund. The sub-fund may suffer a loss if the issuers of the CAAPs invested by the sub-fund becomes bankrupt or otherwise fails to perform its obligations due to financial difficulties.

Shanghai-Hong Kong Stock Connect

Currently applies to: Asia ex Japan Equity, Asia ex Japan Equity Smaller Companies, Asia Pacific ex Japan Equity High Dividend, BRIC Equity, BRIC Markets Equity, China Consumer Opportunities, Chinese Equity, Emerging Wealth, GEM Equity Volatility Focused, Global Emerging Markets Equity, Global Equity, Global Equity Dividend, Global Equity Volatility Focused, Greater China Equity, Hong Kong Equity, Managed Solutions – Asia Focused Conservative, Managed Solutions – Asia Focused Growth and Managed Solutions – Asia Focused Income.

Certain sub-funds may invest more than 5% of their net assets and have direct access to certain eligible China A-shares via the Shanghai-Hong Kong Stock Connect ("Stock Connect"). Stock Connect is a securities trading and clearing linked program developed by Hong Kong Exchanges and Clearing Limited ("HKEx"), Shanghai Stock Exchange ("SSE") and China Securities Depository and Clearing Corporation Limited ("ChinaClear"), with an aim to achieve mutual stock market access between the PRC and Hong Kong.

The Stock Connect comprises a Northbound Trading Link and a Southbound Trading Link.

Under Stock Connect, overseas investors (including the sub-funds) may be allowed, subject to rules and regulations issued / amended from time to time, to trade certain China A-shares listed on the SSE (the "SSE Securities") through the Northbound Trading Link. The SSE Securities include all the constituent stocks from time to time of the SSE 180 Index and SSE 380 Index, and all the SSE-listed China A-shares that are not included as constituent stocks of the relevant indices but which have corresponding H-Shares listed on SEHK, except (i) those SSE-listed shares which are not traded in RMB and (ii) those SSE-listed shares which are included in the "risk alert board". The list of eligible securities may be changed subject to the review and approval by the relevant PRC regulators from time to time.

Further information about the Stock Connect is available online at the website:
<http://www.hkex.com.hk/eng/csm/chinaConnect.asp?LangCode=en>

In addition to the risks associated with the Chinese market and risks related to investments in RMB, investments through the Stock Connect are subject to additional risks, namely, quota limitations, suspension risk, operational risk, restrictions on selling imposed by front-end monitoring, recalling of eligible stocks, clearing and settlement risks, nominee arrangements in holding China A-shares and regulatory risk.

▶ **Quota Limitations**

The Stock Connect is subject to quota limitations on investments, which may restrict the relevant sub-funds' ability to invest in China A-shares through the Stock Connect on a timely basis, and these sub-funds may not be able to effectively pursue their investment policies.

▶ **Suspension Risk**

Both the Stock Exchange of Hong Kong Limited ("SEHK") and SSE reserve the right to suspend trading if necessary for ensuring an orderly and fair market and managing risks prudently which could adversely affect the relevant sub-funds' ability to invest in China A-shares or access the PRC market. In such event, the sub-fund's ability to achieve its investment objective could be negatively affected. Consent from the relevant regulator would be sought before a suspension is triggered.

▶ **Differences in Trading Day**

The Stock Connect only operates on days when both the PRC and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. There may be occasions when it is a normal trading day for the PRC market but Hong Kong investors (such as the sub-funds) cannot carry out any China A-shares trading: the sub-funds may be subject to a risk of price fluctuations in China A-shares during the time when the Stock Connect is not trading, as a result.

▶ **Restrictions on Selling Imposed by Front-End Monitoring**

PRC regulations require that before an investor sells any share, there should be sufficient shares in the account; otherwise SSE will reject the sell order concerned. SEHK will carry out pre-trade checking on China A-shares sell orders of its participants (i.e. the stock brokers) to ensure there is no over-selling.

Generally, if a sub-fund desires to sell certain China A-shares it holds, it will be required to transfer those China A-shares to the respective accounts of its brokers before the market opens on the day of selling ("trading day") unless its brokers can otherwise confirm that the sub-fund has sufficient shares in its account. If it fails to meet this deadline, it will not be able to sell those shares on the trading day. Because of this requirement, a sub-fund may not be able to dispose of holdings of China A-shares in a timely manner.

▶ **Recalling of Eligible Stocks**

When a stock is recalled from the scope of eligible stocks for trading via Stock Connect, the stock can only be sold but restricted from being bought. This may affect the investment portfolio or strategies of a sub-fund, for example, when the Management Company wishes to purchase a stock which is recalled from the scope of eligible stocks.

▶ **Clearing Settlement and Custody Risks**

The Hong Kong Securities Clearing Company Limited ("HKSCC"), a wholly-owned subsidiary of HKEx, and ChinaClear has established the clearing links and each will become a participant of each other to facilitate clearing and settlement of cross-boundary trades. For cross-boundary trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house.

Should the remote event of ChinaClear default occur and ChinaClear be declared as a defaulter, HKSCC's liabilities in Northbound trades under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against ChinaClear. HKSCC will in good faith, seek recovery of the outstanding stocks and monies from ChinaClear through available legal channels or through ChinaClear's liquidation. In that event, the relevant sub-fund(s) may suffer delay in the recovery process or may not be able to fully recover its/their losses from ChinaClear.

The China A-shares traded through Shanghai-Hong Kong Stock Connect are issued in scripless form, therefore investors, such as the relevant sub-funds, will not hold any physical China A-shares. Hong Kong and overseas investors, such as the sub-funds, who have acquired SSE Securities through Northbound trading should maintain the SSE Securities with their brokers' or custodians' stock accounts with CCASS. Further information on the custody set-up relating to the Stock Connect is available upon request at the registered office of the Company.

▶ Operational Risk

The Stock Connect provides a new channel for investors from Hong Kong and overseas, such as the sub-funds, to access the China stock market directly. The Stock Connect is based on the correct functioning of the operational systems of the relevant market participants. Market participants are able to participate in this program subject to meeting certain information technology capabilities, risk management and other requirements as may be specified by the relevant exchange and/or clearing house.

It should be appreciated that the securities regimes and legal systems of the two markets differ significantly and in order for the trial program to operate, market participants may need to address issues arising from the differences on an on-going basis.

The "connectivity" in the Stock Connect program requires routing of orders cross-border. This required the development of new information technology systems on the part of the SEHK and exchange participants (i.e. a new order routing system ("China Stock Connect System") to be set up by SEHK to which exchange participants need to connect). There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems failed to function properly, trading in both markets through the program could be disrupted and the relevant sub-funds' ability to access the China A-Share market (and hence to pursue their investment strategy) may be adversely affected.

▶ Nominee Arrangements in Holding China A-Shares

HKSCC is the "nominee holder" of the SSE securities acquired by overseas investors (including the relevant sub-fund(s)) through the Stock Connect. The CSRC Stock Connect rules expressly provide that investors such as the sub-funds enjoy the rights and benefits of the SSE securities acquired through the Stock Connect in accordance with applicable laws. However, the courts in the PRC may consider that any nominee or custodian as registered holder of SSE securities would have full ownership thereof, and that, even if the concept of beneficial owner is recognised under PRC law, those SSE securities would form part of the pool of assets of such entity available for distribution to creditors of such entities and/or that a beneficial owner may have no rights whatsoever in respect thereof. Consequently, the Company, the Management Company and the Depositary Bank cannot ensure that the sub-fund's ownership of these securities or title is guaranteed in all circumstances.

Under the rules of the Central Clearing and Settlement System operated by HKSCC for the clearing of securities listed or traded on SEHK, HKSCC as nominee holder shall have no obligation to take any legal action or court proceeding to enforce any rights on behalf of the investors in respect of the SSE securities in the PRC or elsewhere. Therefore, although the relevant sub-funds' ownership may be ultimately recognised, these sub-funds may suffer difficulties or delays in enforcing their rights in China A-shares.

To the extent that HKSCC is deemed to be performing safekeeping functions with respect to assets held through it, it should be noted that the Company, the Management Company and the Depositary Bank will have no legal relationship with HKSCC and no direct legal recourse against HKSCC in the event that a sub-fund suffers losses resulting from the performance or insolvency of HKSCC.

▶ Investor Compensation

Investments of the relevant sub-funds through Northbound trading under the Stock Connect will not be covered by Hong Kong's Investor Compensation Fund. Hong Kong's Investor Compensation Fund is established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong.

Default in Northbound trading via the Stock Connect do not involve products listed or traded in SEHK or Hong Kong Futures Exchange Limited, therefore they will not be covered by the Investor Compensation Fund. The relevant sub-funds are not protected by the China Securities Investor Protection Fund in the PRC, since they place orders on the Northbound Trading Link through securities brokers in Hong Kong but not PRC brokers.

▶ Trading Costs

In addition to certain fees charged by the HKSCC, the relevant sub-fund will be required to pay additional fees relating to Northbound trades such as handling fee, securities management fee, transfer fee as a result of trading of China A-shares via the Stock Connect.

Hong Kong and overseas investors are required to pay stamp duty arising from the sale and purchase of SSE Securities and the transfer of SSE Securities by way of succession and gift in accordance with existing taxation rules in the PRC. The relevant sub-fund will be subject to PRC stamp duty on the contract for the sales of A-Shares and B-Shares traded on the PRC stock exchanges. Such stamp duty is currently imposed on the seller but not the purchaser, at the rate of 0.1%.

► PRC Tax Consideration

There is a possibility that the current tax laws, rules, regulations and practice in mainland China and/or the current interpretation or understanding thereof may change in the future and such change(s) may have retrospective effect. Any increased tax liabilities on the relevant sub-fund may adversely affect the sub-fund's net assets.

▪ Direct investment in China A-shares via Stock Connect

On 14 November 2014, the PRC Ministry of Finance, State Administration of Taxation and CSRC jointly published a notice in relation to the taxation rule on the Stock Connect under Caishui [2014] No.81 ("Notice No.81"). Under Notice No.81, Corporate income tax, individual income tax and business tax will be temporarily exempted on gains derived by Hong Kong and overseas investors (such as the sub-funds) on the trading of China A-shares through Stock Connect with effect from 17 November 2014. However, Hong Kong and overseas investors (such as the sub-funds) are required to pay tax on dividends and/or bonus shares at the rate of 10% which will be withheld and paid to the relevant authority by the listed companies.

Based on Notice No. 81 and based on professional and independent tax advice, the sub-funds should be temporarily exempted on gross realised or unrealised capital gains derived from trading of China A-shares via Stock Connect and hence, will not make provision for such gains.

▪ Indirect investment in China A-shares via CAAPs

On 14 November 2014, the PRC Ministry of Finance, State of Administration of Taxation and CSRC jointly published a notice in relation to the taxation rule on QFII and RQFII under Caishui [2014] No.79 ("Notice No.79"). Under Notice No.79, (i) Corporate income tax, will be temporarily exempted on gains derived by QFIIs and RQFIIs from the transfer of domestic shares and other equity interest investment in China with effect from 17 November 2014; and (ii) corporate income tax shall be imposed on such gains earned by QFIIs and RQFIIs before 17 November 2014 in accordance with the tax laws. The relevant dividends and/or bonus shares derived by QFIIs and RQFIIs are subject to tax at 10% (unless exempt or reduced under specific tax circulars or relevant tax treaty), which will be withheld and paid to the relevant authority by the listed companies.

Notice No. 79 is applicable for QFIIs and RQFIIs without any establishment or place in China or the income derived by the QFIIs and RQFIIs are not effectively connected with their establishment or place in China.

Based on Notice No.79 and based on professional and independent tax advice, QFIIs and RQFIIs should generally be temporarily exempted on gross realised or unrealised capital gains derived from trading of China A-shares and hence, the sub-funds will not make provision for such gains derived from trading of China A-shares via CAAPs where issued by QFII and RQFII license holders.

Investors may also refer to the Section "China," above for further information on specific risks in relation to the taxation applied to the sub-funds which may invest in the PRC.

► Regulatory Risk

The CSRC Stock Connect rules are regulations with legal effect in the PRC. However, the application of such rules is untested, there is no certainty as to how they will be applied, and their application may have retrospective effects. There is no assurance that PRC courts will recognise such rules, e.g. in liquidation proceedings of PRC companies. There can be no assurance that the Stock Connect will not be abolished. The relevant sub-funds which may invest in the PRC markets through Stock Connect may be adversely affected as a result of such changes.

The Stock Connect is subject to regulations promulgated by regulatory authorities and implementation rules issued by the stock exchanges in the PRC and Hong Kong. New regulations may be promulgated from time to time by the regulators in connection with operations and cross-border legal enforcement related to cross-border trades under the Stock Connect.

China Consumer Opportunities Concentration Risk

Currently applies to: China Consumer Opportunities

The portfolio of China Consumer Opportunities may have a high concentration in companies with growing revenues in the luxury and consumer sectors that have appeal to consumers in China; a decrease in purchasing power of the consumers in China may negatively impact the value of the assets of the sub-fund.

Sector Risk

Currently applies to: BRIC Equity, BRIC Markets Equity and Russia Equity.

The portfolios of the sub-funds listed above, may have a high concentration in the natural resources sector. Because these investments are limited to a relatively narrow segment of the economy, the sub-funds' investments are not as diversified as most mutual funds. This means that these sub-funds tend to be more volatile than other mutual funds

and their portfolio values can increase or decrease more rapidly. The performance of each sub-fund may differ in direction and degree from that of the overall stock market.

Small Capitalisation

Currently applies to: Asia ex Japan Equity Smaller Companies and Euroland Equity Smaller Companies.

The investments of the sub-funds listed above, which include smaller capitalisation companies, may involve greater risk than sub-funds investing in larger, more established companies. For example, small capitalisation companies may have limited product lines, markets and financial or managerial resources. As a result, price movements in securities of smaller capitalisation companies may be more volatile.

Transaction costs in securities of smaller capitalisation companies can be higher than those of larger capitalisation companies and there may be less liquidity.

Mauritius Subsidiary

Currently applies to: Global Emerging Markets Equity and Indian Equity.

By having invested through the Mauritius subsidiary, the sub-funds to date have benefited from the double tax treaty concluded between Mauritius and India, as described more fully in Section 2.18. "Taxation". The Indian Budget announced on 16 March 2012 introduced provisions for a GAAR to be effective from 1 April 2013. The implementation of the GAAR has now been deferred until 1 April 2017. A GAAR gives considerable discretion to the tax authorities and may be used to seek to deny treaty benefits to foreign investors. Such actions could result in a significant financial cost for investors, as short term gains (those held for less than 1 year) will become taxable in India.

In addition, applicable law in Mauritius asserts the total separation between a subsidiary and the sub-fund in cases involving the subsidiary's commitments toward third parties. In exceptional cases, however, there is a risk that the sub-fund could be held responsible for such commitments.

Asset Backed Securities and Mortgage Backed Securities

Currently applies to: Asia Bond Total Return, Euro Credit Bond Total Return, Global Asset-Backed Bond, Global Asset-Backed High Yield Bond, Global Bond, Global Bond Total Return, Global Corporate Bond, Global Government Bond, Global High Income Bond, Global High Yield Bond, Global Multi-Asset Income, Global Short Duration Bond, Global Short Duration High Yield Bond and US Dollar Bond.

The sub-funds listed above may invest their net assets in Asset Backed Securities ("ABS") and/or Mortgage Backed Securities ("MBS") as follows:

- Global Asset-Backed Bond, Global Asset-Backed High Yield Bond: up to 100%
- US Dollar Bond: up to 50%
- Global Bond: up to 30%
- Global Bond Total Return, Global Corporate Bond, Global High Income Bond, Global Multi-Asset Income: up to 20%
- Asia Bond, Asia Bond Total Return, Euro Credit Bond Total Return, Global Government Bond, Global High Yield Bond, Global Short Duration Bond, Global Short Duration High Yield Bond: up to 10%

In general, ABS and MBS are debt securities with interest and capital payments backed by a pool of financial assets such as mortgages and loans, with collateral backing often provided by physical assets such as residential or commercial property. Some ABS is supported by unsecured loan cash flows without physical asset backing. ABS and MBS securities are subject to risks detailed in Section 1.4. "General Risk Considerations", including market risk, interest rate risk, credit risk, counterparty risk, non-investment grade credit risk and liquidity risk, in addition to the further risks detailed below.

MBS generally refers to mortgage securities issued by US government-sponsored enterprises such as the Federal Mortgage Association (Fannie Mae) or the Federal Home Loan Mortgage Corporation (Freddie Mac). ABS usually refers to privately sponsored asset backed securities. The main categories are Residential Mortgage Backed Securities (RMBS), Commercial Mortgage Backed Securities (CMBS), Collateralised Loan Obligations (CLO) and Consumer ABS (for example credit cards, auto loans and student debt). In a typical ABS deal, the securities are separated into tranches which have different rights. The senior tranches usually receive the loan repayments first and the junior tranches absorb the first losses. To compensate for the higher capital risk, the junior holders are paid a higher rate of interest than the senior note holders.

RMBS represent interests in pools of residential mortgage loans secured by the underlying residential property. Some loans may be prepaid at any time. The collateral underlying CMBS generally consists of mortgage loans secured by income-producing property, such as shopping centres, office buildings, industrial or warehouse properties, hotels, rental apartments, nursing homes, senior living centres and self-storage properties.

The investment characteristics of MBS and ABS differ from traditional debt securities. The major difference is that the principal is often paid in stages and may be fully repaid at any time because of the terms of the underlying loans. This variability in timing of cash flows makes estimates of future asset yield and weighted average life uncertain.

The broad ABS market also includes synthetic Collateralised Debt Obligations (CDO). These usually have shorter maturities, typically five years, and are referenced to debt obligations or other structured finance securities.

▶ **Prepayment Risk**

The frequency at which prepayments occur on loans underlying ABS will be affected by a variety of factors including interest rates as well as economic, demographic, tax, social, legal and other factors. Generally, fixed rate mortgage obligors often prepay their mortgage loans when prevailing mortgage rates fall below the interest rates on their mortgage loans subject to mortgage finance availability and no material change in the value of the property or the borrowers' credit worthiness.

▶ **Subordinated Risk**

Investments in subordinated ABS involve greater risk of default and loss than the senior classes of the issue or series. ABS deals are structured into tranches such that holders of the most junior securities absorb losses before more senior tranches. When losses have been absorbed by the most junior tranche, the next most junior tranche will absorb subsequent losses. Investors in junior tranches can carry high capital risk and may face a complete loss.

▶ **Capital Value Risk**

The rate of defaults and losses on residential mortgage loans will be affected by a number of factors, including general economic conditions and those arising in the property location, the borrower's equity in the mortgaged property and the financial circumstances of the borrower. If a residential mortgage loan is in default, foreclosure of such residential mortgage loan may be a lengthy and difficult process, and may involve significant expenses. Furthermore, the market for defaulted residential mortgage loans or foreclosed properties may be very limited.

Most commercial mortgage loans underlying MBS are full recourse obligations of the borrower which is usually a Special Purpose Vehicle (SPV). If borrowers are not able or willing to refinance or dispose of encumbered property to pay the principal and interest owed on such mortgage loans, payments on the subordinated classes of the related MBS are likely to be adversely affected. The ultimate extent of the loss, if any, to the subordinated classes of MBS may only be determined after a negotiated discounted settlement, restructuring or sale of the mortgage note, or the foreclosure (or deed in lieu of foreclosure) of the mortgage encumbering the property and subsequent liquidation of the property. Foreclosure can be costly and delayed by litigation and/or bankruptcy. Factors such as the property's location, the legal status of title to the property, its physical condition and financial performance, environmental risks, and governmental disclosure requirements with respect to the condition of the property may make a third party unwilling to purchase the property at a foreclosure sale or to pay a price sufficient to satisfy the obligations with respect to the related MBS. Revenues from the assets underlying such MBS may be retained by the borrower and the return on investment may be used to make payments to others, maintain insurance coverage, pay taxes or pay maintenance costs. Such diverted revenue is generally not recoverable without a court-appointed receiver to control collateral cash flow.

Where a loan originator has assigned specific loans to an ABS structure and the originator has faced financial difficulties, creditors of the originator have sometimes challenged the validity of the assigned loans. Such challenges can weaken the asset backing for ABS securities.

▶ **Economic Risk**

Performance of a commercial mortgage loan depends primarily on the net income generated by the underlying mortgaged property. The market value of a commercial property similarly depends on its income-generating ability. As a result, income generation will affect both the likelihood of default and the severity of losses with respect to a commercial mortgage loan. Any decrease in income or value of the commercial real estate underlying an issue of CMBS could result in cash flow delays and losses on the related issue of CMBS.

The value of the real estate which underlies mortgage loans is subject to market conditions. Changes in the real estate market may adversely affect the value of the collateral and thereby lower the value to be derived from a liquidation. In addition, adverse changes in the real estate market increase the probability of default, as the incentive of the borrower to retain equity in the property declines.

▶ **Re-financing Risk**

Mortgage loans on commercial and residential properties often are structured so that a substantial portion of the loan principal is not amortised over the loan term but is payable at maturity and repayment of the loan principal thus often depends upon the future availability of real estate financing from the existing or an alternative lender and/or upon the current value and saleability of the real estate. Therefore, the unavailability of real estate financing may lead to default.

Contingent Convertible Securities (CoCos)

Currently applies to: Asia Bond, Asia Bond Total Return, Euro Bond, Euro Credit Bond, Euro Credit Bond Total Return, Euro High Yield Bond, GEM Debt Total Return, Global Bond, Global Bond Total Return, Global Corporate Bond, Global Emerging Markets Bond, Global Emerging Markets Corporate Debt, Global Emerging Markets Investment Grade Bond, Global High Income Bond, Global High Yield Bond, Global Short Duration, Global Short Duration High Yield Bond, India Fixed Income, RMB Fixed Income, US Dollar Bond, Managed Solutions – Asia Focused Conservative, Managed Solutions – Asia Focused Growth and Managed Solutions – Asia Focused Income.

The abovementioned sub-funds may invest in contingent securities structured as contingent convertible securities also known as CoCos.

Contingent convertible securities are hybrid capital securities that absorb losses when the capital of the issuer falls below a certain level. Upon the occurrence of a predetermined event (known as a trigger event), contingent convertible securities can be converted into shares of the issuing company, potentially at a discounted price, or the principal amount invested may be lost on a permanent or temporary basis. Contingent convertible securities are risky and highly complex instruments. Coupon payments on contingent convertible securities are discretionary and may at times also be ceased or deferred by the issuer. Trigger events can vary but these could include the capital ratio of the issuing company falling below a certain level, or the share price of the issuer falling to a particular level for a certain period of time.

Contingent convertible securities are also subject to additional risks specific to their structure including:

▶ Trigger Level Risk

Trigger levels differ and determine exposure to conversion risk. It might be difficult for the Investment Adviser of a sub-fund invested in contingent convertible securities to anticipate the trigger events that would require the debt to convert into equity or the write down to zero of principal investment and/or accrued interest. Trigger events may include: (i) a reduction in the issuing bank's Core Tier 1/ Common Equity Tier 1 (CT1/CET1) ratio or other ratios, (ii) a regulatory authority, at any time, making a subjective determination that an institution is "non-viable", i.e. a determination that the issuing bank requires public sector support in order to prevent the issuer from becoming insolvent, bankrupt or otherwise carry on its business and requiring or causing the conversion of the contingent convertible securities into equity or write down, in circumstances that are beyond the control of the issuer or (iii) a national authority deciding to inject capital.

▶ Coupon Cancellation

Coupon payments on some contingent convertible securities are entirely discretionary and may be cancelled by the issuer at any point, for any reason, and for any length of time.

The discretionary cancellation of payments is not an event of default and there are no possibilities to require reinstatement of coupon payments or payment of any passed missed payments. Coupon payments may also be subject to approval by the issuer's regulator and may be suspended in the event there are insufficient distributable reserves. As a result of uncertainty surrounding coupon payments, contingent convertible securities may be volatile and their price may decline rapidly in the event that coupon payments are suspended.

▶ Capital structure inversion risk

Contrary to the classic capital hierarchy, investors in contingent convertible securities may suffer a loss of capital when equity holders do not, for example when the loss absorption mechanism of a high trigger/ write down of a contingent convertible security is activated. This is contrary to the normal order of the capital structure where equity holders are expected to suffer the first loss.

▶ Call Extension Risk

Some contingent convertible securities are issued as perpetual instruments and only callable at pre-determined levels upon approval of the competent regulatory authority. It cannot be assumed that these perpetual contingent convertible securities will be called on a call date. Contingent convertible securities are a form of permanent capital. The investor may not receive return of principal as expected on call date or indeed at any date.

▶ Conversion Risk

Trigger levels differ between specific contingent convertible securities and determine exposure to conversion risk. It might be difficult at times for the Investment Adviser of the relevant sub-fund to assess how the contingent convertible securities will behave upon conversion. In case of conversion into equity, the Investment Adviser might be forced to sell these new equity shares since the investment policy of the relevant sub-fund may not allow the holding of equity securities. Given the trigger event is likely to be some event depressing the value of the issuer's common equity, this forced sale may result in the sub-fund experiencing some loss.

▶ Valuation and Write-Down Risk

Contingent convertible securities often offer attractive yield which may be viewed as a complexity premium. The value of contingent convertible securities may need to be reduced due to a higher risk of overvaluation of such asset class on the relevant eligible markets. Therefore, a sub-fund may lose its entire investment or may be required to accept cash or securities with a value less than its original investment.

▶ Market Value Fluctuations Due to Unpredictable Factors

The value of contingent convertible securities is unpredictable and will be influenced by many factors including, without limitation (i) creditworthiness of the issuer and/or fluctuations in such issuer's applicable capital ratios; (ii) supply and demand for the contingent convertible securities; (iii) general market conditions and available liquidity and (iv) economic, financial and political events that affect the issuer, its particular market or the financial markets in general.

▶ Liquidity Risk

In certain circumstances finding a buyer ready to invest in contingent convertible securities may be difficult and the seller may have to accept a significant discount to the expected value of the bond in order to sell it.

▶ Sector Concentration Risk

Contingent convertible securities are issued by banking and insurance institutions. The performance of a sub-fund which invests significantly in contingent convertible securities will depend to a greater extent on the overall condition of the financial services industry than for a sub-fund following a more diversified strategy.

▶ Subordinated Instruments

Contingent convertible securities will, in the majority of circumstances, be issued in the form of subordinated debt instruments in order to provide the appropriate regulatory capital treatment prior to a conversion. Accordingly, in the event of liquidation, dissolution or winding-up of an issuer prior to a conversion having occurred, the rights and claims of the holders of the contingent convertible securities, such as a sub-fund, against the issuer in respect of or arising under the terms of the contingent convertible securities shall generally rank junior to the claims of all holders of unsubordinated obligations of the issuer.

▶ Unknown Risk

The structure of contingent convertible securities is innovative yet untested. In a stressed environment, when the underlying features of these instruments will be put to the test, it is uncertain how they will perform.

Real Estate

Currently applies to: GEM Equity Volatility Focused, Global Emerging Markets Equity, Global Equity, Global Equity Dividend, Global Equity Volatility Focused, Global Multi-Asset Income, Global Real Estate Equity, Managed Solutions – Asia Focused Conservative, Managed Solutions – Asia Focused Growth and Managed Solutions – Asia Focused Income.

Investments in equity securities issued by companies or in shares/units of REITs/units of real estate collective investment scheme which are principally engaged in the business of real estate will subject the strategy to risks associated with the direct ownership of real estate. These risks include, among others, possible declines in the value of real estate. Risks related to general and local economic conditions, possible lack of availability of mortgage funds, overbuilding, extended vacancies of properties, increases in competition, real estate taxes and transaction, operating and foreclosure expenses, changes in zoning laws, costs resulting from the clean-up of, and liability to third parties for damages resulting from, environmental problems; casualty or condemnation losses, uninsured damages from natural disasters and acts of terrorism, limitations on and variations in rents; and changes in interest rates. The strategy may invest in securities of small to mid-size companies which may trade in lower volumes and be less liquid than the securities of larger, more established companies or other collective investment schemes. There are therefore risks of fluctuations in value due to the greater potential volatility in their share prices.

Exposure to real estate will normally be achieved by investment in either closed-ended REITs or in other open or closed-ended collective investment schemes (including other UCITS).

Real Estate Investment Trusts (REITs)

Currently applies to: GEM Equity Volatility Focused, Global Emerging Markets Equity, Global Equity, Global Equity Dividend, Global Equity Volatility Focused, Global Multi-Asset Income, Global Real Estate Equity, Managed Solutions – Asia Focused Conservative, Managed Solutions – Asia Focused Growth and Managed Solutions – Asia Focused Income.

Investors should note that insofar as the sub-fund directly invests in Real Estate Investment Trusts ("REITs"), any dividend policy or dividend payout at the sub-fund level may not be representative of the dividend policy or dividend

payout of the relevant underlying REIT.

The legal structure of a REIT, its investment restrictions and the regulatory and taxation regimes to which it is subject will differ depending on the jurisdiction in which it is established.

India

Currently applies to: India Fixed Income

▶ Investing in Indian Securities

In order to invest in debt securities of the Indian Government and/or Indian companies, the sub-fund must hold a Foreign Institutional Investor (FII)/sub-account license, which is issued by the SEBI. The total outstanding FII investments in Government bonds and in corporate bonds cannot exceed the limits as allotted by SEBI.

Such limits are allocated to FII license holders through auction processes and/or applications submitted directly to regulators. The sub-fund may not be granted any quota to invest in such markets. In this case, the sub-fund may be closed to new subscriptions as the monies from new subscriptions could not be invested in such markets by the Investment Adviser.

Simultaneously, there are periods of time once allocations are made available for FII license/sub-account holders to make the investment effective. These depend on the type of security (government or corporate) and the method used to obtain such allocation (auction process or application). Limits that had been allocated and not made effective within such periods may be lost.

▶ Loss of FII Registration

The sub-fund will seek to register with SEBI as a sub-account of the Company, which is in turn registered as an FII. The investment by the sub-fund is dependent on the continued registration of the Company as an FII and the sub-fund as its sub-account. In the event the registration of the Company as an FII or the sub-fund as a sub-account is terminated or is not renewed, the sub-fund could potentially be forced to redeem the investments held in the sub-fund, and such forced redemption could adversely affect the returns to the shareholders, unless the approval of SEBI has been obtained to transfer the sub-account to another FII or the sub-fund registers itself with SEBI as an FII.

▶ Limitations on Investments

The sub-fund's debt investments cannot exceed the limits as allotted by SEBI. FII's cannot explicitly invest in INR denominated Certificate of Deposits and Fixed Deposits issued by banks in India.

▶ Indian Capital Gains Tax and Taxation of Interest Income

Under current laws and regulations, short term capital gains are taxed at 30% (plus applicable surcharge and education cess) and long term capital gains are taxed at 10% (plus applicable surcharge and education cess).

Interest income arising from Indian securities will be subject to income tax at the rate of 20% on gross interest (plus applicable surcharge and education cess).

India domestic tax laws are currently under review and may be subject to change.

The interpretation and application of tax law by the Indian tax authorities may be subject to retrospective change. In such circumstances the net asset value of India invested funds may suffer a drop in value and shareholders in these funds may suffer a loss.

Index Sub-Funds

Currently applies to: Economic Scale Index GEM Equity, Economic Scale Index Global Equity, Economic Scale Index Japan Equity and Economic Scale Index US Equity, Islamic Global Equity Index.

▶ Index Replication Risk

As the sub-fund will seek to track (replicate) an index, by investing directly in the components of the index, any fluctuation/volatility of the index may result in increases/decreases of the sub-fund valuation. The Investment Adviser will not seek to select stocks or take defensive positions in declining markets. Therefore, should the index fall, index sub-funds tracking such index would also fall and investors may lose a significant part of their investments.

▶ Tracking Error Risk

There is no guarantee that the investment objective of any sub-fund will be achieved. In particular, no financial instrument enables the returns of any Index to be reproduced exactly. Changes in the investments of any sub-fund and re-weightings of the relevant index may give rise to various transaction costs (including in relation to the settlement of foreign currency transactions), operating expenses, custody costs, taxes, corporate actions, cash flows into and out of a sub-fund from dividend/reinvestments or inefficiencies which may adversely impact a sub-fund's tracking of the performance of an index. Furthermore, the total return on investment in the Shares of a sub-fund will be reduced by certain costs and expenses which are not taken into account in the calculation of the applicable index. Moreover, in the event of the temporary suspension or interruption of trading in the Investments comprising the Index, or of market disruptions, rebalancing a sub-fund's investment portfolio may not be possible and may result in deviations from the returns of the index.

▶ Concentration Risk

An index may be concentrated in companies operating in certain markets or securities listed in certain stock exchanges; therefore any situation impacting such markets or stock exchanges may also impact the index and the sub-fund performance.

▶ Index Calculation Risk

Currently applies to: Economic Scale Index GEM Equity, Economic Scale Index Global Equity, Economic Scale Index Japan Equity and Economic Scale Index US Equity.

HSBC Global Asset Management Limited ("the Index Sponsor") has entered into an agreement with Euromoney Indices ("the Calculation Agent"). Under such agreement the Calculation Agent will calculate the index on behalf of the Index Sponsor which will be used by the Investment Adviser to manage the sub-funds. The agreement is subject to an annual review.

The sub-fund may be terminated if the index ceases to be compiled or published and there is no replacement Index using the same or substantially similar formula for the method of calculation as used in calculating the relevant Index.

The index is calculated by the Calculation Agent on behalf of the Index Sponsor without any consideration to the performance of the sub-funds. The Calculation Agent and the Index Sponsor make no representation or warranty, express or implied, to investors in the sub-funds or other persons regarding the advisability of investing in the sub-funds. There is no assurance that the Calculation Agent will compile the Index accurately, or that the index will be determined, composed or calculated accurately. In addition, the process and the basis of computing and compiling the Index and any of its related formulae, constituent companies and factors may at any time be changed or altered without notice.

Currently applies to: Islamic Global Equity Index.

The Investment Adviser has entered into an agreement with S&P Dow Jones ("the Index Provider"). Under such agreement S&P Dow Jones will calculate the Islamic Index which will be used by the Investment Adviser to manage the sub-fund. The agreement is subject to an annual review.

The sub-fund may be terminated if the Islamic Index ceases to be compiled or published and there is no replacement index using the same or substantially similar formula for the method of calculation as used in calculating the Islamic Index.

The Islamic Index is calculated by the Index Provider without any consideration to the performance of the sub-fund. The Index Provider makes no representation or warranty, express or implied, to investors in the sub-fund or other persons regarding the advisability of investing in the sub-fund. There is no assurance that the Index Provider will compile the Islamic Index accurately, or that the Islamic Index will be determined, composed or calculated accurately. In addition, the process and the basis of computing and compiling the Islamic Index and any of its related formulae, constituent companies and factors may at any time be changed or altered without notice.

▶ Composition of the Index Risk

The composition of the index may change (e.g. securities delisted). The Investment Adviser will seek to implement any change to the index composition but there is no guarantee the sub-fund will accurately reflect the composition of the index at any given time.

▶ Definitions

Full Replication

Investment strategy employed by index tracking sub-funds to track an index. The sub-funds will seek to invest in all of the securities or equivalent instruments (for example ADR and GDRs) of the index and in the same proportions in

which they are included in the index. However, the sub-funds may need to hold a small proportion of their assets in cash in order to manage subscriptions and redemptions efficiently.

Optimised Replication

Investment strategy employed by index tracking sub-funds that will typically hold only a representative sample of the securities or equivalent instruments (for example ADR and GDRs) included in the index. The sub-funds may also need to hold a small proportion of their assets in cash in order to manage subscriptions and redemptions efficiently.

No assurance can be given that the strategy of Optimised Replication will achieve its objective of replicating the performance of the index as the strategy reflects only a representative sample of securities that the index represents.

As a result of employing the strategy of Optimised Replication the sub-fund could be exposed to losses disproportionate to market declines in the index, if there are disproportionately greater adverse price movements in the specific securities held by the sub-fund. Whilst Optimised Replication may therefore result in higher tracking error, the sub-fund is likely to incur lower costs due to the lower number of securities held.

► **Factors Which May Impact the Ability of a Sub-Fund to Track an Index**

- Transaction costs incurred as a result of an index rebalance: in order to maintain the proportion of each security aligned with the tracked index, a sub-fund will need to buy/sell securities whenever the tracked index re-balances/changes its components. These will include any transaction taxes.
- Custody costs: these are incurred by a sub-fund for holding the securities it invests in. Custody costs vary by market.
- Dividend/reinvestments: a sub-fund may receive dividends as a result of owning stocks. This will usually be paid in cash. A sub-fund will usually retain a proportion of cash to be able to deal with day-to-day sub-fund management operations to minimise the need to sell any securities. Dividends may sometimes be kept in cash until enough payments have accumulated in order to reinvest in the sub-fund's securities.
- Taxes: a sub-fund may be liable for taxes such as withholding tax or capital gains tax.
- Currency costs: foreign exchange transactions are generally executed against a determined index benchmark (e.g. Reuters). In some instances, a sub-fund may not be able to execute FX transactions at the same point due to specific currency restrictions by some markets (for example, Emerging Markets countries).
- Corporate actions: in some instances, the treatment of specific corporate actions (e.g. dividend payments) by the index may differ from how the fund treats such corporate action and calculates its NAV.

Shariah Risk

Applies to: Shariah Compliant Sub-Funds

Although the Shariah Compliant sub-funds intend to fully adhere to Shariah compliance at all times, no such assurance can be given. This is because there is a risk that asset(s) of a Shariah compliant sub-fund may become non-compliant due to factors outside the control of a Shariah compliant sub-fund. Such events shall be reported to the Shariah Committee as soon as possible after they have been identified. The Shariah Committee may then advise on the necessary steps that must be taken to resolve the transgression – this may include selling the non-compliant asset(s) even during unfavourable market conditions and/or purifying income and gains associated with the non-compliant asset.

The Investment Adviser maintains Shariah compliance by undertaking investments in compliance with Shariah Law as interpreted and laid down or approved by the Shariah Committee and provided to the Management Company. This means that the investment universe is constrained to Shariah compliant assets only. Consequently this may mean that the performance of a Shariah compliant sub-fund may be lower than an equivalent fund which does not maintain Shariah compliance. Furthermore, there may be certain circumstances when a Shariah compliant sub-fund must dispose of an investment which may not be to the advantage of its performance.

In addition, the dividend purification requirement will result in a reduced return to investors when compared to a similar fund without such a requirement.

Reserve Sub-Funds

Currently applies to: Euro Reserve.

In certain exceptional market and/or economic conditions such as extremely low short term money market interest rates or negative short term money market interest rates, the Net Asset Value (NAV) of the sub-fund could move

marginally lower for a short period of time or possibly longer. In this case, the yield of the sub-fund may no longer be sufficient to cover its management fee.

APPENDICES

APPENDIX 1. GENERAL INVESTMENT RESTRICTIONS

Each sub-fund of the Company shall be regarded as a separate UCITS for the purposes of this Appendix.

- I. (1) The Company may invest in:
- a) transferable securities and money market instruments admitted to or dealt in on a regulated market;
 - b) transferable securities and money market instruments dealt in on another market in a Member State which is regulated, operates regularly and open to the public;
 - c) transferable securities and money market Instruments admitted to official listing on a stock exchange in a non-Member State of the European Union or dealt in on another market in a non-Member State of the European Union which is regulated, operates regularly and is recognised and open to the public provided that the choice of the stock exchange or market has been provided for in the constitutional documents of the Company;
 - d) recently issued transferable securities and money market instruments, provided that the terms of issue include an undertaking that application will be made for admission to official listing on a stock exchange or on another regulated market which operates regularly and is recognised and open to the public, provided that the choice of the stock exchange or the markets has been provided for in the constitutional documents of the Company and such admission is secured within one year of the issue;
 - e) units of UCITS and/or other Eligible UCIs, whether situated in a Member State or not, provided that:
 - such other Eligible UCIs have been authorised under the laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in European Community law, and that cooperation between authorities is sufficiently ensured,
 - the level of protection for unitholders in such other Eligible UCIs is equivalent to that provided for unitholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of Directive 2009/65/EC, as amended,
 - the business of such other Eligible UCIs is reported in semi-annual and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period,
 - no more than 10% of the assets of the UCITS or of the other Eligible UCIs, whose acquisition is contemplated, can, according to their constitutional documents, in aggregate be invested in units of other UCITS or other Eligible UCIs;
 - f) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a country which is a Member State or if the registered office of the credit institution is situated in a third country provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in European Community law;
 - g) financial derivative instruments, including equivalent cash-settled instruments, dealt in on a regulated market referred to in subparagraphs a), b) and c) above and/or financial derivative instruments dealt in over-the-counter ("OTC derivatives"), provided that:
 - the underlying consists of instruments covered by this Section (I) (1), financial indices, interest rates, foreign exchange rates or currencies, in which the sub-fund may invest according to its investment objective;
 - the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF; and
 - the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Company's initiative;

and/or

- h) money market instruments other than those dealt in on a regulated market and defined in the Glossary of the Prospectus, if the issue or the issuer of such instruments are themselves regulated for the purpose of protecting investors and savings, and provided that such instruments are:
- issued or guaranteed by a central, regional or local authority or by a central bank of a Member State, the European Central Bank, the EU or the European Investment Bank, a non-Member State or, in case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong, or
 - issued by an undertaking any securities of which are dealt in on Regulated Markets referred to in subparagraphs a), b) or c) above, or
 - issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by the European Community law, or by an establishment which is subject to and complies with prudential rules considered by the Luxembourg supervisory authority to be at least as stringent as those laid down by European Community law, or
 - issued by other bodies belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least ten million euro (Euro 10,000,000) and which presents and publishes its annual accounts in accordance with the fourth directive 78/660/EEC, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.
- (2) In addition, the Company may invest a maximum of 10% of the net assets of any sub-fund in transferable securities or money market instruments other than those referred to under paragraph (1) above.

II. The Company may hold ancillary liquid assets.

- III. a) (i) The Company will invest no more than 10% of the net assets of any sub-fund in transferable securities or money market instruments issued by the same issuing body.
- (ii) The Company may not invest more than 20% of the net assets of any sub-fund in deposits made with the same body. The risk exposure of a sub-fund to a counterparty in an OTC derivative transaction may not exceed 10% of its net assets when the counterparty is a credit institution referred to in paragraph I. (1) f) above or 5% of its net assets in other cases.
- b) Moreover, where the Company holds on behalf of a sub-fund investments in transferable securities and money market instruments of issuing bodies which individually exceed 5% of the net assets of such sub-fund, the total of all such investments must not account for more than 40% of the total net assets of such sub-fund.

This limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision.

Notwithstanding the individual limits laid down in paragraph a), the Company shall not combine, where this would lead to investing more than 20% of its assets in a single body, any of the following for each sub-fund:

- investments in transferable securities or money market instruments issued by that body;
 - deposits made with that body; or
 - exposure arising from OTC derivative transactions undertaken with that body.
- c) The limit of 10% laid down in sub-paragraph a) (i) above is increased to a maximum of 35% in respect of transferable securities or money market instruments which are issued or guaranteed by a Member State, its public local authorities, or by another Eligible State or by public international bodies of which one or more Member States are members.
- d) The limit of 10% laid down in sub-paragraph a) (i) is increased to 25% for certain bonds when they are issued by a credit institution which has its registered office in a Member State and is subject by law, to special public supervision designed to protect bondholders. In particular, sums deriving from the issue of these bonds must be invested in conformity with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in case of bankruptcy of the issuer, would be used on a priority basis for the repayment of principal and payment of the accrued interest.

If a sub-fund invests more than 5% of its net assets in the bonds referred to in this sub-paragraph and issued by one issuer, the total value of such investments may not exceed 80% of the net assets of the sub-fund.

- e) The transferable securities and money market instruments referred to in paragraphs c) and d) shall not be included in the calculation of the limit of 40% in paragraph b).

The limits set out in paragraphs a), b), c) and d) may not be aggregated and, accordingly, investments in transferable securities or money market instruments issued by the same issuing body, in deposits or in financial derivative instruments effected with the same issuing body may not, in any event, exceed a total of 35% of any sub-fund's net assets.

Companies which are part of the same group for the purposes of the establishment of consolidated accounts, as defined in accordance with directive 83/349/EEC or in accordance with recognised international accounting rules, are regarded as a single body for the purpose of calculating the limits contained in this Section III.

The Company may cumulatively invest up to 20% of the net assets of a sub-fund in transferable securities and money market instruments within the same group.

- f) **Notwithstanding the above provisions, the Company is authorised to invest up to 100% of the net assets of any sub-fund, in accordance with the principle of risk spreading, in transferable securities and money market instruments issued or guaranteed by any Member State, by one or more of its local authorities or agencies, a non-Member State of the EU or by another Member State of the OECD, Singapore or any member state of the Group of Twenty or by public international bodies of which one or more Member States of the EU are members, provided that such sub-fund must hold securities from at least six different issues and securities from one issue do not account for more than 30% of the net assets of such sub-fund.**
- IV. a) Without prejudice to the limits laid down in Section V., the limits provided in Section III. are raised to a maximum of 20% for investments in shares and/or bonds issued by the same issuing body if the aim of the investment policy of a sub-fund is to replicate the composition of a certain stock or bond index which is sufficiently diversified, represents an adequate benchmark for the market to which it refers, is published in an appropriate manner and disclosed in the relevant sub-fund's investment policy.
- b) The limit laid down in paragraph a) is raised to 35% where this proves to be justified by exceptional market conditions, in particular on Regulated Markets where certain transferable securities or money market instruments are highly dominant. The investment up to this limit is only permitted for a single issuer.
- V. a) The Company may not acquire shares carrying voting rights which should enable it to exercise significant influence over the management of an issuing body.
- b) The Company may acquire no more than:
- 10% of the non-voting shares of the same issuer;
 - 10% of the debt securities of the same issuer;
 - 10% of the money market instruments of the same issuer.
- c) These limits under second and third indents may be disregarded at the time of acquisition, if at that time the gross amount of debt securities or of the money market instruments or the net amount of the instruments in issue cannot be calculated.

The provisions of paragraph V. shall not be applicable to transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities or by any other Eligible State, or issued by public international bodies of which one or more Member States of the EU are members.

These provisions are also waived as regards shares held by the Company in the capital of a company incorporated in a non-Member State of the EU which invests its assets mainly in the securities of issuing bodies having their registered office in that State, where under the legislation of that State, such a holding represents the only way in which the Company can invest in the securities of issuing bodies of that State provided that the investment policy of the company from the third country of the EU complies with the limits laid down in paragraphs III., V. and VI. a), b), and c).

- VI. a) The Company may acquire units of the UCITS and/or other Eligible UCIs referred to in paragraph I. (1) e), provided that no more than 10% of a sub-fund's net assets be invested in the units of UCITS or other Eligible UCIs or in one single sub-fund of such UCITS or other Eligible UCI (including Target Sub-Funds as defined in Section VII below), unless otherwise provided in Section 3.2. "Sub-Fund Details".
- b) The underlying investments held by the UCITS or other Eligible UCIs in which the Company invests do not have to be considered for the purpose of the investment restrictions set forth in Section III. above.

- c) If the Company invests in shares or units of UCITS (including other sub-funds of the Company) and/or other Eligible UCIs that are managed directly or indirectly by the Management Company itself or a company with which it is linked by way of common management or control or by way of a direct or indirect stake of more than 10% of the capital or votes, then there will be no duplication of management, subscription or repurchase fees between the Company and the UCITS and/or other Eligible UCIs into which the Company invests. In derogation of this, if the Company invests in shares of HSBC ETFs PLC, then there may be duplication of management fees for any sub-funds. The Company will indicate in its annual report the total management fees charged both to the relevant sub-fund and to HSBC ETFs PLC.

If any sub-fund's investments in UCITS and other Eligible UCIs constitute a substantial proportion of the sub-fund's assets, the total management fee (excluding any performance fee, if any) charged both to such sub-fund itself and the other UCITS and/or other Eligible UCIs concerned shall not exceed 3.00% of the relevant assets. The Company will indicate in its annual report the total management fees charged both to the relevant sub-fund and to the UCITS and other Eligible UCIs in which such sub-fund has invested during the relevant period.

- d) The Company may acquire no more than 25% of the units of the same UCITS or other Eligible UCI. This limit may be disregarded at the time of acquisition if at that time the gross amount of the units in issue cannot be calculated. In case of a UCITS or other Eligible UCI with multiple compartments, this restriction is applicable by reference to all units issued by the UCITS or other Eligible UCI concerned, all compartments combined.
- e) To the extent that, pursuant to Section 3.2. "Sub-Fund Details", a sub-fund may invest more than 10% of its net assets in the units of UCITS or other Eligible UCIs or in one single such UCITS or other Eligible UCIs (including Target Sub-Funds), the following will apply:
- The sub-fund may acquire units of the UCITS and/or other Eligible UCIs referred to in paragraph I (1) e), provided that no more than 20% of the sub-fund's net assets be invested in the units of a single UCITS or other Eligible UCI.
 - For the purpose of the application of the investment limit, each compartment of a UCITS and/or UCI with multiple compartments is to be considered as a separate issuer provided that the principle of segregation of the obligations of the various compartments vis-à-vis third parties is ensured.
 - Investments made in units of other Eligible UCIs may not in aggregate exceed 30% of the net assets of the sub-fund.

VII. A sub-fund (the "Investing Sub-Fund") may subscribe, acquire and/or hold securities to be issued or issued by one or more sub-funds of the Company (each a "Target Sub-Fund") without the Company being subject to the requirements of the 1915 Law with respect to the subscription, acquisition and/or the holding by a company of its own shares; under the condition however that:

- a) The Investing Sub-Fund may not invest more than 10% of its net asset value in a single Target Sub-Fund, this limit being increased to 20% if the Investing Sub-Fund is permitted, pursuant to Section 3.2. "Sub-Fund Details", to invest more than 10% of its net assets in the units of UCITS or other Eligible UCIs or in one single such UCITS or other Eligible UCIs; and
- b) The Target Sub-Fund(s) do(es) not, in turn, invest in the Investing Sub-Fund invested in this (these) Target Sub-Fund(s); and
- c) The investment policy(ies) of the Target Sub-Fund(s) whose acquisition is contemplated does not allow such Target Sub-Fund(s) to invest more than 10% of its(their) net asset value in UCITS and other Eligible UCIs; and
- d) Voting rights, if any, attaching to the Shares of the Target Sub-Fund(s) held by the Investing Sub-Fund are suspended for as long as they are held by the Investing Sub-Fund concerned and without prejudice to the appropriate processing in the accounts and the periodic reports; and
- e) In any event, for as long as these securities are held by the Investing Sub-Fund, their value will not be taken into consideration for the calculation of the net assets of the Company for the purposes of verifying the minimum threshold of the net assets imposed by the 2010 Law; and
- f) There is no duplication of management/subscription or repurchase fees between those at the level of the Investing Sub-Fund(s).

- VIII. The Company shall ensure for each sub-fund that the global exposure relating to derivative instruments does not exceed the net assets of the relevant sub-fund.

The exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, foreseeable market movements and the time available to liquidate the positions. This shall also apply to the following subparagraphs.

If the Company invests in financial derivative instruments, the exposure to the underlying assets may not exceed in aggregate the investment limits laid down in paragraph III above. When the Company invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in Section III.

When a transferable security or money market instrument embeds a derivative, the latter must be taken into account when complying with the requirements of this paragraph VIII.

- IX. a) The Company may not borrow for the account of any sub-fund amounts in excess of 10% of the net assets of that sub-fund, any such borrowings to be from banks and to be effected only on a temporary basis, provided that the Company may acquire foreign currencies by means of back-to-back loans.

- b) The Company may not grant loans to or act as guarantor on behalf of third parties.

This restriction shall not prevent the Company from (i) acquiring transferable securities, money market instruments or other financial instruments referred to in paragraph I. (1) e), g) and h) which are not fully paid, and (ii) performing permitted securities lending activities, that shall not be deemed to constitute the making of a loan.

- c) The Company may not carry out uncovered sales of transferable securities, money market instruments or other financial instruments.

- d) The Company may not acquire movable or immovable property.

- e) The Company may not acquire either precious metals or certificates representing them.

- X. a) The Company need not comply with the limits laid down in the above mentioned investment restrictions when exercising subscription rights attaching to transferable securities or money market instruments which form part of its assets. While ensuring observance of the principle of risk spreading, recently created sub-funds may derogate from paragraphs III., IV. and VI. a), b) and c) for a period of six months following the date of their creation.

- b) If the limits referred to in paragraph a) are exceeded for reasons beyond the control of the Company or as a result of the exercise of subscription rights, it must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interest of its shareholders.

APPENDIX 2. RESTRICTIONS ON THE USE OF TECHNIQUES AND INSTRUMENTS

Financial derivative instruments may be used for investment, hedging and efficient portfolio management purposes. Securities lending and repurchase agreements under a) and b) below may be used for efficient portfolio management purposes. Additional restrictions or derogations for certain sub-funds will be disclosed in Section 3.2. "Sub-Fund Details" in relation to the relevant sub-fund.

Efficient Portfolio Management

Efficient Portfolio Management ("EPM") refers to techniques and instruments which relate to transferable securities which fulfil the following criteria:

1. They are economically appropriate in that they are realised in a cost-effective way,
2. They are entered into for one or more of the following specific aims:
 - reduction of risk (e.g. to perform an investment hedge on a portion of a portfolio),
 - reduction of cost (e.g. be short term cash flow management or tactical asset allocation),
 - generation of additional capital or income, with a level of risk that is consistent with the risk profile of a sub-fund (e.g. Securities Lending and/or Repurchase (and Reverse Repurchase) agreements where the collateral is not reinvested for any form of leverage).

The use of financial derivative instruments introduces an additional exposure of counterparty risk by the sub-fund, although this is managed through internal risk control mechanisms and according to the diversification and concentration requirements of the UCITS regulation.

The use of these EPM instruments/techniques does not change the objective of a sub-fund or add substantial risks in comparison to the original risk policy of a sub-fund.

Any EPM instruments/techniques are included within the Company's liquidity risk management process to ensure that the Company can continue to meet redemptions within the obligated timeframe.

HSBC Global Asset Management is responsible for managing any conflict that might exist such that conflicts are prevented from negatively impacting shareholders.

All revenues generated from EPM techniques are returned to the sub-fund. Revenues received by third party facilitators (e.g. third-party agent lenders or broker-dealers) or affiliates, must be commercially justifiable given the level of service.

Global Exposure

The global exposure of each sub-fund relating to derivative instruments may not exceed the net assets of the relevant sub-fund.

The exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, foreseeable market movements and the time available to liquidate the positions. This shall also apply to the next two sub-paragraphs.

If the Company invests in financial derivative instruments, the exposure to the underlying assets may not exceed in aggregate the investment limits laid down in item III. a) to e) of Appendix 1. "General Investment Restrictions". When the Company invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in item III. a) to e) of Appendix 1 "General Investment Restrictions".

When a transferable security or money market instrument embeds a derivative, the latter must be taken into account when complying with the requirements set out in the preceding subparagraph.

Securities Lending and Repurchase Transactions

To the maximum extent allowed by, and within the limits set forth in, the regulations, in particular the provisions of (i) article 11 of the Grand-Ducal regulation of 8 February 2008 relating to certain definitions of the law of 20 December 2002 relating to undertakings for collective investments, (ii) CSSF Circular 08/356 relating to the rules applicable to undertakings for collective investment when they use certain techniques and instruments relating to transferable securities and money market instruments (iii) ESMA's Guidelines of 1 August 2014 on ETFs and other UCITS issues (ESMA/2014/937EN) and (iv) CSSF Circular 14/592 (as these pieces of regulations may be amended, supplemented or replaced from time to time), each sub-fund may for the purpose of generating additional capital or income or for reducing costs or risks and subject to the relevant laws and regulations:

- a) enter, either as purchaser or seller, into optional as well as non-optional repurchase transactions (it is not currently the intention of the Company to engage any sub-fund in such transaction); and

- b) engage in securities lending.

The Company does not currently enter into securities lending transactions. Should the Company decide to make use of such transactions in the future, the Prospectus will be updated in conformity with ESMA's Guidelines on ETFs and other UCITS issues (ESMA/2014/937 EN) and any relevant CSSF circular in order to disclose adequate information in this regard.

Collateral

Under the investment advisory agreements, the Investment Advisers have authority to agree the terms for collateral arrangements, duly advising the Management Company of what arrangements have been made, for purposes of managing counterparty risk where transactions in over-the-counter ("OTC") Financial Derivative Instruments ("FDIs") have been executed. Transactions in FDIs can only be executed with approved counterparties. Such transactions will at all times be governed by approved Group standard documentation such as a legally enforceable bilateral ISDA, and an accompanying Credit Support Annex ("CSA") where it has been agreed that collateral will form part of the transaction.

Assets received by the Company as collateral in the context of EPM techniques and in the context of OTC FDIs will comply with the following criteria at all times:

- a) Liquidity: any collateral received other than cash should be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation. Collateral received will also comply with the provisions of paragraph V of Appendix 1. "General Investment Restrictions".
- b) Valuation: eligible collateral, as determined is valued daily by an entity that is independent from the counterparty on a mark-to-market basis.
- c) Issuer credit quality: non cash collateral received is of high credit quality (at least A3 and A-).
- d) Haircut policy: haircuts will take into account the characteristics of the assets such as the credit standing or the price volatility. Assets that exhibit high price volatility will not be accepted by the Company as collateral unless suitably conservative haircuts are in place. Haircuts are reviewed by the Management Company on an ongoing basis to ensure that they remain appropriate for eligible collateral taking into account collateral quality, liquidity and price volatility.
- e) Correlation: collateral received by the Company is issued by an entity that is independent from the counterparty or by one that is expected not to display a high correlation with the performance of the counterparty.
- f) Diversification: collateral received by the Company will remain sufficiently diversified such that no more than 20% of the net asset value of a sub-fund will be held in a basket of non-cash collateral (and reinvested collateral) with the same issuer.
- g) Enforceability: collateral received by the Company is capable of being fully enforced by the Company at any time without reference to or approval from the counterparty.
- h) Non-cash collateral received should not be sold, reinvested or pledged.
- i) Reinvestment of cash collateral: where received by the Company, reinvested cash collateral will remain sufficiently diversified in accordance with the diversification requirements applicable to non-cash collateral and may only be:
 - Placed on deposit with credit institution having its registered office in a country which is a Member State or with a credit institution having its registered office in a third country provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in European Community law;
 - Invested in short-term money market funds as defined in the Guidelines on a Common Definition of European Money Market Funds approved by the Management Company.
 - The Management Company may delegate authority to the securities lending agent to invest cash collateral into qualifying HSBC products.
- j) A sub-fund that receives collateral for at least 30% of its net assets will have an appropriate stress testing policy in place to ensure regular stress tests are carried out under normal and exceptional liquidity conditions to enable the Company to assess the liquidity risk attached to the collateral.

This stress testing policy will:

- ensure appropriate calibration, certification and sensitivity analysis;
- consider an empirical approach to impact assessment, including back-testing of liquidity risk estimates;
- establish reporting frequency and limit/loss tolerance threshold/s; and
- consider mitigation actions to reduce loss including haircut policy and gap risk protection.

- k) Other risks - other risks linked to the management of collateral, such as operational and legal risks, are identified, managed and mitigated by the risk management process.
- l) Collateral received by the Company sub-funds in respect of securities lending arrangements with HSBC Bank plc (acting as agent through its securities services) will comply with the following haircut requirements:
 - Eligible cash collateral will be subject to a minimum positive haircut of 105%;
 - Other eligible non-cash collateral will be subject to a minimum positive haircut of 105% for fixed income securities and 110% for equities.

APPENDIX 3. ADDITIONAL RESTRICTIONS

Regulation in Hong Kong

Although the Company is now authorised in Luxembourg as a UCITS under the 2010 Law and the Prospectus has been updated to incorporate new investment restrictions, for as long as the Company and the sub-funds remain authorised by the Securities and Futures Commission ("SFC") in Hong Kong and unless otherwise approved by the SFC, the Management Company confirms its intention to operate the sub-funds authorised in Hong Kong (other than the sub-funds exercising the wider derivatives powers as indicated in the relevant investment objective of such sub-funds) in accordance with the investment principles of chapter 7 of the Hong Kong code on unit trusts and mutual funds and to comply with any other requirements or conditions imposed by the SFC in respect of the relevant sub-funds.

For as long as the Company and the sub-funds remain authorised by the SFC, the Management Company may not obtain a rebate on any fees or charges levied by an underlying scheme or its management company.

Unless otherwise indicated in the investment objective of a sub-fund in Section 3.2. "Sub-Fund Details", investments in China A-shares and B-shares dealt in on the stock exchanges in China (excluding Hong Kong) shall not exceed 10% of the net asset value of the sub-fund (including indirect exposure.) At least one month' prior notice will be given to relevant shareholders before any increase in exposure to China A-shares and B-shares can be made.

Regulation in France

Currently applies to: Euroland Equity, Euroland Equity Smaller Companies, European Equity and UK Equity

In order for the abovementioned sub-funds to claim eligibility to the French "*Plan d'Epargne en Actions*" and as long as they are registered with the *Autorité des Marchés Financiers* in France, the following additional investment restriction applies:

the total amount invested in Equity or Equity-equivalent securities (as defined by art. L- 221-31 of the French Monetary and Financial Code, § I-1°, a), b) and c), which have their registered office in a country member of:

- the EU; or
- the European Economic Area (provided that the said country has concluded with France a bilateral tax cooperation agreement with a clause of administrative assistance aiming at fighting against tax fraud or evasion).

must not be less than 75% at any point in time.

The definition given by art. L- 221-31 of the French Monetary and Financial Code, § I-1°, a), b) and c), excludes equities or equity-equivalent securities issued by corporates which are not subject to corporate tax at the normal rate applying in their home country, and which in particular excludes shares of listed real estate corporates ("*SIIC*" - *sociétés d'investissements immobiliers cotées*").

The annual and semi-annual reports of the Company will mention the actual percentage invested in the above mentioned securities for those sub-funds.

III. Rule 144A

The sub-funds may invest in Rule 144A Securities under the conditions that:

- such securities are either admitted to official listing on a Regulated Market or are dealt in on an Other Regulated Market which operates regularly and is recognised and open to the public;
- such securities respect Point 17 of "CESR's Guidelines concerning eligible assets for investment by UCITS", dated March 2007.

Investment in Rule 144A Securities, which would not comply with any of the above conditions, shall, together with the transferable securities eligible under section (2) below, not exceed 10% of the sub-fund's net asset value.

IV. US Commodities and Futures Trading Commission (CFTC)

Currently applies to: GEM Debt Total Return, Global Emerging Markets Bond, Global Emerging Markets Local Debt

In order for the abovementioned sub-funds to rely on an exemption under applicable CFTC rules, the following disclosure of information is required.

Pursuant to CFTC Rule 4.13(a) (3), the Management Company is exempt from registration with the CFTC as a commodity pool operator. Therefore, unlike a registered commodity pool operator, the Management Company is not required to deliver a disclosure document and a certified annual report to a shareholder in each of the sub-funds.

The Management Company qualifies for such exemption based on the following criteria:

1. The interests in the sub-fund are exempt from registration under the U.S. Securities Act of 1933, as amended (the "1933 Act") and are offered and sold without marketing to the public in the United States;
2. The sub-fund meets the trading limitations of either CFTC Rule 4.13(a)(3)(ii)(A) or (B);
3. The Management Company reasonably believes, at the time the investor makes his investment in the sub-fund (or at the time it began to rely on Rule 4.13(a)(3)), that each investor in the sub-fund is:
 - a) An "accredited investor," as defined in Rule 501(a) of Regulation D under the 1933 Act;
 - b) A trust that is not an accredited investor but that was formed by an accredited investor for the benefit of a family member;
 - c) A "knowledgeable employee," as defined in Rule 3c-5 under the U.S. Investment Company Act of 1940, as amended (the "1940 Act"); or
 - d) A "qualified eligible person," as defined in CFTC Rule 4.7(a) (2) (viii) (A).

and

4. Shares in the sub-fund are not marketed as or in a vehicle for trading in the commodity futures or commodity options markets.

APPENDIX 4. INVESTMENT POLICY OF SHARIAH COMPLIANT SUB-FUNDS

Currently applies to: Islamic Global Equity Index.

The Investment Advisers shall endeavour to ensure that all investments for the Shariah compliant sub-funds are made in adherence with the principles of Shariah. Any article disclosed heretofore, that contravenes the principles of Shariah Law, and is not mandatorily applicable to the sub-fund under UCITS, shall not be applicable to Shariah compliant sub-funds.

The Management Company has entered into a Service Level Agreement with HSBC Saudi Arabia under which the latter agrees to appoint the members of the Shariah Committee. The members of the Shariah Committee are disclosed in the Company's financial reports.

The Shariah Committee is responsible for the following activities in relation to Shariah compliant sub-funds:

- study of the Company's prospectus, investment objectives and policies, use of investment techniques and instruments for the Shariah compliant sub-funds;
- advising the Board of Directors regarding compliance with Shariah principles;
- determining that the investment activities of the Shariah compliant sub-funds are made in compliance with the Shariah principles;
- providing suitable criteria for the selection of companies in whose securities the Shariah compliant sub-funds may invest;
- approving the appointment of a suitably qualified screening agent index, if any;
- advising the Company on compliance with Shariah principles in respect of the use of instruments and techniques for hedging, if any, and sub-fund management;
- establishing principles for calculating an appropriate percentage of impure income derived from entities in which the Shariah compliant sub-funds have invested and approving proposals for the nomination of suitable charities to which an amount so determined shall be donated; and
- preparing of an annual certificate on the Shariah compliant sub-funds' compliance with Shariah principles for inclusion in the financial reports.

The Management Company shall submit the operational activities of the Shariah compliant sub-funds, including procedures, to the Shariah Committee for their review.

Whenever the application of Shariah rulings so require, the Management Company shall deduct annually from a Shariah compliant sub-fund amounts under principles established, determined, evaluated or approved by the Shariah Committee, that may have derived from activities not in accordance with Shariah principles. Such money will be paid to charities approved from time to time by the Shariah Committee.

Within the Shariah principles as interpreted, laid down or approved and monitored by the Shariah Committee, the Management Company and the Investment Advisers shall retain full competence to manage such Shariah compliant investments as they shall deem to be in the best interest of the Shariah compliant sub-funds' shareholders.

If an investment becomes non-compatible with Shariah principles, the Investment Advisers shall sell such investment. The cost of any such reversal would be borne by the relevant Shariah compliant sub-fund.

A Shariah compliant sub-fund will be run within Shariah principles interpreted and laid down or approved by the Shariah Committee and provided to the Board of Directors and the Management Company. In addition, the Management Company shall observe the principles, approved by the Shariah Committee, in respect of each Shariah compliant sub-fund as detailed below.

Sectoral and Financial screens

Each sub-fund will follow the screening criteria used by its respective index provider and approved by the Shariah Committee, as follows:

Sub-fund	Index Provider
Islamic Global Equity Index	Dow Jones*

* Screening criterion and methodology can be accessed at <http://supplemental.spindices.com/supplemental-data/europe>

Subject to approval of the Shariah Committee, the Board of Directors may change the screening criteria for any sub-fund.

Financial Instruments Prohibition

The Shariah Committee has expressly declared the following instruments and transactions inappropriate for Shariah compliant sub-funds unless otherwise exempted by the Shariah Committee:

- Investment in interest bearing instruments and depositing monies in interest bearing accounts
- Interest-based instruments/accounts
- Use of financial derivatives or warrants
- Short selling; and
- Any other non-Shariah compliant activity

In addition, the Investment Adviser shall seek the Shariah Committee's approval prior to investing in new Financial Instruments other than equities (or equity equivalents) within the Islamic Index.

Dividend Purification

In addition to the above investment restrictions, the Shariah Committee has issued guidelines to quantify the amount of income of the Shariah compliant sub-funds that should be donated to charity, being derived from companies eligible for investment pursuant to the investment objective, policy and restrictions set out for each sub-fund, but that are engaged in an activity or activities of a marginal nature which is or are prohibited by the Shariah Committee and which is not or are not screened out by the investment restrictions. Such amount will be calculated on a periodic basis, based on the purification ratios – these are the ratios of non-permissible revenue to total revenue expressed as a percentage. To calculate the purification amount the product of the purification ratio and the dividend amount is calculated for each dividend received.

The purification ratios will be provided by index providers, as appropriate, for each sub-fund, for all companies in which the sub-funds have invested. For companies, whose purification ratios are not provided by the index providers, purification ratios will be calculated based on the financial information of these companies received from the Investment Advisers.

Such income will be disbursed as a charitable donation to one or more worthy causes approved by the Shariah Committee. The amount donated in this way will be detailed in the Company's annual report.

APPENDIX 5. REFERENCE PERFORMANCE BENCHMARKS

The reference performance benchmarks listed in the table below are shown for comparison purposes only.

However, as set out in their investment objectives, the following sub-funds aim to track the respective index described as reference performance benchmark in the table below: Economic Scale Index GEM Equity, Economic Scale Index Global Equity, Economic Scale Index Japan Equity, Economic Scale Index US Equity and Islamic Global Equity Index.

Shareholders should be aware that the sub-funds might not be managed to their reference performance benchmarks and that investment returns may deviate materially from the performance of the specified benchmark.

Shareholders should also be aware that reference performance benchmarks may change over time and that the Prospectus will be updated accordingly.

Sub-Fund Name	Current Reference Performance Benchmark
	Sub-funds may offer Share Classes denominated in or hedged into currencies other than the Reference Currency of the sub-fund. The full names of the Current Reference Benchmarks may differ from those listed below and may be obtained from the Management Company
ASEAN Equity	MSCI South East Asia Net
Asia Bond	Markit iBoxx USD Asia Bond
Asia Bond Total Return	None
Asia ex Japan Equity	MSCI AC Asia ex Japan Net
Asia ex Japan Equity Smaller Companies	MSCI AC Asia ex Japan Small Cap Net
Asia Pacific ex Japan Equity High Dividend	MSCI AC Asia Pacific ex Japan Net
Asian Currencies Bond	Markit iBoxx Pan Asia Bond ex China & HK
Brazil Bond	JP Morgan GBI-EM Global Brazil
Brazil Equity	MSCI Brazil 10/40 Net
BRIC Equity	25% MSCI Brazil Net 25% MSCI China Net 25% MSCI Russia Net 25% MSCI India Net
BRIC Markets Equity	25% MSCI Brazil Net 25% MSCI China Net 25% MSCI Russia Net 25% MSCI India Net
China Consumer Opportunities	MSCI AC World Net
Chinese Equity	MSCI China 10/40 Net
Economic Scale Index GEM Equity	HSBC Economic Scale Emerging Markets Net
Economic Scale Index Global Equity	HSBC Economic Scale World Net
Economic Scale Index Japan Equity	HSBC Economic Scale Japan Net
Economic Scale Index US Equity	HSBC Economic Scale United States Net
Emerging Wealth	MSCI AC World Net
Euro Bond	Barclays Euro Aggregate
Euro Convertible Bond	Exane Eurozone Convertible Bond
Euro Credit Bond	Markit iBoxx EUR Corporates
Euro Credit Bond Total Return	None
Euro High Yield Bond	BofA Merrill Lynch Euro High Yield BB-B Constrained
Euro Reserve	EUR EONIA
Euroland Equity	MSCI EMU Net
Euroland Equity Smaller Companies	MSCI EMU SMID Net
Euroland Growth	MSCI EMU Net
Europe Equity Volatility Focused	MSCI Europe Net The sub-fund aims for lower portfolio volatility relative to that of the MSCI Europe Net through portfolio construction.
European Equity	MSCI Europe Net
Frontier Markets	MSCI Select Frontier & Emerging Markets Capped Net
GEM Debt Total Return	None

Sub-Fund Name	Current Reference Performance Benchmark
	Sub-funds may offer Share Classes denominated in or hedged into currencies other than the Reference Currency of the sub-fund. The full names of the Current Reference Benchmarks may differ from those listed below and may be obtained from the Management Company
GEM Equity Volatility Focused	MSCI Emerging Markets Net The sub-fund aims for lower portfolio volatility relative to that of the MSCI Emerging Markets Net through portfolio construction.
GEM Inflation Linked Bond	Barclays Emerging Markets Tradable Inflation-linked
Global Asset-Backed Bond	Barclays Pan European Aggregate ABS FRN ex Spain
Global Asset-Backed High Yield Bond	60% Barclays Pan European Aggregate ABS FRN 40% Markit CMBX AJ S3
Global Bond	Barclays Global Aggregate
Global Bond Total Return	None
Global Corporate Bond	Barclays Global Aggregate Corporates AWS Hedged USD
Global Emerging Markets Bond	JP Morgan EMBI Global
Global Emerging Markets Corporate Debt	JP Morgan CEMBI Diversified
Global Emerging Markets Equity	MSCI Emerging Markets Net
Global Emerging Markets Investment Grade Bond	50% JP Morgan GBI-EM Global Diversified Investment Grade Capped 50% JP Morgan EMBI Global Credit Investment Grade
Global Emerging Markets Local Currency Rates	JP Morgan GBI-EM Global Diversified
Global Emerging Markets Local Debt	50% JP Morgan GBI EM Global Diversified 50% JP Morgan ELMI+
Global Equity	MSCI AC World Net
Global Equity Climate Change	MSCI AC World Net
Global Equity Dividend	MSCI AC World Net
Global Equity Volatility Focused	MSCI AC World Net The sub-fund aims for lower portfolio volatility relative to that of the MSCI All Country World Index through portfolio construction.
Global Government Bond	JP Morgan GBI Global Hedged USD
Global High Income Bond	35% Barclays USD Emerging Markets 20% Barclays US Aggregate Corporate Baa 15% Barclays US High Yield Ba 15% Barclays Euro Aggregate Corporate Baa Hedged USD 15% Barclays Euro High Yield BB Hedged USD
Global High Yield Bond	BofA Merrill Lynch Global High Yield BB-B Constrained Hedged USD
Global Inflation Linked Bond	Barclays World Government Inflation Linked Bond All Markets Hedged USD
Global Macro	EUR 1 month EURIBOR
Global Multi-Asset Income	None
Global Real Estate Equity	None
Global Short Duration Bond	Barclays Global Aggregate 1-3 Years Hedged USD
Global Short Duration High Yield Bond	BofA Merrill Lynch 1-3 Year BB-B US & Euro Non-Financial High Yield 2% Constrained Hedged USD
Greater China Equity	MSCI Golden Dragon Net
Hong Kong Equity	FTSE MPF Hong Kong Net
India Fixed Income	None
Indian Equity	S&P / IFCI India Gross
Indonesia Bond	JPM GBI EM Broad Indonesia Net
Islamic Global Equity Index	Dow Jones Islamic Market Titans 100
Korean Equity	MSCI Korea 10/40 Net
Latin American Equity	MSCI Latin America 10/40 Net
Managed Solutions - Asia Focused Conservative	None
Managed Solutions - Asia Focused Growth	None
Managed Solutions - Asia Focused Income	None

Sub-Fund Name	Current Reference Performance Benchmark
Mexico Equity	MSCI Mexico 10/40 IMI Net
Multi-Asset Style Factors	Eonia Capitalised
RMB Fixed Income	Offshore Renminbi Overnight Deposit Rate
Russia Equity	MSCI Russia 10/40 Net
Singapore Equity	MSCI Singapore Gross
Taiwan Equity	MSCI Taiwan 10/40 Gross
Thai Equity	MSCI Thailand 10/40 Net
Turkey Equity	MSCI Turkey 10/40 Net
UK Equity	FTSE All Share Net
US Dollar Bond	Barclays US Aggregate
US Equity	S&P 500 Net
US Equity Volatility Focused	S&P 500 Net The sub-fund aims for lower portfolio volatility relative to that of the S&P500 Net through portfolio construction.

APPENDIX 6. DIRECTORY

Registered Office

16, boulevard d'Avranches, L-1160 Luxembourg, Grand Duchy of Luxembourg

Board of Directors of the Company

- ▶ **George Efthimiou**
Global Chief Operating Officer (Chairman)
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- ▶ **Dr. Michael Boehm**
Chief Operating Officer
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- ▶ **Jean de Courrèges**
Independent Director
Luxembourg, Grand Duchy of Luxembourg
- ▶ **Eimear Cowhey**
Independent Director
Dublin, Ireland
- ▶ **Peter Dew**
Independent Director
London, United Kingdom
- ▶ **Dean Lam**
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- ▶ **John Li**
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- ▶ **Joanna Munro**
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Board of Directors of the Management Company

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- ▶ **Tony Corfield**
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- ▶ **Cecilia Lazzari**
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- ▶ **Richard Long**
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- ▶ **Sylvie Vigneaux**
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- ▶ **HSBC Portfooy Yonetimi A.S.**
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- ▶ **Singapore Representative and Distributor**
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- ▶ **Distributor for Continental Europe**
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