

**This prospectus dated January 2013 (including the February 2013 addendum) shall not be capable of creating any contractual or other legal rights and obligations on the part of HSBC GLOBAL INVESTMENT FUNDS, the HSBC GROUP PLC or any other HSBC Group company. In the event of a dispute as to a conflicting translation of this prospectus with the German version, the German version as authorised by the Swiss Financial Market Supervisory Authority shall prevail.**

This prospectus dated January 2013 is not valid unless accompanied by an Addendum dated February 2013.

# **HSBC GLOBAL INVESTMENT FUNDS**

investment company with variable capital incorporated in Luxembourg

## **PROSPECTUS**

**JANUARY 2013**

**(Extract prospectus for the distribution in Switzerland)**

**NON CONTRACTUAL DOCUMENT**

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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 Shares have not been and will not be offered for sale or sold in the United States of America, its territories or possessions and all areas subject to its jurisdiction, or to United States persons, except in a transaction which does not violate the securities laws of the United States of America. The Articles of Incorporation permit certain restrictions on the sale and transfer of Shares to restricted persons and the Board of Directors has decided that United States persons shall be restricted persons and are defined as follows:

The term "United States Person" or "US Person" shall mean a citizen or resident of the United States of America, a partnership organised or existing under the laws of any state, territory or possession of the United States of America, or a corporation organised under the laws of the United States of America or of any state, territory or possession thereof, or any estate or trust, other than an estate or trust the income of which from sources outside the United States of America is not includable in gross income for purpose of computing United States income tax payable by it. If a shareholder subsequently becomes a "United States Person" and such fact comes to the attention of the Company, Shares owned by that person may be compulsorily repurchased by the Company.

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 applicants 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/globalfunds](http://www.assetmanagement.hsbc.com/globalfunds). 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.

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.**

**In Hong Kong, the Company and a number of its sub-funds have been authorised by the Securities and Futures Commission ("SFC"). SFC authorization 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.**

This Prospectus does not constitute, and may not be used for, a solicitation of an offer to buy shares in Canada within the Provinces of Ontario, Québec or Newfoundland and Labrador.

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.

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.

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Shareholders are informed that their personal data or information given in the Application Form, as well as details of their shareholding, will be stored in digital form and processed in compliance with the provisions of the Luxembourg Law of 2 August 2002 on data protection. The shareholder accepts that the Management Company, being responsible for the processing of personal data, has authorised the HSBC Group as promoter and any distributor that is also a member of the HSBC Group to have access to data concerning him/her for the purpose of shareholder service and the promotion of products relating to the Company or any other products of the HSBC Group and thus process them in accordance with the provisions of the Law of 2 August 2002. By subscribing or purchasing Shares, shareholders also accept that their telephone conversations with the Management Company, any company of the HSBC Group or the Registrar and Transfer Agent, may be recorded and thus processed within the meaning of the Law of 2 August 2002. Investors are also advised that their personal data will be held in the register of shareholders maintained by the Registrar and Transfer Agent while the contract by which the Management Company appoints its Registrar and Transfer Agent remains in force. The latter will thus process the personal data relating to investors as the processor acting on behalf of the Management Company with responsibility for the processing of personal data. In accordance with the provisions of the Law of 2 August 2002, investors are entitled to request information about their personal data at any time as well as to correct it.

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.

## 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 the currency of denomination (a "Base 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 seeks to provide a comprehensive range of sub-funds with the purpose of spreading investment risk and satisfying the requirements of investors seeking income, capital conservation and growth.

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.

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 Investment Advisers have defined the following five categories - 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
<b>Stable category</b>	Sub-funds in the Stable category are suitable for investors with a short to medium term investment horizon. These sub-funds are intended as a core investment where there is a low expectation of capital loss and where income levels are expected to be regular and stable.
<b>Core category</b>	Sub-funds in the Core category are suitable for investors with a medium to long term investment horizon. These sub-funds are intended as a core investment where there is exposure to the fixed income securities markets as defined in the individual sub-fund's investment policy but where investment is principally made in bonds rated Investment Grade in markets which may be subject to moderate volatility.
<b>Core Plus category</b>	Sub-funds in the Core Plus category are suitable for investors with a medium to long term investment horizon. These sub-funds are intended as a complementary investment to funds in the Core category where a high proportion of the assets may be invested in equity, or equity-related securities, or in bonds rated below Investment Grade in markets which may be subject to moderately high volatility.
<b>Dynamic category</b>	Sub-funds in the Dynamic category are suitable for investors with a long term investment horizon. These sub-funds are intended to provide additional exposure for more experienced investors within a portfolio where a high proportion of the assets may be invested in Emerging Markets and smaller capitalisation securities, which may restrict liquidity and increase the volatility of return.
<b>Unconstrained category</b>	Sub-funds in the Unconstrained category are suitable for sophisticated investors. These sub-funds are intended to provide exposure to different asset classes actively allocated, mainly achieved by using financial derivative instruments. These sub-funds may invest in assets which may restrict liquidity and increase the volatility of returns.

The descriptions and suitabilities 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. Share Class Information

The Management Company may decide to create different Classes of Shares in one or several sub-funds. Details of the characteristics of such Share Classes offered by one or several sub-funds will be determined from time to time.

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**(1) List of Share Classes**

As at the date of this Prospectus, the Company has the following Share Classes available. A completed and up-to-date list of Share Classes may be obtained from the registered office of the Company or the Management Company:

Class	Description	Minimum Initial Investment Minimum Holding	
		USD	
<b>Class A</b>	A Shares are available to all investors.	USD	5,000
<b>Class B</b>	B Shares are available in the United Kingdom and Jersey through specific distributors selected by the Distributor. B Shares may be available in other countries through specific distributors selected by the Distributor on application to the Company.	USD	5,000
<b>Class E</b>	E Shares are available in certain countries, subject to the relevant regulatory approval, through specific distributors selected by the 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 specific distributors in certain countries.	USD	5,000
<b>Class I</b>	I Shares are available through specific distributors selected by the Distributor on application to the Company.	USD	1,000,000
<b>Class J*</b>	J Shares are available for investment by funds of funds managed by the HSBC Group or managed by specific entities selected by the Distributor.	USD	100,000
<b>Class L*</b>	L Shares are available through specific distributors selected by the Distributor, provided that the investors qualify as institutional investors within the meaning of article 174 of the 2010 Law.	USD	1,000,000
<b>Class M*</b>	M Shares are available to all investors.	USD	5,000 Unless otherwise provided in Section 3.2. "Sub-Fund Details"
<b>Class N*</b>	N Shares are available in the United Kingdom and Jersey through specific distributors selected by the Distributor. N Shares may be available in other countries through specific distributors selected by the Distributor on application to the Company.	USD	5,000
<b>Class P</b>	P Shares are available for subscription in certain jurisdictions or through certain distributors selected by the Distributor on application to the Company.	USD	50,000 Unless otherwise provided in Section 3.2. "Sub-Fund Details"
<b>Class R*</b>	R Shares are available in certain countries, subject to the relevant regulatory approval, through specific distributors selected by the Distributor. 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"
<b>Class S**</b>	S Shares are available in certain jurisdictions or through certain distributors selected by the Distributor provided that the investors qualify as institutional investors within the meaning of article 174 of the 2010 Law.	USD	100,000
<b>Class W</b>	W Shares are available through specific distributors that will also be members or affiliated entities of the HSBC Group as selected by the 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
<b>Class X</b>	X Shares are available through specific distributors selected by the 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"
<b>Class Y</b>	Y Shares are available in certain jurisdictions through specific distributors appointed by the Distributor.	USD	1,000
<b>Class YP*</b>	YP Shares are available in certain jurisdictions through specific distributors appointed by the Distributor.	USD	1,000

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<b>Class Z</b>	Z Shares are available to investors having entered into a discretionary management agreement with an HSBC Group entity and to investors subscribing via distributors selected by the Distributor provided that such investors qualify as institutional investors within the meaning of article 174 of the 2010 Law.	USD	1,000,000
<b>Class ZP*</b>	ZP Shares are available to investors having entered into a discretionary management agreement with an HSBC Group entity and to investors subscribing via distributors selected by the 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, and 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).

Distribution Shares are identifiable by a "D" following the sub-fund and Class names (e.g.: Class AD), with the exception of Monthly Distribution Shares which are identifiable by an "M" following the sub-fund and Class names (e.g.: Class AM) and Quarterly Distribution Shares which are identifiable by a "Q" following the sub-fund and Class names (e.g.: Class AQ).

In derogation from the above table, Monthly and Quarterly Distribution Shares are available only in certain countries, subject to the relevant regulatory approval, through specific distributors selected by the Distributor.

The subscription proceeds of all Shares in a sub-fund are invested in one common underlying portfolio of investments. All Shares of the same Class have equal rights and privileges. Each Share is, upon issue, entitled to participate equally in assets of the relevant Class of the sub-fund to which it relates on liquidation and in dividends and other distributions as declared for such sub-fund. The Shares will carry no preferential or pre-emptive rights and each whole Share will be entitled to one vote at all meetings of shareholders.

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

If as a result of redemptions or conversions, the minimum holding in a Class of a sub-fund is less than the amount determined by the Board of Directors for each Class, the Board of Directors may consider that the shareholder has requested to convert or redeem its entire holding in such Class. The above is not applicable in case the value of an investor's holding falls below the minimum holding threshold by reason of market movements affecting the portfolio value.

Restrictions apply to the purchase of B, E, I, J, L, N, P, R, S, W, X, Y, YP, Z and ZP Shares, Monthly and Quarterly Distribution Shares. First time applicants should contact their local HSBC 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.

There is no requirement on minimum subsequent investment. All figures shall, in principle, be construed to refer to equivalent amounts in other major currencies. 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.

## (2) Share Class Denominations

Within each Share Class of a sub-fund, the Company shall be entitled to create different sub-classes, distinguished by their distribution policy (Capital-Accumulation (C), Distribution (D) Quarterly Distribution (Q) and Monthly Distribution (M) Shares), their reference currency, their hedging activity (H) and/or by any other criteria stipulated by the Board of Directors.

**The different Classes offered in relation to each sub-fund are described in the relevant table in Section 3.2. "Sub-Fund Details".**

### (2.1) Currency hedged Share Classes

Within a sub-fund, separate currency hedged Share Classes may be issued (suffixed by "H" and the currency into which the Base Currency is hedged or the currency into which the currency the sub-fund total assets are primarily invested in, is hedged. These currency hedged share classes will be named: "ACHEUR" or "ACHGBP" for a Capital-Accumulation Share Class hedged into Euro or Pound Sterling).

For the RMB Fixed Income sub-fund, any hedged Share Classes issued shall provide a hedge against the Base Currency of the sub-fund, i.e. the US Dollar. Whilst the sub-fund has no direct economic exposure to the US Dollar, the aim is to provide an overlay strategy whereby all investors in these share classes will be exposed to the exchange rate movements of the RMB against the US Dollar. This will allow them to take advantage of any appreciation of the RMB against the US Dollar. However, there is no guarantee that the RMB will appreciate against the US Dollar or that the hedging objective will be achieved.

Subscriptions and redemptions are only accepted in the currency of the currency hedged Share Class.

For any hedged class launched after 1 December 2008, the Administration Agent is entitled to any fees relating to the execution of the currency hedging policy, which will be borne by the relevant currency hedged Class. These fees are in addition to the Operating, Administrative and Servicing Expenses detailed under Section 2.10. (4) "Operating, Administrative and Servicing Expenses / Operating



Currency Hedging Fees". Where the Administration Agent takes these fees, the maximum rate for fees relating to the execution of the currency hedging policy is 0.06% per annum subject to a minimum annual fee of EUR 15,000 per each currency hedged Share Class. Any gains or losses from the currency hedging shall also accrue to the relevant currency hedged Share Class. Currency hedged Share Classes will be hedged irrespective of whether the target currency is declining or increasing in value. No assurance can be given that the hedging objective will be achieved.

**A list of all currently available currency hedged Share Classes may be obtained at the registered office of the Company or from the distributors.**

## **(2.2) Share Class Reference Currencies**

The Management Company may decide to issue within a sub-fund Share Classes having a different reference currency (currency denomination) which denotes the currency in which the Net Asset Value per Share will be calculated. In principle, Share Classes may be issued in the following reference currencies: Euro, Hong Kong Dollar and Pound Sterling ("Share Class Reference Currencies").

Share Classes in other Share Class Reference Currencies may be available on application to the Company.

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

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

Where Share Classes are issued in a Share Class Reference Currency other than the Base Currency of the relevant sub-fund, the portfolio remains exposed to the currencies of the underlying holdings. No hedging is undertaken for those Share Classes except otherwise provided in the Section 3.2. "Sub-Fund Details".

## **(2.3) Dealing Currencies**

In addition to Share Class Reference Currency or currency hedged Share Class, Shares may be available in the Base Currency of the relevant sub-fund and may be available in the following dealing currencies ("Dealing Currencies"): Euro, Pound Sterling, Hong Kong Dollar, Singapore Dollar and US Dollar.

Australian Dollar, Canadian Dollar, Japanese Yen, Polish Zloty and Swiss Franc may be available as Dealing Currencies in certain Classes or through selected distributors and/or in certain countries. Other Dealing Currencies may also be available on application to the Company.

Where Share Classes are issued only in different Dealing Currencies, the underlying portfolio remains exposed to the currencies of the underlying holdings. No hedging is undertaken for those Share Classes except otherwise provided in the Section 3.2. "Sub-Fund Details".

## **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".

### **(1) 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.

### **(2) 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.

### **(3) 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.

### **(4) 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.

### **(5) Foreign exchange risk**

Because a sub-fund's assets and liabilities may be denominated in currencies different to the Base Currency, the sub-fund may be affected favourably or unfavourably by exchange control regulations or changes in the exchange rates between the Base 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 Base 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 Base Currency. In case of a hedged class, (denominated in a currency different from the Base Currency), this risk applies systematically.

### **(6) 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 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 swap contracts 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.

#### **(7) 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.

#### **(8) Non-Investment Grade Debt**

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. The market for these securities may be less active, making it more difficult to sell the securities. Valuation of these securities is more difficult and thus the sub-fund's price may be more volatile.

#### **(9) 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.

#### **(10) 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 3 "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.

#### **(11) 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.

## **NON CONTRACTUAL DOCUMENT**

## **(12) 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.

## **(13) Securities lending and repurchase transactions**

Use of the techniques and instruments set out in Appendix 3 "Restrictions on the use of techniques and instruments" involves 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.

## **(14) 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 can not be guaranteed. Absence of liquidity may have a determined impact on the sub-fund and the value of its investments.

## **(15) Risks associated with performance fee**

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.

## **(16) 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 2.8. (2) "Pricing Adjustment" which may include an amount to cover any anticipated IOF tax.

## **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:

### **(1) 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.

### **(2) Commitment and Value-at-Risk approaches**

Certain sub-fund 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 on financial markets when the relevant Investment Adviser believes that it is more efficient to purchase financial derivative instruments than the corresponding physical securities. These sub-funds will use the commitment approach.

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 the CESR's guidelines 10/788 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.

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 portfolio or benchmark used to express the relative VaR (if applicable) will be specified in Section 3.2. "Sub-Fund Details".

### **(3) 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.

### **(4) Procedure for counterparty approval**

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

### **(5) 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. The compliance team of the Investment Adviser will provide investment breach report to the Management Company for review.

## SECTION 2 COMPANY DETAILS

### 2.1. Summary of Principal Features

<b>Legal structure:</b>	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.
<b>Incorporation date:</b>	21 November 1986.
<b>Registered number:</b>	B 25 087 at the <i>Registre de Commerce et des Sociétés de Luxembourg</i> .
<b>Articles of Incorporation</b>	Published in the <i>Mémorial</i> on 17 December 1986. The latest amendment was published on 16 January 2012 in the <i>Mémorial</i> .
<b>Dividends:</b>	For Distribution Shares, the Board of Directors expects to recommend distribution of a portion of each sub-fund's net investment income for the year.
<b>Taxation:</b>	Annual Luxembourg tax of 0.05%, payable quarterly on Equity, Bond, Index 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").
<b>Investment objectives:</b>	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.
<b>NAV publication:</b>	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").
<b>Net Asset Value:</b>	Calculation on each Dealing Day unless otherwise provided in Section 3. "Sub-Fund Information" in relation to a specific sub-fund.
<b>Purchase, conversion and redemption: (dealing cut-off time)</b>	<ul style="list-style-type: none"> <li>▪ <b>Hong Kong</b> 4.00 p.m. Hong Kong time on 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.</li> <li>▪ <b>Jersey</b> 5.00 p.m. Jersey time on a business day in Jersey prior to the Dealing Day.</li> <li>▪ <b>Poland</b> 10.00 a.m. Poland time on a business day in Poland.</li> <li>▪ <b>Rest of the World</b> 10.00 a.m. Luxembourg time on a Dealing Day. Unless otherwise provided in Section 3. "Sub-Fund Information" in relation to a specific sub-fund.</li> </ul>
<b>Current sales charge:</b>	Up to 5.54% of the Net Asset Value per Share.
<b>Base currency:</b>	USD.
<b>Year end:</b>	31 March.

### 2.2. Shares

#### (1) 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.

#### (2) 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.

#### (3) Bearer Shares

The Company does not issue bearer Shares.

(4) 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 any Shares or Class (other than any restriction on transfer but including the requirement that Shares be issued only in registered form) (but not necessarily on all the Classes within the same sub-fund), and if necessary requires 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

### (1) Application

Investors buying Shares for the first time should complete 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.

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.

### (2) Dealing cut-off times at place of issue of orders

Unless otherwise provided in Section 3. "Sub-Fund Information" in relation to a specific sub-fund, the dealing cut-off times are as follows:

Place of issue of orders	Dealing cut-off time
<b>Hong Kong</b>	4.00 p.m. Hong Kong time on 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.
<b>Jersey</b>	5.00 p.m. Jersey time on a business day in Jersey prior to the Dealing Day.
<b>Poland</b>	10.00 a.m. Poland time on a business day in Poland.
<b>Rest of the World</b>	10.00 a.m. Luxembourg time on a Dealing Day

Applications received after the above cut-off times will normally be dealt on the next following Dealing Day. 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 Board of Directors.

### (3) Acceptance

The 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 applicant and without interest within five Business Days of rejection at the expense of the applicant.

### (4) Anti-Money Laundering and Prevention of Terrorist Financing

Pursuant to the Luxembourg laws of 19 February 1973 (as amended), to combat drug addiction, of 5 April 1993 (as amended), relating to the financial sector and of 12 November 2004 (as amended) on the fight against money laundering and terrorist financing and to 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.

In case of delay or failure by an applicant to provide the documents required, the application for subscription (or, if applicable, for redemption) will not be accepted. Neither the undertakings for collective investment nor the registrar 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 AML & KYC requirements as stipulated in the CSSF's circulars and regulations as amended from time to time and based on the AML & KYC Guidelines of the Registrar and Transfer Agent. These requirements may be amended, from time to time, 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.

#### **(5) Settlement**

##### ***In Cash***

Settlement may be made by cheque, bankers' draft or electronic transfer net of bank charges to the relevant correspondent bank(s) quoting the applicant's name and stating the appropriate sub-fund 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 their 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 law and regulatory requirement provided in 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.

#### **(6) Settlement Currencies**

Payments for subscriptions in a Share Class having a specific Share Class Reference Currency or a currency hedged Share Class can only be made in the currency of the relevant Share Class Reference Currency or currency hedged Share Class. Payments for subscriptions in any other Share Class may be made in the Base Currency of the sub-fund concerned or, where certain Dealing Currencies are available, in that Dealing Currency. All these currencies in which payments for subscription shall be made being hereinafter referred to as "Settlement Currency".

With the exception of Share Class having a specific Share Class Reference Currencies and currency hedged Share Classes and where an investor requires the payment of a subscription in a currency other than the Base Currency of the sub-fund concerned or, where available, in the relevant Dealing Currency, the necessary foreign exchange transaction between this currency and the Base Currency of the sub-fund concerned will be arranged by the distributor or the Registrar and Transfer Agent at the investor's expense on the basis of the exchange rate applicable as at the Dealing Day.

#### **(7) 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. "Sub-Fund Information" 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.

<b>Sub-fund</b>	<b>Due date for receipt of cleared monies</b>
Reserve, Bond, Equity, Index and Other	Four Business Days after application unless 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.

If timely settlement is not made by the applicant, the subscription may lapse and be cancelled at the cost of the applicant or its financial intermediary. If the applicant does not settle the subscription price in a timely manner, no Shares will be issued to the defaulting applicant. Failure to proceed to timely settlement by the settlement date may result in the Company / Management Company bringing an action against the defaulting applicant or its financial intermediary or deducting any costs or losses incurred by the Company /

Management Company against any existing holding of the applicant. Money returnable to the applicant 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.

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

#### **(8) Contract Notes**

Contract Notes and, for those who have not completed an Application Form, registration slips, are posted to the investor on the allotment of Shares. Registration slips must be properly completed and returned immediately to the Registrar and Transfer Agent or the distributors. Shareholders are allocated a personal account number as stated in the Contract Note which should be quoted on all further correspondence.

#### **(9) Form of Shares**

Shares are only issued in registered form, with only a Share confirmation being sent to the subscriber.

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.

#### **(10) Purchase of Shares in the UK**

Prospective applicants 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 Services 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 shareholder 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 investor did not receive advice unless he indicates at the time of investing that he did receive advice. Where an applicant has the right to cancel, the UK Distributor will notify the investor of this right and he will have 14 days to cancel from the day he receives the cancellation notice. If an investor 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 applicants 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 investors. The Management Company is not an authorised person under the Act and investors 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 Services Authority as a recognised collective investment scheme in the UK, pursuant to Section 264 of the Act.

### **2.4. How to sell Shares**

#### **(1) 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.

Valid instructions to redeem Shares of any sub-fund received prior to the appropriate dealing cut-off times as described in Section 2.3. "How to Buy Shares" paragraph (1) headed "Application" will normally be fulfilled on that Dealing Day. Any valid request received after the dealing cut-off times will be dealt with on the next Dealing Day. Any request 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.

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.

#### **(2) Settlement**

##### ***In Cash***

Unless otherwise provided in Section 3. "Sub-Fund Information" 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.

<b>Sub-fund</b>	<b>Due date for payment of redemption proceeds</b>
Reserve, Bond, Equity Index and Other	Four Business Days after application unless 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 payment of the redemption proceeds 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.

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.

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### ***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 Luxembourg Auditors (to the extent this report is legally or regulatory required), 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.

### **(3) Settlement Currencies**

Payments for redemptions in a Share Class with a specific Share Class Reference Currency or a currency hedged Share Class can only be made in the currency of the relevant Share Class Reference Currency or currency hedged Share Class. Payments for redemptions in any other Share Class may be made in the Base Currency of the sub-fund concerned or, where certain Dealing Currencies are available, in that Dealing Currency. All these currencies in which payments for redemptions shall be made being referred to as "Settlement Currency".

With the exception of Share Class Reference Currencies and currency hedged Share Classes and where a shareholder requires the payment of a redemption in a currency other than the Base Currency of the sub-fund concerned or, where available, in the relevant Dealing Currency, the necessary foreign exchange transaction between this currency and the Base Currency of the sub-fund concerned 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.

### **(4) Contract Note**

Contract notes are posted to shareholders as soon as practicable after the transaction has been effected, and may be faxed upon shareholder request.

### **(5) Mandatory Redemption**

If a redemption instruction would reduce the value of a shareholder's residual holding in any one sub-fund to below the minimum holding requirement as set forth in Section 1.3. "Share Class Information", the Management Company may decide to compulsorily redeem the shareholder's entire holding in respect of that sub-fund.

### **(6) 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:

- a) 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.

- b) 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.

### **(7) 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.

### **(8) 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.

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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:

- a) 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.
- b) 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.
- c) 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").
- d) 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. Foreign Exchange Transactions**

Shares are issued in principle at an offer price and redeemed at a redemption price denominated and payable in the Base Currency of the sub-fund concerned and/or in the currency of a Share Class having a specific Share Class Reference Currency or of a currency hedged Share Class or in a Dealing Currency as detailed in Section 1.3. "Share Class Information".

Payments for subscriptions and redemptions in a Share Class having a specific Share Class Reference Currency or a currency hedged Share Class can only be made in the currency of the relevant Share Class Reference Currency or currency hedged Share Class.

With the exception of Share Class having a specific Share Class Reference Currencies and currency hedged Share Classes and where an investor requires the payment of a subscription or redemption in a currency other than the Base Currency of the sub-fund concerned or, where available in a Dealing Currency, the necessary foreign exchange transaction between this currency and the Base Currency of the sub-fund concerned will be arranged by the distributor or the Registrar and Transfer Agent at the investor's expense on the basis of the exchange rate applicable as at the Dealing Day.

## **2.6. How to convert between Sub-Funds / Classes**

Unless otherwise provided in Section 3.2. "Sub-Fund Details" in relation to a specific sub-fund, subject to shareholders being eligible in a given Class as defined in Section 1.3. "Share Class Information", Shares of any Class in any sub-fund may be converted into a different Class or different Classes of the same or other sub-funds on any Dealing Day for all sub-funds involved in the conversion (a "Qualifying Day").

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

Completed requests received before the dealing cut-off time will be dealt with on that Dealing Day or Qualifying Day, as applicable. Requests received after the dealing cut-off time are deemed received the next Dealing Day or Qualifying Day as applicable. If compliance with conversion instructions would result in a residual holding in any one sub-fund or Class of less than the minimum holding, the Management Company may compulsorily redeem the residual Shares at the redemption price ruling on the relevant Qualifying Day and make payment of the proceeds to the shareholder.

Shareholders in Capital-Accumulation Shares can convert their holding to Distribution Shares in the same as other sub-funds and vice versa. Investors in hedged 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. If a currency conversion needs to be effected, because the Net Asset Values per Share of the shares are in different currencies, the currency conversion rate of the relevant Dealing Day is used.

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 2.14. "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.

## **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 and the redemption and repurchase of Shares relating to any sub-fund as well as the right to convert Shares relating to a Class in a sub-fund into those relating to the same or a different Class (as per Section 2.6. "How to convert between Sub-Funds / Classes" in another sub-fund and the calculation of the Net Asset Value per Share relating to any Class:

- a) 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;
- b) 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;
- c) 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;
- d) 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;
- e) 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;
- f) 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
- g) 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**

### **(1) Valuations**

Unless otherwise provided in Section 3. "Sub-Fund Information" 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 its relevant currencies.

In certain circumstances set out in Section 2.7. "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 or repurchased. Full details of the Net Asset Value per Share calculations are set out below.

### **(2) Pricing Adjustment**

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, in particular but not exclusively, bid-offer spreads, brokerage and taxes on transactions. Where net capital inflows in Brazil Bond, Brazil Equity, Latin American Equity and Latin American Local Debt 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 adjustment of the Net Asset Value per Share will apply equally to each Class of Share in a specific sub-fund on any particular valuation.

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

### **(3) 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.

### **(4) 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.

#### **(5) Publication of prices**

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

The previous Dealing Day's Offer and Redemption Prices are available from 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.

#### **(6) 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:

1. 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 or redemptions of Shares dealt with by the sub-fund on such a Dealing Day must be made in accordance with this second valuation.

2. 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.
3. 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.
4. 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.
5. 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.
6. 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 in which a sub-fund invests 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**

The Board of Directors has resolved to issue Distribution and Capital-Accumulation Shares in different Classes of the sub-funds.

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#### **(1) Capital-Accumulation Shares**

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

#### **(2) Distribution Shares**

Distribution Shares are identifiable by a "D" following the sub-fund and Class names (e.g. Class AD), with the exception of Monthly Distribution Shares identifiable by an "M" following the sub-fund and Class names (e.g. Class AM) and Quarterly Distribution Shares identifiable by a "Q" following the sub-fund and Class names (e.g.: Class AQ).

The distribution policy of the Distribution Shares can be summarised as follows.

#### **(3) Declaration and Announcement of Dividends**

Dividends will be declared in respect of each Distribution 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 interim dividends in respect of certain sub-funds. The Board of Directors will normally recommend that distributions are made from investment income. However, for Monthly Distribution and Quarterly Distribution Shares, if the investment income is not sufficient, the Board of Directors may determine if, and to what extent, the monthly or quarterly dividend may be paid out of capital, or paid gross of expenses.

Dividends will normally be declared in the Base Currency of the sub-fund with the exception of Share Class Reference Currencies and currency hedged Share Classes for which dividends will be declared in the corresponding currency.

Monthly Distribution Shares will pay a dividend normally on a monthly basis. Quarterly Distribution Shares will pay a dividend normally on a quarterly basis.

Dividends may be announced in the countries where the sub-funds are registered according to regulations of those jurisdictions. Payment of dividends will be made within six weeks of such declaration to holders of Shares in the respective sub-funds at the dividend record date as stated in such resolution.

#### **(4) Payment and Reinvestment of Dividends**

Holders of registered Shares 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 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. 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.

Dividends below USD 50, Euro 50, JPY 5,000, GBP 30 or equivalent to USD 50 in any other Dealing Currency or Share Class Reference Currencies will in any case be automatically reinvested in accordance with the provisions set out above.

In respect of the Monthly Distribution and Quarterly Distribution Shares, the dividend will normally automatically be paid out on a monthly and quarterly basis, respectively. However, if this dividend is below the above minima, the monthly or quarterly dividend will automatically be reinvested in accordance with the provisions set out above.

### **2.10. Charges and Expenses**

#### **(1) Explanation of the Charging Structure**

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.

The Management Company is entitled, in respect of each Class of Shares, to a management fee to cover all investment management, investment advisory and distribution services provided in relation to the relevant Class (see paragraph (2) headed "Management Fee" below).

In addition, the Company pays to the Management Company a fee to cover operating administrative and servicing expenses. 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 such operating, administrative and servicing expenses is fixed at an annual rate (indicated for each sub-fund in the relevant table in Section 3.2. "Sub-Fund Details"). The excess of such expenses above such annual rate will be borne directly by the Management Company or its affiliates, and equally the Management Company or its affiliates may retain any surplus (see paragraph (4) headed "Operating, Administrative and Servicing Expenses / Operating Currency Hedging Fees" below).

For so long as a Share Class of a sub-fund is authorised by the Securities and Futures Commission in Hong Kong in the event of any increase in the current level of the Management Fee or the Operating, Administrative and Servicing Expenses up to the maximum permitted rate, at least three months prior notice (or any shorter prior notice as agreed with the Securities and Futures Commission) will be given to affected shareholders. Any increase in the maximum permitted rate is subject to the prior approval of affected shareholders of the relevant Share Class of the relevant sub-fund.

The Company will use any interest income in preference to other income to pay charges and expenses. To the extent that such charges

and expenses are greater than the interest or other income of that sub-fund or Share Class the excess will be taken from the assets of that sub-fund or Share Class.

If the Company invests in shares or units of UCITS (including other sub-funds of the Company) and other 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 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 maximum total management fees charged both to the relevant sub-fund and to HSBC ETFs PLC will be disclosed in the annual report.

If any sub-fund's investments in UCITS and other 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 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 UCIs in which such sub-fund has invested during the relevant period.

## (2) 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 is accrued daily and payable monthly in arrears at the rates specified below:

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 as stated in the relevant table in Section 3.2. "Sub-Fund Details".
3. No Management Fee is charged for Class W Shares.

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 Company is responsible for discharging, out of such 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.

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.

## (3) 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:

<b>Hurdle Rate</b>	<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 will be applied on the base currency of the sub-fund, except for Currency Hedged Share Classes, where the Hurdle Rate will be applied on the currency of that Share Class.</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>
<b>Current Day NAV</b>	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.
<b>Crystallise Crystallisation</b>	<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>
<b>Net Asset Value per Share Return</b>	Calculated at each valuation as the difference between the Current Day NAV per Share and the Prior Day NAV per Share.
<b>Performance Period</b>	<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"> <li>1. Shares issued during the Performance Period will run from the first subscription date to the following last valuation of November.</li> <li>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.</li> </ol>
<b>Performance Rate</b>	The Performance Rate is variable and defined at the sub-fund level.

	Details for each sub-fund are set out in Section 3.2. "Sub-Fund Details".
<b>Prior Day NAV</b>	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.
<b>High Water Mark</b>	<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> <p>(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</p> <p>(b) the Net Asset Value per Share at the end of the previous Performance Period, adjusted by dividends, if any.</p> <p>To implement the new performance fee mechanism, the new High Water Mark for an existing Share Class on 3 December 2012 will be the higher of the Low Tide Mark and the Net Asset Value of that Share Class on 30 November 2012.</p>

### 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 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 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 UCIs, and these UCITS and/or 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:

- 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.
- The cumulative performance fee per Share is equal to the cumulative "Excess Return" multiplied by the Performance Rate.

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- 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.
- 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.
- 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.
- 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 financial year are not refundable in any subsequent accounting years.

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.

### **(4) Operating, Administrative and Servicing Expenses / Operating Currency Hedging Fees**

The Company pays to the Management Company a fee to cover certain Operating, Administrative and Servicing Expenses. The Management Company is responsible for discharging out of this fee, the expenses described below, *inter alia*, payable to the Depositary Bank, the Administration Agent and the Registrar and Transfer Agent.

This fee is set, for each sub-fund and/or Class, at a fixed percentage of the net asset value of the relevant sub-fund or Class specified in the relevant table in Section 3.2. "Sub-Fund Details" except otherwise provided in such table which details those Share Classes where the Operating, Administrative and Servicing Expenses represent a maximum level (i.e. they are capped). Such fee is accrued daily and payable monthly in arrears.

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.

The maximum rate for Class A, B, E, I, J, L, M, N, P, R, S, X, Y, YP, Z and ZP Shares is 1.0% (but not including the fees of the Administration Agent relating to the execution of the currency hedging for the currency hedged Share Classes). However, the Board of Directors reserves the right to amend the fixed level of the Operating, Administrative and Servicing Expenses applicable to each Class of Shares. In the event of an increase of such expenses, the concerned shareholders will be given at least (i) 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 as agreed with the Securities and Futures Commission) or (ii) one month prior notice, of such increase. During this notice period, such shareholders may request the redemption of their Shares, free of charge.

Operating, Administrative and Servicing Expenses cover the ongoing custody/depositary fees and safekeeping charges payable to the Depositary Bank and its correspondent banks, fees for fund accounting and administration services (including domiciliary services) payable to the Administration Agent and transfer agency fees for registrar and transfer agency services payable to the Registrar and Transfer Agent.

Operating, Administrative and Servicing Expenses also cover expenses relating to the creation of new sub-funds; the costs of the Subsidiaries (see below); the Luxembourg asset-based *taxe d'abonnement*, at the rate referred to in Section 2.18. "Taxation" below; attendance fees and reasonable out-of-pocket expenses incurred by the Board of Directors; legal and auditing fees and expenses; ongoing registration and listing fees, including translation expenses; the costs and expenses of preparing, printing, and distributing the Company's Prospectus, Key Investor Information Documents, financial reports, statements and other documents made available directly or through intermediaries to its shareholders.

The Company pays to the Management Company a fee to cover the fees of the Administration Agent relating to the execution of the currency hedging policy for the hedged Share Classes as defined in Section 1.2. "Profile of the Typical Investor Categories", launched after 1<sup>st</sup> December 2008.

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.

#### **(5) Charges and Expenses of the Subsidiaries**

Under the Administration Agreements between the relevant Subsidiary and CIM Fund Services (formerly known as Multiconsult Limited), 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.

#### **(6) Other Charges**

Each sub-fund bears the costs and expenses of buying and selling portfolio securities and financial instruments, brokerage fees and commissions, interest or taxes payable, and other transaction related expenses. These transaction fees are accounted for on a cash basis and are paid when incurred or invoiced from the net assets of the sub-fund to which they are attributable. Transaction fees are allocated across each sub-fund's Share Classes.

The Company bears any extraordinary expenses including, without limitation, litigation expenses and the full amount of any tax, levy, duty or similar charge and any unforeseen charges imposed on the Company or its assets.

### **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 Management Company was incorporated on 26 September 1988 as a *société anonyme* under the laws of the Grand Duchy of Luxembourg and its articles of incorporation are deposited with the Luxembourg *Registre de Commerce et des Sociétés*. The Management Company is approved as a management company regulated by 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 HSBC Group Investment Businesses comprising wholly owned subsidiaries of HSBC Holdings Plc one of the largest and most successful banking and financial services organisations in the

world. HSBC Group's international network comprises about 7,500 offices in 87 countries and territories in Europe, the Asia-Pacific region, the Americas, the Middle East and 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 and inform each member of the Board of Directors without delay of 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**

RBC Investor Services Bank S.A., previously known as RBC Dexia Investor Services Bank S.A., has been appointed as Depositary Bank and Paying Agent in Luxembourg of the Company pursuant to an agreement, which may be terminated by both parties in accordance with the provisions of the agreement. RBC Investor Services Bank S.A. will act as Depositary Bank and Paying Agent until a date decided by the Board of Directors and notified to shareholders.

RBC Investor Services Bank S.A. is wholly owned by RBC Investor Services Limited, a company incorporated under the laws of England and Wales, which is controlled by Royal Bank of Canada.

The agreement provides that all securities and other permitted assets in any of the sub-funds are to be held by or to the order of the Depositary Bank. The Depositary Bank will also be responsible for the collection of principal and income on, and the payment for, and collection of proceeds from the purchase and sale of securities by the Company. Under the 2010 Law, the Depositary Bank must ensure that settlement of transactions is made promptly in accordance with normal practice and that the Company's income is applied in accordance with its Articles of Incorporation. The Depositary Bank must moreover ensure that the sale, issue, repurchase and cancellation of Shares effected by or on behalf of the Company are carried out in accordance with the 2010 Law and the Articles of Incorporation.

HSBC Securities Services (Luxembourg) S.A. will be appointed as Depositary Bank and Paying Agent in Luxembourg of the Company in replacement of RBC Investor Services Bank S.A. pursuant to an agreement, which may be terminated by a notice given not less than 90 days in advance by either party to the other. HSBC Securities Services (Luxembourg) S.A. will act as Depositary Bank and Paying Agent from a date decided by the Board of Directors and notified to shareholders.

HSBC Securities Services (Luxembourg) S.A. is registered with the *Registre de Commerce et des Sociétés* of Luxembourg under number B-28531 and was incorporated for an unlimited period in Luxembourg as a *société anonyme* on 19 July 1988 under the name "Bank of Bermuda (Luxembourg) S.A." and has its registered office at 16 Boulevard d'Avranches, L-1160 Luxembourg. It is licensed to carry out banking activities under the terms of the amended Luxembourg Law of 5 April 1993 on the financial sector and specialises in custody, depositary, fund administration and related services.

Unless HSBC Securities Services (Luxembourg) S.A. has acted fraudulently, negligently or with wilful default, HSBC Securities Services (Luxembourg) S.A. shall not be liable to the Company or to any shareholder of the Company for any act or omission in the course of or in connection with the discharge by HSBC Securities Services (Luxembourg) S.A. of its duties. The Company has agreed to indemnify HSBC Securities Services (Luxembourg) S.A. or any persons appointed by it from and 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 HSBC Securities Services (Luxembourg) S.A. or any persons appointed by it, the "Correspondents") which may be imposed on, incurred by or asserted against HSBC Securities Services (Luxembourg) S.A. or any Correspondent in performing its obligations or duties hereunder.

HSBC Securities Services (Luxembourg) S.A. has no decision-making discretion relating to the Company's investments. HSBC Securities Services (Luxembourg) S.A. is a service provider to the Company and is not responsible for the preparation of the Prospectus or the activities, the structure and the investments of the Company and therefore accepts no responsibility for the accuracy of any information contained in the Prospectus.

## **2.13. Administration**

### **(1) Administration Agent**

RBC Investor Services Bank S.A. has also been appointed as Administration Agent for the Company pursuant to an agreement with the Management Company which may be terminated by both parties in accordance with the provisions of the agreement. In such capacity the Administration Agent provides the Company with certain administrative and clerical services. RBC Investor Services Bank S.A. will act as Administration Agent until a date decided by the Board of Directors and notified to shareholders.

HSBC Securities Services (Luxembourg) S.A. will be appointed as Administration Agent of the Company in replacement of RBC investor Services Bank S.A. pursuant to an agreement, which may be terminated by a notice given not less than 90 days in advance by either party to the other. HSBC Securities Services (Luxembourg) S.A. will act as Administration Agent from a date decided by the Board of Directors and notified to shareholders.

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

## **(2) Registrar and Transfer Agent**

RBC Investor Services Bank S.A. also acts as Registrar and Transfer Agent for the Company, pursuant to an agreement with the Management Company, which can be terminated by both parties in accordance with the provisions of the agreement. RBC Investor Services Bank S.A. will act as Registrar and Transfer Agent until a date decided by the Board of Directors and notified to shareholders. HSBC Securities Services (Luxembourg) S.A. will be appointed as Registrar and Transfer Agent of the Company in replacement of RBC Investor Services Bank S.A. pursuant to an agreement, which may be terminated by a notice given not less than 90 days in advance by either party to the other. HSBC Securities Services (Luxembourg) S.A. will act as Registrar and Transfer Agent from a date decided by the Board of Directors and notified to shareholders.

## **(3) Domiciliary Agent**

HSBC Securities Services (Luxembourg) S.A. has been appointed by the Company as Domiciliary Agent.

## **2.14. Distribution of Shares**

The Management Company, as global distributor has appointed different distributors, the names of which are listed in Appendix 5 "Directory". The distributors are entitled to receive any applicable sales charges and conversion charges on all Shares handled by it. The distributors may reallocate such charges at their absolute discretion.

### **(1) 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 purchase, redemption and conversion of Shares and to provide information to investors including its latest financial reports and the latest Prospectus.

### **(2) 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. 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 half-yearly 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 address is given in Appendix 5 "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 purchases, redemptions 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 Company's Shares. HSBC Global Asset Management (UK) Limited is authorised and regulated in the United Kingdom by the Financial Services Authority.

### **(3) 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 purchase, redemption and conversion of Shares and to provide information to investors including its latest financial reports, 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 Base 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, and at the offices of the Hong Kong, Singapore, Swiss and of

the UK representatives.

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 HSBC distributor for such information. A small charge may be levied for the provision of this information.

## **2.16. Availability of Documents**

Copies of 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, at the offices of the Hong Kong representative and at the offices of the UK representative:

- a) the Articles of Incorporation;
- b) the material contracts.

Copies of the Articles of Incorporation, the most recent Prospectus, the most recent Key Investor Information Document and the latest financial reports may be obtained 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/globalfunds](http://www.assetmanagement.hsbc.com/globalfunds). 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.

## **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., 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.



## **(1) Taxation of the Company**

### ***Belgium***

The Belgian government has enacted a law which charges an annual net asset value tax on foreign investment funds registered with the Belgian Banking and Finance Commission. An annual tax of 0.08% is charged on the net outstanding amounts of sub-funds placed in Belgium through Belgian financial intermediaries on 31 December of the preceding year, as from the Company's registration with the Belgian Banking and Finance Commission.

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. (1) (c) "Taxation in the PRC".

### ***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 2013 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 2013 (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.

The Indian Budget announced on 16 March 2012 introduced provisions for a GAAR to be effective from 1 April 2012. The implementation of the GAAR was subsequently deferred until 1 April 2013. 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.

### ***Luxembourg***

The Company is not liable to any Luxembourg tax on profits or income. The Company is, however, liable in Luxembourg to a tax of 0.05% per annum of its net asset value, such tax being payable quarterly on the basis of the value of the net assets of the Company at

the end of the relevant calendar quarter. The tax rate is reduced to 0.01% per annum for the Euro Reserve sub-fund and Classes J Share, L Share, S Share, W Share, X Share, Z Share and ZP Share in the relevant sub-funds. No stamp duty or other tax is payable in Luxembourg on the issue of Shares.

The Classes/sub-funds may be exempted from this 0.01% tax if they comply with the requirements of the Luxembourg Law of which are the following: (i) the Shares of the Class/sub-fund must be reserved to institutional investors in the meaning of article 174 of the 2010 Law; (ii) the exclusive object of the Class/sub-fund's portfolio must be the investment in money market instruments and/or deposits with credit institutions; (iii) the remaining average maturity of the Class/sub-fund's portfolio must be less than 90 days and (iv) the Class/sub-fund must benefit from the highest possible rating of a recognised rating agency.

No Luxembourg tax is payable on the realised or unrealised capital appreciation of the assets of the Company.

Are also exempt from this tax:

- a) sub-funds/Classes whose Shares are reserved for (i) institutions for occupational retirement pension or similar investment vehicles, set up on one or more employers' initiative for the benefit of their employees and (ii) companies of one or more employers investing funds they hold, to provide retirement benefits to their employees;
- b) sub-funds whose main objective is the investment in microfinance institutions;
- c) sub-funds/Classes of Shares whose Shares are listed or traded on at least one stock exchange or another regulated market operating regularly, recognised and open to the public and whose exclusive object is to replicate the performance of one or more indices.

Also exempt from the tax are the value of assets represented by units/shares held in other UCIs provided that such units/shares have already been subject to this tax provided for by Article 174 of the 2010 Law or by Article 68 of the Law of 13 February 2007.

#### ***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.

#### ***Thailand***

Where possible Thai stocks of the Thai Equity sub-fund are held through custody arrangements in London which enables the Company to benefit from the United Kingdom-Thailand double tax treaty and therefore gains realised by the sub-funds are currently not liable to tax in Thailand. Although the Company will seek to maintain this favourable position, 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 sub-funds in future periods. Should the sub-funds become subject to Thai tax on its gains this will have an adverse effect on investment returns and a possible impact on the net asset value.

#### ***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.

#### ***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 of country.

Investors and potential investors should note Section 1.4. "General Risk Considerations" (2) "Emerging Markets". Please also refer to the FATCA comments in Section 2.18. (2) "Taxation of shareholders".

#### **(2) 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.

#### ***EU Tax Considerations for individuals resident in the EU or in certain other countries or dependent or associated territories***

The Council of the EU adopted on 3 June 2003 Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments (defined as Savings Directive).

Under the Savings Directive, Member States of the EU are required to provide the tax authorities of another EU Member State with

information on payments of interest or other similar income paid by a paying agent (as defined by the Savings Directive) within its jurisdiction to an individual resident in that other EU Member State. Austria and Luxembourg have opted instead for a tax withholding system for a transitional period in relation to such payments. Switzerland, Monaco, Liechtenstein, Andorra and San Marino, the Channel Islands, the Isle of Man and the dependent or associated territories in the Caribbean have also introduced measures equivalent to information reporting or, during the above transitional period, withholding tax.

The Savings Directive has been implemented in Luxembourg by a Law dated 21 June 2005 (the "Law").

Dividends distributed by a sub-fund of the Company will be subject to the Savings Directive and the Law if more than 15% of such sub-fund's assets are invested in debt claims (as defined in the Law) and proceeds realised by shareholders on the redemption or sale of Shares will be subject to the Savings Directive and the Law if more than 25% of such sub-fund's assets are invested in debt claims (such funds, hereafter "Affected Sub-Funds").

Consequently, if in relation to an Affected Sub-Fund a Luxembourg paying agent makes a payment of dividends or redemption proceeds directly to a shareholder who is an individual resident or deemed resident for tax purposes in another EU Member State or certain of the above mentioned dependent or associated territories, such payment will, subject to the next paragraph below, be subject to withholding tax at the rate indicated below.

No withholding tax will be withheld by the Luxembourg paying agent if the relevant individual either (i) has expressly authorised the paying agent to report information to the tax authorities in accordance with the provisions of the Law or (ii) has provided the paying agent with a certificate drawn up in the format required by the Law by the competent authorities of his State of residence for tax purposes.

The applicable withholding tax is at a rate of 35%.

The Company reserves the right to reject any application for Shares if the information provided by any prospective investor does not meet the standards required by the Law as a result of this Savings Directive.

***The foregoing is only a summary of the implications of the Savings Directive and the Law, is based on the current interpretation thereof and does not purport to be complete in all respects. It does not constitute investment or tax advice and investors should therefore seek advice from their financial or tax adviser on the full implications for themselves of the Savings Directive and the Law.***

#### **Foreign Account Tax Compliance Act (FATCA)**

The Hiring Incentives to Restore Employment Act (the "Hire Act") was signed into US law in March 2010 and includes provisions commonly referred to as FATCA. Broadly, FATCA provisions require financial institutions to report to the US Internal Revenue Service ("IRS") certain information on US persons that hold accounts outside the US, as a safeguard against U.S. tax evasion. In addition, FATCA provisions generally impose a 30% withholding tax on certain U.S. source payments (including dividends and gross proceeds from the sale or other disposal of property that can produce U.S. source income) when made to an individual or entity that does not comply with FATCA provisions. The 30% withholding could also apply to payments otherwise attributable to US source income (also known as "foreign passthru payments"). FATCA provisions will come into force on 1 January 2013.

The basic terms of FATCA provisions currently appear to include the Company as a 'Financial Institution', such that in order to comply, the Company may require all Shareholders to provide mandatory documentary evidence of their US and/or non-US status.

Based on the advice the Company has received to date, in order to protect its Shareholders from the effect of any FATCA withholding, it is the intention of the Company to be compliant with the requirements of FATCA. Hence, it is possible that this may require the Company (through its agents or service providers) as far as legally permitted, to report information on the holdings or investment returns of any Shareholder to the US tax authorities and redeem and/or apply withholding tax to payments to Shareholders who fail to provide the information and documents required to identify their status, or are non-FATCA compliant financial institutions or fall within other categories specified in the FATCA provisions and regulations.

Shareholders should consult their own tax advisors regarding the FATCA requirements with respect to their own situation. In particular, Shareholders who hold their shares through intermediaries should confirm the FATCA compliance status of those intermediaries to ensure that they do not suffer US withholding tax on their investment returns.

#### **Luxembourg**

Subject to the provisions of the Savings Directive and the Law, non-resident shareholders are not subject to any income, withholding, estate, inheritance or other taxes in Luxembourg.

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.

#### **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](http://www.hmrc.gov.uk). At the date of this report the exact location of this report is <http://www.hmrc.gov.uk/offshorefunds/offshore-funds.xls>

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.

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](http://www.hmrc.gov.uk). At the date of this Prospectus the exact location of this list is <http://www.hmrc.gov.uk/collective/rep-funds.xls>

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 2.3. (4) "Anti-money laundering and prevention of terrorist financing" located in the countries and territories where the Shares of the Company are registered for distribution.

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.

### **NON CONTRACTUAL DOCUMENT**

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**

### **(1) 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.

### **(2) 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 economical 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 can not 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**

#### **(1) Reserve Sub-Funds**

- Euro Reserve

#### **(2) Bond Sub-Funds**

- Asian Currencies Bond<sup>2</sup>
- Brazil Bond
- Euro Bond<sup>2</sup>
- Euro Credit Bond<sup>2</sup>
- Euro High Yield Bond<sup>2</sup>
- GEM Inflation Linked Bond
- Global Bond<sup>2</sup>
- Global Emerging Markets Bond<sup>2</sup>
- Global Emerging Markets Corporate Debt<sup>2</sup>
- Global Emerging Markets Investment Grade Bond<sup>2</sup>
- Global Emerging Markets Local Debt<sup>2</sup>
- Global High Yield Bond<sup>2</sup>
- India Fixed Income<sup>2</sup>
- Latin American Local Debt<sup>2</sup>
- RMB Fixed Income<sup>2</sup>
- US Dollar Bond<sup>2</sup>

#### **(3) Equity Sub-Funds**

##### **(3a) International and Regional Equity Sub-Funds**

- Asia ex Japan Equity<sup>2</sup>
- Asia ex Japan Equity Smaller Companies<sup>2</sup>
- Asia Pacific ex Japan Equity High Dividend<sup>2</sup>
- BRIC Equity<sup>2</sup>
- BRIC Markets
- BRIC Markets Equity
- CIVETS<sup>2</sup>
- Climate Change
- Emerging Wealth
- Euroland Equity<sup>2</sup>
- Euroland Equity Smaller Companies<sup>2</sup>
- Euroland Growth<sup>2</sup>
- European Equity<sup>2</sup>
- Frontier Markets<sup>2</sup>
- Global Emerging Markets Equity<sup>2</sup>
- Global Equity<sup>2</sup>
- Latin American Equity<sup>2</sup>

##### **(3b) Market Specific Equity Sub-Funds**

- Brazil Equity
- Chinese Equity<sup>2</sup>
- Hong Kong Equity<sup>2</sup>
- Indian Equity
- Japanese Equity
- Korean Equity<sup>2</sup>
- Russia Equity
- Singapore Equity
- Taiwan Equity<sup>2</sup>

- Thai Equity
- Turkey Equity<sup>2</sup>
- UK Equity<sup>2</sup>
- US Equity

**(4) Index Sub-Funds**

**(5) Other Sub-Funds**

- GEM Debt Total Return<sup>2</sup>
- Global Currency<sup>2</sup>
- Global Macro<sup>2</sup>



## 3.2. Sub-Fund Details

### (1) Reserve Sub-Funds

Reserve sub-funds aim to provide security of capital by investing in transferable securities, money market instruments with a short remaining maturity, financial derivative instruments and in other permitted assets. The Reserve sub-funds may also hold ancillary liquid assets.

Financial derivative instruments may be used for hedging and efficient portfolio management purposes. Certain Reserve sub-funds may also invest in financial derivative instruments for investment purposes to the extent provided for in their specific investment objectives.

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## HSBC Global Investment Funds - Euro Reserve

### Reference Currency

EUR

### Investment Objective

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

### Investment Adviser

HSBC Global Asset Management (France)

### 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 or Share Class Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Share Class Information".

## (2) Bond Sub-Funds

Bond sub-funds aim to provide income whilst maintaining a prudent policy of capital conservation. The Company's view of interest rate trends will be reflected in the type and the maturity dates of securities in which the sub-funds are invested.

Overall returns will be achieved through both capital appreciation and income, which may result in lower income yields than might otherwise normally be obtainable from the relevant securities markets.

Each of the Bond sub-funds aims to provide investors with actively managed portfolios of interest bearing transferable securities. Such securities are generally denominated in the respective currency of the sub-fund and include those traded both domestically and internationally. The portfolios may also include ancillary liquid assets and from time to time other permitted assets with a short remaining maturity, especially in times of rising interest rates.

Financial derivative instruments may be used for hedging and efficient portfolio management purposes. Certain Bond sub-funds may also invest in financial derivative instruments for investment purposes to the extent provided for in their specific investment objectives.

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## HSBC Global Investment Funds - Asian Currencies Bond

### 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

The global exposure relating to this sub-fund will be calculated using a relative Value-at-Risk approach benchmarked against the following benchmark; 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

### Investment Adviser

HSBC Global Asset Management (Hong Kong) Limited

### 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 or Share Class Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Share Class Information".

### Minimum Investment / Minimum Holding for Class X Shares

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

## HSBC Global Investment Funds – Brazil Bond

### 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 2 "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.**

### 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. Generally the use of financial derivative instruments may have leverage effect, however, in the case of this sub-fund, under normal market conditions, the use of financial derivative instruments by the sub-fund is not expected to create any leverage on average, 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

### Investment Adviser

HSBC Bank Brasil S.A. – Banco Múltiplo

### 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 or Share Class Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Share Class Information".

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

### Minimum Investment / Minimum Holding for Class X Shares

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

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## HSBC Global Investment Funds – Euro Bond

### 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 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.

**NON CONTRACTUAL DOCUMENT**

### 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

### Investment Adviser

HSBC Global Asset Management (France)

### 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	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 or Share Class Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Share Class Information".

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

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## HSBC Global Investment Funds – Euro Credit Bond

### 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 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

### Investment Adviser

HSBC Global Asset Management (France)

### 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	W
Management Fee (%)	0.60	n/a	0.00
Operating, Administrative and Servicing Expenses (%)	0.20	n/a	0.00

\* For further details regarding the Dealing Currencies or Share Class Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Share Class Information".

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

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## HSBC Global Investment Funds – Euro High Yield Bond

### Reference Currency

EUR

### Investment Objective

The sub-fund invests for total return primarily in a diversified portfolio of Non-Investment Grade rated fixed income (e.g. bonds) and other similar securities (commonly termed high yield) denominated in Euro. The sub-fund may also invest in fixed income securities in other European currencies, including Sterling.

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.

**NON CONTRACTUAL DOCUMENT**

### 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

### Investment Adviser

HSBC Global Asset Management (France)

### 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 or Share Class Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Share Class Information".

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

### Minimum Investment / Minimum Holding for Class X Shares

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

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## 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 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 Plus category

### Investment Adviser

HSBC Global Asset Management (USA) Inc

### 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 or Share Class Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Share Class Information".

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

**NON CONTRACTUAL DOCUMENT**

#### Minimum Investment / Minimum Holding for Class X Shares

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

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## HSBC Global Investment Funds – Global Bond

#### 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 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 Capital Global Aggregate Bond Index. 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 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

#### Investment Adviser

HSBC Global Asset Management (UK) Limited

#### 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 or Share Class Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Share Class Information".

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

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## HSBC Global Investment Funds – Global Emerging Markets Bond

#### 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 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

**NON CONTRACTUAL DOCUMENT**

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 notional 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

Core Plus category

#### Investment Adviser

HSBC Global Asset Management (USA) Inc.

#### 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	W
Management Fee (%)	0.60	1.00	0.60	0.00
Operating, Administrative and Servicing Expenses (%)	0.25	0.35	0.10	0.00

\* For further details regarding the Dealing Currencies or Share Class Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Share Class Information".

\*\* 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\*.

#### Minimum Investment / Minimum Holding for Class X Shares

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

## HSBC Global Investment Funds – Global Emerging Markets Corporate Debt

#### 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 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 notional 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

#### Investment Adviser

HSBC Global Asset Management (USA) Inc.

#### Settlement

Sub-fund	Due date for receipt of cleared monies/payment of redemptions proceeds
Buying Shares	One Business Day after the 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).

**NON CONTRACTUAL DOCUMENT**

## 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	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 or Share Class Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Share Class Information".

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

Until Tuesday 5<sup>th</sup> February 2013

### Dealing Day

Weekly on Tuesday or the Business Day immediately preceding the Tuesday, if Tuesday is not a Business Day.

From Wednesday 6<sup>th</sup> February 2013

### Dealing Day

For trades received on Wednesday 6<sup>th</sup> February 2013 and Thursday 7<sup>th</sup> February 2013, these will be valued at the Net Asset Value Calculation on Friday 8<sup>th</sup> February 2013. Trades received from Friday 8<sup>th</sup> February 2013 will be valued on each Dealing Day as described in Section 2.1.

Until Thursday 7<sup>th</sup> February 2013

### Net Asset Value Calculation

Weekly on the Thursday following the Dealing Day. If Thursday 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 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.

From Friday 8<sup>th</sup> February 2013

### Net Asset Value Calculation

Each Dealing Day as described in Section 2.1

## Minimum Investment / Minimum Holding for Class X Shares

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

## HSBC Global Investment Funds – Global Emerging Markets Investment Grade Bond

### 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 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 and 50% JP Morgan Global Bond Index Emerging Market Global Diversified Investment Grade. 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 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



**Investment Adviser**

HSBC Global Asset Management (USA) Inc.

**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 or Share Class Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Share Class Information".

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

**Minimum Investment / Minimum Holding for Class X Shares**

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

**HSBC Global Investment Funds – Global Emerging Markets Local Debt****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 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**

Dynamic category

**Investment Adviser**

HSBC Global Asset Management (USA) Inc.

**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 or Share Class Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Share Class Information".

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

**Minimum Investment / Minimum Holding for Class X Shares**

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

**NON CONTRACTUAL DOCUMENT**

## HSBC Global Investment Funds – Global High Yield Bond

### 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 gain exposure to higher yielding bonds by investing up to 10% of its net assets in units or shares of UCITS and/or other 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 notional 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

Core Plus category

### Investment Adviser

HSBC Global Asset Management (USA) Inc

### Sub-Investment Adviser

The Investment Adviser has appointed HSBC Global Asset Management (France) to provide discretionary investment management services in respect of a part of the sub-fund's portfolio.

### 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 or Share Class Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Share Class Information".

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

### 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	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 or Share Class Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Share Class Information".

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

**NON CONTRACTUAL DOCUMENT**

## Minimum Investment / Minimum Holding for Class X Shares

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

## HSBC Global Investment Funds – India Fixed Income

### Reference Currency

USD

### Investment Objective

The sub-fund seeks access to the Indian fixed income market by investing primarily 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 also invest in financial derivative instruments such as futures, forwards (including non-deliverable forwards), swaps (including, but not limited to, currency 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-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 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

### Investment Adviser

HSBC Global Asset Management (UK) Limited

### Sub-Investment Advisers

The Investment Adviser has appointed HSBC Global Asset Management (Hong Kong) Limited to provide discretionary investment management services in respect of the sub-fund. HSBC Global Asset Management (Hong Kong) Limited has appointed HSBC Global Asset Management (India) Pvt Limited to provide non-binding investment advice in respect of the sub-fund.

### 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 or Share Class Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Share Class Information".

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

**Minimum Investment / Minimum Holding for Class X Shares**

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

**Dealing Day**

Weekly on Tuesday or the Business Day immediately preceding Tuesday, if Tuesday is not a Business Day.

**Net Asset Value Calculation**

Weekly on the Friday following the Dealing Day. If Friday 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 or if it is a holiday in Hong Kong, 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 is not a holiday in Hong Kong.

**Settlement**

Sub-fund	Due date for receipt of cleared monies/payment of redemptions 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 – Latin American Local Debt****Reference Currency**

USD

**Investment Objective**

The sub-fund invests for total return primarily in a diversified portfolio of Investment Grade and Non-Investment Grade fixed income (e.g. bonds) and other similar securities. These securities are issued or guaranteed by governments or government agencies of Latin America, supranational bodies issuing bonds which have exposure to Latin America as well as by companies which have their registered office in Latin America. Such securities 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.

As disclosed in Appendix 2 "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 that 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 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 JP Morgan GBI - EM Global Latin America Index. 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 50%, although higher levels are possible. Generally the use of financial derivative instruments may have leverage effect, however, in the case of this sub-fund, under normal market conditions, the use of financial derivative instruments by the sub-fund is not expected to create any leverage on average, 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

**Investment Adviser**

HSBC Bank Brasil S.A. – Banco Múltiplo

**Sub-Investment Advisers**

The Investment Adviser has appointed HSBC Bank Argentina S.A., HSBC Fiduciaria S.A. and HSBC Global Asset Management (México) S.A. de C.V., Grupo Financiero HSBC to provide non-binding investment advice in respect of a part of the sub-fund's portfolio.

## 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 or Share Class Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Share Class Information".

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

## Minimum Investment / Minimum Holding for Class X Shares

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

## HSBC Global Investment Funds – RMB Fixed Income

### 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 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

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 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

### Investment Adviser

HSBC Global Asset Management (Hong Kong) Limited

## 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 or Share Class Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Share Class Information". Any hedged share classes issued will be to provide a hedge against the Base Currency, i.e. the US Dollar. Whilst the sub-fund has no direct economic exposure to the US Dollar, the aim is to provide an overlay strategy whereby all investors in these Share Classes will be exposed to the exchange rate movements of the RMB against the US Dollar. This will allow them to take advantage of any appreciation of the RMB against the US Dollar. However, there is no guarantee that the RMB will appreciate against the US Dollar or that the hedging objective will be achieved.

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

## Minimum Investment / Minimum Holding for Class X Shares

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

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## HSBC Global Investment Funds – US Dollar Bond

### 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 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 Capital U.S.Global Aggregate Bond Index. 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 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

### Investment Adviser

HSBC Global Asset Management (UK) Limited

### 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 or Share Class Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Share Class Information".

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

### (3) Equity Sub-Funds

The Equity sub-funds aim to provide capital growth by investing primarily in equity or equity-equivalent securities issued by companies which have their registered office in the regions, countries or markets referred to in the sub-fund's name.

The Equity sub-funds may consider other investments. However, investments in a combination of bonds, convertible bonds and options will be subject to a limit of 25% of net assets provided that under normal market conditions, no more than 15% of net assets will be invested in debt claims (as defined by the Savings Directive).

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.

#### (3a) International and Regional sub-funds

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## HSBC Global Investment Funds - Asia ex Japan 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 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

### Investment Adviser

HSBC Global Asset Management (Hong Kong) Limited

### 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 or Share Class Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Share Class Information".

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

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## HSBC Global Investment Funds - Asia ex Japan Equity Smaller Companies

### 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 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

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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

### Investment Adviser

HSBC Global Asset Management (Hong Kong) Limited

### 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 or Share Class Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Share Class Information".

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

### Minimum Investment / Minimum Holding for Class X Shares

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

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## HSBC Global Investment Funds - Asia Pacific ex Japan Equity High Dividend

### Reference Currency

USD

### Investment Objective

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

### Investment Adviser

HSBC Global Asset Management (Hong Kong) Limited

### 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	0.40	0.00
Operating, Administrative and Servicing Expenses (%)	0.25	n/a	0.30	0.00

\* For further details regarding the Dealing Currencies or Share Class Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Share Class Information".

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

### Minimum Investment / Minimum Holding for class X shares

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

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## HSBC Global Investment Funds – BRIC 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 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 2 "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

### Investment Adviser

HSBC Global Asset Management (UK) Limited

### Sub-Investment Advisers

The Investment Adviser has appointed HSBC Bank Brasil S.A. – Banco Múltiplo to provide non-binding investment advice in respect of this sub-fund's Brazilian investments. The Investment Adviser has also appointed HSBC Global Asset Management (Hong Kong) Limited and HSBC Global Asset Management (Singapore) Limited to provide discretionary investment management services in respect of this sub-fund's Chinese investments and Indian investments respectively.

### 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 or Share Class Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Share Class Information".

\*\* 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. "Share Class Information".

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

### Net Asset Value Calculation

Each Dealing Day except Business Days immediately preceding January 1<sup>st</sup> and December 25<sup>th</sup>.

### Minimum Investment / Minimum Holding for Class X Shares

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

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## HSBC Global Investment Funds – BRIC Markets

### Reference Currency

USD

### Investment Objective

The sub-fund will invest primarily 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.

The sub-fund will strategically allocate between the BRIC countries and the Investment Adviser may over or underallocate as considered appropriate. Within each BRIC country, the sub-fund will seek to track the total return performance of the MSCI US Dollar Brazil, MSCI US Dollar Russia, MSCI US Dollar India and MSCI US Dollar China indices. The indices will typically be dominated by large company stocks in terms of their aggregate weight in the relevant index. Within each country, the Investment Adviser will invest in either all of the stocks in the index or a representative sample.

The sub-fund may acquire local currencies by means of back-to-back loans with highly rated credit institutions.

#### 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

#### Investment Adviser

HSBC Global Asset Management (UK) Limited

#### Fees and Expenses

Class of Shares*	Y	Z	W
Management Fee (%)	1.50	1.00	0.00
Operating, Administrative and Servicing Expenses (%)	0.35	0.25	0.00

\* For further details regarding the Dealing Currencies or Share Class Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Share Class Information".

## HSBC Global Investment Funds – BRIC Markets Equity

#### Reference Currency

USD

#### Investment Objective

The sub-fund will invest primarily 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. The sub-fund will strategically allocate between the BRIC countries and the Investment Adviser may over or underallocate between the BRIC countries as considered appropriate. Within each BRIC country, the sub-fund will seek to outperform the total return performance of indices. The indices will typically be dominated by large company stocks in terms of their aggregate weight in the relevant index.

The sub-fund may acquire local currencies by means of back-to-back loans with highly rated credit institutions. 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

#### Investment Adviser

HSBC Global Asset Management (France)

#### 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 or Share Class Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Share Class Information".

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

#### Minimum Investment / Minimum Holding for Class X Shares

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

## HSBC Global Investment Funds – CIVETS

### Reference Currency

USD

### Investment Objective

The sub-fund seeks long term returns from capital growth and 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 in Colombia, Indonesia, Vietnam, Egypt, Turkey and South Africa ("CIVETS"), 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 up to 25% of its assets in non-CIVETS countries that demonstrate similar demographic and economic characteristics. These would be, but not limited to, Mexico, Nigeria, Philippines, Thailand, Malaysia and Saudi Arabia.

Up to 10% of the sub-fund's assets may also be invested in Investment Grade and Non-Investment Grade rated fixed income (e.g. bonds) and other similar securities if the Investment Adviser considers that the exposure to the underlying market may be impaired due to liquidity or access issues.

There are no capitalisation restrictions and it is anticipated that the sub-fund will seek to invest across a range of capitalisations.

The sub-fund may also invest in financial derivative instruments such as futures, options and forward currency contracts and in other currency and equity financial derivative instruments. 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

### Investment Adviser

HSBC Global Asset Management (UK) Limited

### 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 (%)	n/a	n/a	0.00
Operating, Administrative and Servicing Expenses (%)	n/a	n/a	0.00

\* For further details regarding the Dealing Currencies or Share Class Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Share Class Information".

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

### Minimum Investment / Minimum Holding for Class X Shares

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

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## HSBC Global Investment Funds – Climate Change

### 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 developing activities related to climate change such as alternative energies, water, waste and pollution, energy efficiency, low carbon players, industry transformers 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.

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### 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

### Investment Adviser

HSBC Global Asset Management (UK) Limited

### 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 or Share Class Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Share Class Information".

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

### Minimum Investment / Minimum Holding for Class X Shares

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

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## HSBC Global Investment Funds – Emerging Wealth

### 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/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

### Investment Adviser

HSBC Global Asset Management (UK) Limited

### 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 or Share Class Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Share Class Information".

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

## Minimum Investment / Minimum Holding for Class X Shares

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

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## 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

### Investment Adviser

HSBC Global Asset Management (France)

### 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 or Share Class Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Share Class Information".

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

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## HSBC Global Investment Funds – Euroland Equity Smaller Companies

### 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 smaller, less-established companies (being defined as those with a maximum market capitalisation of EUR 3 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 Euroland country (euro zone). The sub-fund will seek to invest primarily in companies with registered office in, and with an official listing on a major stock exchange or other Regulated Market of European Economic Union.

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

### Investment Adviser

HSBC Global Asset Management (France)

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## 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 or Share Class Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Share Class Information".

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

## Minimum Investment / Minimum Holding for Class X Shares

Class	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

### Investment Adviser

HSBC Global Asset Management (France)

## 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 or Share Class Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Share Class Information".

\*\* 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.

## 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

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Core Plus category

#### Investment Adviser

HSBC Global Asset Management (UK) Limited

#### 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 or Share Class Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Share Class Information".

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

## 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

#### Investment Adviser

HSBC Global Asset Management (UK) Limited

#### Fees and Expenses

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 or Share Class Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Share Class Information".

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

#### 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

In derogation to the Section 2.4. "How to sell Shares", (2) "Settlement" of the Prospectus, net redemption proceeds shall be paid in the Base Currency of the sub-fund concerned or Share Class Reference Currency or Dealing Currency (in the absence of Share Class Reference Currency corresponding to the relevant currency) of the Share Class concerned, no later than seven Business Days after the applicable Dealing Day.

#### Minimum Investment / Minimum Holding for Class X Shares

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

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## HSBC Global Investment Funds – Global Emerging Markets 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 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, Rogers House, 5 President John Kennedy Street, Port Louis, 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 Depositary Bank as custodian over its assets. Based on its custodian arrangements with the Company, the Depositary Bank has entered into a Mauritius Cash Custodian Agreement with 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

### Investment Adviser

HSBC Global Asset Management (UK) Limited

### 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 or Share Class Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Share Class Information".

\*\* 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.

### Net Asset Value Calculation

Each Dealing Day except Business Days immediately preceding January 1<sup>st</sup> and December 25<sup>th</sup>.

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## HSBC Global Investment Funds – Global 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/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 their registered office in, and/or with an official listing in, developed markets such as OECD countries, and also those in Emerging Markets. Whilst there are no capitalisation restrictions, it is anticipated that the sub-fund will 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

### Investment Adviser

HSBC Global Asset Management (France)

### 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 or Share Class Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Share Class Information".

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

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## 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

### Investment Adviser

HSBC Bank Brasil S.A. – Banco Múltiplo

### 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 or Share Class Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Share Class Information".

\*\* 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.

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### Net Asset Value Calculation

Each Dealing Day except Business Days immediately preceding January 1<sup>st</sup> and December 25<sup>th</sup>.

### Minimum Investment / Minimum Holding for Class X Shares

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

### (3b) Market Specific sub-funds

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## 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 global exposure relating to this sub-fund will be calculated using a relative Value-at-Risk approach benchmarked against the MSCI Brazil Index. 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 10%, although higher levels are possible. Generally the use of financial derivative instruments may have leverage effect, however, in the case of this sub-fund, under normal market conditions, the use of financial derivative instruments by the sub-fund is not expected to create any leverage on average, 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

### Investment Adviser

HSBC Bank Brasil S.A. – Banco Múltiplo

### 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 or Share Class Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Share Class Information".

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

### Minimum Investment / Minimum Holding for Class X Shares

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

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## HSBC Global Investment Funds – Chinese 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 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.

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### 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

### Investment Adviser

HSBC Global Asset Management (Hong Kong) Limited

### 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 or Share Class Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Share Class Information".

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

### Minimum Investment / Minimum Holding for Class X Shares

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

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## HSBC Global Investment Funds – Hong Kong 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 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

### Investment Adviser

HSBC Global Asset Management (Hong Kong) Limited

### 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 or Share Class Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Share Class Information".

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

### Minimum Investment / Minimum Holding for Class X Shares

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

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## HSBC Global Investment Funds – Indian 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 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, Rogers House, 5 President John Kennedy Street, Port Louis, 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. Based on its custodian arrangements with the Company, the Depositary Bank has entered into a Mauritius Cash Custodian Agreement with 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

### Investment Adviser

HSBC Global Asset Management (Singapore) Limited

### 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 or Share Class Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Share Class Information".

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

### Minimum Investment / Minimum Holding for Class X Shares

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

## HSBC Global Investment Funds – Japanese Equity

### Reference Currency

JPY

### 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 Japan as well as those companies which carry out a preponderant part of their business activities in Japan. 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, 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

Core Plus category

### Investment Adviser

HSBC Global Asset Management (UK) Limited

### 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 or Share Class Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Share Class Information".

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

### Minimum Investment / Minimum Holding for Class X Shares

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

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## 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

### Investment Adviser

HSBC Global Asset Management (Hong Kong) Limited

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## 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 or Share Class Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Share Class Information".

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

## Minimum Investment / Minimum Holding for Class X Shares

Class	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 2 "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

### Investment Adviser

HSBC Global Asset Management (UK) Limited

## 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 or Share Class Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Share Class Information".

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

## Minimum Investment / Minimum Holding for Class X Shares

Class	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.

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### 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

### Investment Adviser

HSBC Global Asset Management (Singapore) Limited

### 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 or Share Class Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Share Class Information".

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

### Minimum Investment / Minimum Holding for Class X Shares

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

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## 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

### Investment Adviser

HSBC Global Asset Management (Hong Kong) Limited

### 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 or Share Class Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Share Class Information".

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

### Minimum Investment / Minimum Holding for class X shares

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

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## 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

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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

#### Investment Adviser

HSBC Global Asset Management (Singapore) Limited

#### 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 or Share Class Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Share Class Information".

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

#### Minimum Investment / Minimum Holding for Class X Shares

Class	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

#### Investment Adviser

HSBC Portfoy Yonetime A.S.

#### 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 or Share Class Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Share Class Information".

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

#### Minimum Investment / Minimum Holding for Class X Shares

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

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## HSBC Global Investment Funds – UK Equity

### Reference Currency

GBP

### 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 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

### Investment Adviser

HSBC Global Asset Management (UK) Limited

### 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 or Share Class Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Share Class Information".

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

### Minimum Investment / Minimum Holding for Class X Shares

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

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## HSBC Global Investment Funds – US 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 the US as well as those companies which carry out a preponderant part of their business activities in the US. 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, 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

Core Plus category

### Investment Adviser

HSBC Global Asset Management (France)

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## Fees and Expenses

Class of Shares*	A	B	E	I	X	Z
Management Fee (%)	1.50	0.75	2.00	0.75	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	Y***	W
Management Fee (%)	n/a	1.00	0.30	0.00
Operating, Administrative and Servicing Expenses (%)	n/a	0.35	0.25	0.00

\* For further details regarding the Dealing Currencies or Share Class Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Share Class Information".

\*\* 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.

#### **(4) Index Sub-Funds**

The Index sub-funds aim to provide long term total return by tracking as closely as possible any appropriate market index. Such indices are constructed using different economic factors including, but not limited to, market capitalisation and economic value.

Financial derivative instruments may be used for hedging purposes.

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#### **(5) Other Sub-Funds**

These sub-funds distinguish themselves from the Reserve, Bond, Equity and Index sub-funds pursuant to their investment policies as further detailed below.

Financial derivative instruments may be used for hedging and efficient portfolio management purposes. Certain sub-funds in this category may also invest in financial derivative instruments for investment purposes to the extent provided for in their specific investment objectives.

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### **HSBC Global Investment Funds – GEM Debt Total Return**

**Reference Currency**  
USD

**Investment Objective**

The sub-fund seeks to generate enhanced total return from capital growth and income 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.

Depending on the Investment Adviser's view as to the attractiveness of the Emerging Markets equity markets, he 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. If the Investment Adviser considers that the Emerging Markets offer insufficient opportunities at any time, he 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 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**

Dynamic category

**Investment Adviser**

HSBC Global Asset Management (USA) Inc.

**Fees and Expenses**

Class of Shares*	J**	L**	M**	N**	R**	S4	W	Z	ZP
Management Fee (%)	0.60	0.50	1.00	0.50	1.50	1.00	0.00	0.00	0.00
Operating, Administrative and Servicing Expenses (%)	0.25	0.25	0.35	0.35	0.35	0.25	0.00	0.25	0.25

\* For further details regarding the Dealing Currencies or Share Class Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Share Class Information".

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

**Performance Fee**

Details on the methodology used for the calculation of performance fees are disclosed in Section 2.10 (3) "Performance Fees".

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

If a hurdle rate for a currency is not listed above, then for a Share Class in that currency the appropriate overnight index or domestic interest rate for that currency will be used as Hurdle Rate.

## HSBC Global Investment Funds – Global Currency

### Reference Currency

USD

### Investment Objective

The sub-fund aims to achieve absolute returns in excess of its benchmark from investments in actively managed currency positions. This is achieved through the taking of both long and short positions within the investment universe as well as investments in money market instruments, cash deposits and fixed income securities.

Exposure to the currency markets will be mainly achieved by using cash and financial derivative instruments (primarily currency forwards and short term interest rate futures, although futures, options, swaps and structured products may also be used). Any short positions will be achieved through the use of financial derivative instruments.

### Risk Management

The global exposure relating to this sub-fund will be calculated using an absolute Value-at-Risk approach. The maximum level of 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 2700%.

Leverage should not necessarily be seen as a direct measure of investment risk. The level of leverage results from the high use of low risk financial derivative instruments (primarily currency forwards and short term interest rate futures) which require a low level of margin posted. The main investment risks of the sub-fund are the following:

- significant changes in interest rates. Although interest rates tend to fluctuate less than many other asset classes, the leverage used by the sub-fund increases the size of these fluctuations and could cause an investor to receive back less than they invested.
- significant changes in currency exchange rates. Although currency exchange rates tend to fluctuate less than many other asset classes, the leverage used by the sub-fund increases the size of these fluctuations and could cause an investor to receive back less than they invested.
- counterparty risk resulting from using over-the-counter instruments (e.g. currency forwards). The sub-fund is then subject to the credit of its counterparties and their ability to satisfy the terms of such contracts.

Daily monitoring is performed on the sub-fund to ensure that the leverage does not result in excessive concentrations. The Investment Adviser measures the leverage against internal control levels set at instrument, currency and market levels. Additional control levels are also set against combinations of highly correlated markets to reduce this potential concentration risk further.

### Profile of the Typical Investor

Core Plus category

### Investment Adviser

HSBC Global Asset Management (UK) Limited

### Fees and Expenses

Class of Shares*	J**	L**	M**	N**	R**	W	Z	ZP**
Management Fee (%)	n/a	1.00	1.50	0.75	2.00	0.00	0.00	0.00
Operating, Administrative and Servicing Expenses (%)	n/a	0.20	0.30	0.30	0.30	0.00	0.20	0.20

\* For further details regarding the Dealing Currencies or Share Class Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Share Class Information".

\*\* 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.

### 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	US Government 3 month T-Bill Bid Yield	20%
AUD Hedged	Australian Government 3 month T-Bill Bid Yield	
CHF Hedged	3 month CHF LIBID	
EUR Hedged	Euro Government Bond 3 month T-Bill Bid Yield	
GBP Hedged	UK Government Bond 3 month T-Bill Bid Yield	
JPY Hedged	Japanese Government 3 month T-Bill Bid Yield	
HKD Hedged	Hong Kong Government 3 month T-Bill Bid Yield	
NOK Hedged	Norwegian Government 3 month T-Bill Bid Yield	
SEK Hedged	Sweden Government 3 month T-Bill Bid Yield	
SGD Hedged	Singapore Government 3 month T-Bill Bid Yield	

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If a hurdle rate for a currency is not listed above, then for a Share Class in that currency the appropriate overnight index or domestic interest rate for that currency will be used as Hurdle Rate.

#### Minimum Investment / Minimum Holding for Classes M and R Shares

Class	Minimum Initial Investment Minimum Holding	
Class M	USD	100,000
Class R	USD	100,000

## HSBC Global Investment Funds – Global Macro

### 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, 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

### Investment Adviser

HSBC Global Asset Management (France)

### Sub-Investment Adviser

The Investment Adviser has entered into an agreement with HSBC Global Asset Management (UK) Limited to provide discretionary investment management services until 31 October 2012 and non-binding investment advice from 1 November 2012 in respect of a part of the sub-fund's portfolio.

### Fees and Expenses

Class of Shares*	J**	L**	M**	N**	R**	W	Z	ZP**
Management Fee (%)	n/a	1.00	1.50	0.75	2.00	0.00	0.00	0.00
Operating, Administrative and Servicing Expenses (%)	n/a	0.20	0.30	0.30	0.30	0.00	0.20	0.20

\* For further details regarding the Dealing Currencies or Share Class Reference Currencies of the different Class of Shares, please refer to Section 1.3. "Share Class Information".

\*\* 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.

### 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 LIBOR	
USD Hedged	1 month USD LIBOR	

If a hurdle rate for a currency is not listed above, then for a Share Class in that currency the appropriate overnight index or domestic interest rate for that currency will be used as Hurdle Rate.

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### 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.

#### (1) Chinese Equity

*Asia ex Japan Equity, Asia ex Japan Equity Smaller Companies, Asia Pacific ex Japan Equity High Dividend, BRIC Equity, BRIC Markets, BRIC Markets Equity, Chinese Equity and Global Emerging Markets Equity*

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.

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.

#### (2) China

*Asia ex Japan Equity, Asia ex Japan Equity Smaller Companies, Asia Pacific ex Japan Equity High Dividend, BRIC Equity, BRIC Markets, BRIC Markets Equity, Chinese Equity, Global Emerging Markets Equity and RMB Fixed Income.*

##### (a) 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.

*(b) 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.

*(c) Taxation in the PRC*

By investing in the Approved Financial Instruments, the Investment Adviser for the account of the sub-fund may be subject to withholding and other taxes imposed in the PRC. SAT and Ministry of Finance jointly issued the notice Caishui 2005 No. 155 on 1 December 2005 which states that gains made by QFIs from securities trading executed through approved securities brokers in the PRC are exempted from business tax. In addition, SAT has clarified in a circular Guoshuihan 2009 No. 47 dated 23 January 2009 that Chinese-sourced dividends, bonus payments and interest payments to QFIs derived from the PRC are subject to a 10% withholding income tax. However, QFIs may apply to the relevant tax authorities for tax relief or tax returns on dividends, bonus and interest payments derived from the PRC under any applicable bilateral treaties/arrangements on the avoidance of double taxation signed between the PRC and their resident nations. The circular Guoshuihan 2009 No.47 however did not specify the effective date of such tax on dividends, bonus and interest payments (including whether it could be applied retrospectively). The PRC tax authorities have also not clarified whether income tax and other tax categories are payable on capital gains arising from securities trading of QFIs. It is therefore possible that the relevant tax authorities may in the future clarify the tax position and impose an income tax or withholding tax on realised gains by QFIs from dealing in PRC equities.

There is a possibility that the current tax laws, regulations and practice in the PRC will be changed with retrospective effect in the future. Moreover, there is no assurance that tax incentives currently offered to foreign companies (including the QFIs), if any, will not be abolished and the existing tax laws and regulations will not be revised or amended in the future. Any of these changes may reduce the income from, and/or value of, the sub-fund. There can be no guarantee that new tax laws, regulations and practice in the PRC specifically relating to the QFII regime may be promulgated in the future. The promulgation of such new laws, regulations and practice may operate to the advantage or disadvantage of the Investment Adviser and the sub-fund.

In light of the uncertainty as to how gains or income (other than the dividends, bonus and interest payments) that may be derived from the investments by the Investment Adviser for the account of the sub-fund in the PRC will be taxed, the Investment Adviser reserves the right to provide for withholding tax on such gains or income and withhold the tax for the account of the sub-fund. Given the possibility of the PRC tax authorities not implementing the current tax rules, the tax rules being changed and the taxes being applied retrospectively, any provision for taxation made by the Investment Adviser may be excessive or inadequate to meet final PRC tax liabilities in connection with investments made by the Investment Adviser for the account of the sub-fund in the PRC. Accordingly, the value and the profitability of the sub-fund may be affected.

Investors should also note that where the sub-fund invests in RMB denominated fixed income securities which the incomes (such as interest income) are derived from mainland China (including those issued by Chinese tax resident enterprises, irrespective of whether the same are issued or listed in or outside mainland China or unlisted), the sub-fund is subject to withholding of Enterprise Income Tax imposed in mainland China. The sub-fund may also be subject to other taxes imposed in mainland China.

Under the PRC Enterprise Income Tax Law and its implementation rules, incomes derived from mainland China by non-resident enterprises which have no establishment or place in mainland China are subject to withholding of Enterprise Income Tax at the rate of 10% (such rate may however be subject to change from time to time). As such, in respect of the sub-fund's investments in RMB denominated fixed income securities of which the incomes (such as interest income) are derived from mainland China, if any, the sub-fund is subject to withholding of Enterprise Income Tax; and such withholding tax will reduce the income from the sub-fund and adversely affect the performance of the sub-fund.

However, there are still uncertainties as to the application of the PRC Enterprise Income Tax Law and its implementation rules (e.g. it is not clear as to whether gains on disposal of investments in such fixed income securities would be subject to withholding of Enterprise Income Tax and if so, whether such withholding will apply retrospectively).

The old Provisional Regulations of Business Tax of PRC and its Detailed Implementation Regulations stipulated that capital gains derived from the trading of securities by financial institutions would be subject to business tax at 5%. Such business tax is extended to capital gains derived from the trading of securities to corporate taxpayers in the amended Provisional Regulations of Business Tax of PRC, effective 1 January 2009. Interest received from PRC government bonds and PRC corporate bonds may be subject to business tax at 5%. Dividends are not included in the taxable scope of business tax.

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.

**(d) 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.

**(3) Sector risk**

*BRIC Equity, BRIC Markets, 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.

**(4) Small capitalisation**

*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.

**(5) Mauritius subsidiary**

*Global Emerging Markets Equity and India Equity.*

By investing through the Mauritius subsidiary, the sub-fund to date has 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 2012. The implementation of the GAAR was subsequently deferred until 1 April 2013. 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.

## **(6) Asset Backed Securities and Mortgage Backed Securities**

### *Global High Yield Bond*

The Global High Yield Bond sub-fund may invest up to 10% in ABS. 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 therefore subject to risks detailed in Section 1.4. "General Risk Considerations", including market risk, interest rate risk, credit 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.

#### *(a) 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.

#### *(b) 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.

#### *(c) 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 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.

#### *(d) 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.

*(e) 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.

**(7) India**

*India Fixed Income*

*(a) 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.

*(b) 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.

*(c) 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.

*(d) 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.

**(8) Reserve Sub-Funds**

*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 Glossary

<b>1915 Law</b>	Luxembourg Law of 10 August 1915 relating to Commercial Companies, as amended.
<b>2010 Law</b>	Luxembourg Law of 17 December 2010 on undertakings for collective investment, implementing UCITS IV directive 2009/65/EC into the Luxembourg law.
<b>Administration Agent</b>	RBC Investor Services Bank S.A. until a date decided by the Board of Directors and notified to shareholders; HSBC Securities Services (Luxembourg) S.A. from a date decided by the Board of Directors and notified to shareholders.
<b>Application Form</b>	The application form available from distributors and the Registrar and Transfer Agent.
<b>Articles of Incorporation</b>	The articles of incorporation of the Company, as amended from time to time.
<b>ASEAN</b>	The Association of Southeast Asian Nations.
<b>Board of Directors</b>	The board of directors of the Company.
<b>BRIC</b>	Brazil, Russia, India and China (including Hong Kong SAR).
<b>Business Day</b>	A day on which banks are open for normal banking business in Luxembourg.
<b>CHF</b>	Swiss Franc.
<b>China or PRC</b>	The People's Republic of China, but for the purposes of the sub-fund's investment objective and investment approach only, excludes Hong Kong, Macau Special Administrative Region and Taiwan.
<b>CIVETS</b>	Colombia, Indonesia, Vietnam, Egypt, Turkey and South Africa.
<b>Class(es) of Shares/ Share Class(es)/ Class(es)</b>	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. Share Class Information".
<b>Company</b>	HSBC Global Investment Funds.
<b>Connected Person</b>	In relation to a company means: <ul style="list-style-type: none"> <li>- 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</li> <li>- any person or company controlled by a person who or which meets one or both of the descriptions given in (a); or</li> <li>- any member of the group of which that company forms part; or</li> <li>- any director or officer of that company or of any of its connected persons as defined in (a), (b) or (c).</li> </ul>
<b>CSRC</b>	China Securities Regulatory Commission.
<b>CSSF</b>	Commission de Surveillance du Secteur Financier, the Luxembourg supervisory authority.
<b>Dealing Day</b>	<p>Unless otherwise provided in Section 3. "Sub-Fund Information" 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>
<b>Depository Bank (previously referred to as Custodian)</b>	RBC Investor Services Bank S.A. (until a date decided by the Board of Directors and notified to shareholders); HSBC Securities Services (Luxembourg) S.A. (from a date decided by the Board of Directors and notified to shareholders)
<b>Distributor</b>	HSBC Investment Funds (Luxembourg) S.A., acting as global distributor of the Company.
<b>distributors</b>	Entities listed in Appendix 6 "Directory".
<b>Eligible State</b>	Any Member State of the EU or any other state in Eastern and Western Europe, Asia, Africa, Australia, North America, South America and Oceania.
<b>Emerging Markets</b>	Emerging markets are those markets in countries that are not amongst the following groups of

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	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.
<b>EU</b>	European Union.
<b>EUR</b>	Euro.
<b>FII</b>	Foreign Institutional Investor, as defined in the Regulations issued by the Securities and Exchange Board of India.
<b>Frontier Markets</b>	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.
<b>GBP</b>	Pound Sterling.
<b>GEM</b>	Global Emerging Markets.
<b>G20</b>	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.
<b>HKD</b>	Hong Kong Dollar.
<b>Hong Kong SAR</b>	Hong Kong Special Administrative Region.
<b>Investment Grade</b>	Fixed income securities that are at least rated Baa3/BBB- by Moody's, Standard & Poor's, or another recognised credit rating agency.
<b>INR</b>	Indian Rupee.
<b>JPY</b>	Japanese Yen.
<b>Latin America</b>	Consists of South America, Central America, Mexico and parts of the Caribbean.
<b>Management Company</b>	HSBC Investment Funds (Luxembourg) S.A.
<b>Member State</b>	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.
<b>Mémorial</b>	<i>Mémorial C, Recueil des Sociétés et Associations</i> , Luxembourg legal gazette.
<b>money market instruments</b>	Instruments normally dealt in on the money market which are liquid, and have a value which can be accurately determined at any time.
<b>NAV</b>	Net Asset Value.
<b>Net Asset Value(s) per Share</b>	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 2.6. "Prices of Shares and Publication of Prices and NAV".
<b>Non-Investment Grade</b>	Fixed income securities that are rated Ba1/BB+ or lower by Moody's, Standard & Poor's or another recognised credit rating agency.
<b>OECD</b>	Organisation for Economic Co-operation and Development.
<b>QFII(s)</b>	Qualified foreign institutional investor approved by the China Securities Regulatory Commission (CSRC) pursuant to the Administration of Domestic Securities Investments Measures 2006.
<b>Qualifying Day</b>	Any day which is a Dealing Day for sub-funds involved in a conversion.
<b>Real</b>	Brazilian Real (the currency in Brazil).
<b>Reference Currency</b>	<p>The Reference Currency is the base currency of a sub-fund, and the currency in which the Net Asset Value of the sub-fund will ordinarily be calculated. Individual Share Classes may have different currency denominations which denote the currency in which the Net Asset Value per Share is expressed.</p> <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>
<b>Registrar and Transfer Agent</b>	RBC Investor Services Bank S.A. acting as registrar and transfer agent of the Company until a date decided by the Board of Directors and notified to shareholders; HSBC Securities Services (Luxembourg) S.A. acting as registrar and transfer agent of the Company from a date decided by the Board of Directors and notified to shareholders.
<b>Regulated Market</b>	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

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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.

<b>REIT</b>	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.
<b>RMB</b>	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.
<b>SAT</b>	State Administration of Taxation of the PRC.
<b>Savings Directive</b>	Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments.
<b>SEBI</b>	Securities and Exchange Board of India.
<b>SEK</b>	Swedish Krona.
<b>SGD</b>	Singapore Dollar.
<b>Shares</b>	Shares in the Company.
<b>Subsidiaries</b>	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.
<b>transferable securities</b>	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.
<b>UCITS</b>	An Undertaking for Collective Investment in Transferable Securities authorised pursuant to directive 2009/65/EC, as amended.
<b>other UCI</b>	An Undertaking for Collective Investment within the meaning of Article 1 paragraph (2) points a) and b) of Directive 2009/65/EC, as amended.
<b>USD</b>	United States Dollar.

## Appendix 2 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 UCIs, whether situated in a Member State or not, provided that:
    - such other 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 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 UCIs is reported in half-yearly 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 UCIs, whose acquisition is contemplated, can, according to their constitutional documents, in aggregate be invested in units of other UCITS or other 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 Appendix 1 "Glossary" above, 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

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20% for investments in shares an/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 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 UCIs or in one single sub-fund of such UCITS or other 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 UCIs in which the Company invests do not have to be considered for the purpose of the investment restrictions set forth under Section III. above.
- c) If the Company invests in shares or units of UCITS (including other sub-funds of the Company) and/or other 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 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 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 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 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 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 UCI with multiple compartments, this restriction is applicable by reference to all units issued by the UCITS or other 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 UCIs or in one single such UCITS or other UCIs (including Target Sub-Funds), the following will apply:
  - The sub-fund may acquire units of the UCITS and/or other 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 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 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

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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 UCIs or in one single such UCITS or other 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 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 3 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.

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 2 "General Investment Restrictions" 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 item III. a) to e) of Appendix 2 "General Investment Restrictions" above.

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.

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 investment, as amended and of (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 (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 may enter into a securities lending transaction only if the counterparty meets the following criteria:

- a) it is subject to prudential supervision rules, considered by the CSSF as equivalent to those laid down in European Community Law;
- b) if the counterparty is a related party to the Management Company, attention must be paid to conflicts of interest which might result therefrom to ensure that such transactions are to be effected on normal commercial terms negotiated at arm's length; and
- c) it is an intermediary (such as banks, broker-dealers and so on) acting on his own account.

The securities lending agent of the Company will limit the securities lending counterparties to highly rated, well capitalized global banks broker-dealers and any central counterparties accepted from time to time by the CSSF. A comprehensive annual review and supplementary quarterly reviews are performed on each counterparty, based upon financial and strategic business analysis. Additionally, daily monitoring of market events, financial positions and company exposures are performed. Finally, communication with credit analysts and management of the counterparties occurs on a continual basis. In addition, the borrowers not qualifying as central counterparties will have a minimum credit rating of A2 as defined by Standard and Poor's Rating Agency or an equivalent as decided by other recognised rating agencies.

Collateral for securities lending transactions may include cash and other liquid assets, such as securities issued or guaranteed by any OECD or European Union government, government agencies or other public bodies, certificates of deposit with maturity of no more than one year and other securities allowed under the relevant regulations in Luxembourg. The Management Company or the securities lending agent will review the value of such collateral on a daily basis to ensure that its value is at least equal to the value of the securities delivered under such transactions on a daily mark to market basis with an aim to ensure that the sub-fund's exposure in this area is fully covered.

As the case may be, cash collateral received by each sub-fund in relation to any of these transactions may be reinvested in a manner consistent with the investment objectives of such sub-fund in (i) shares or units issued by money market undertakings for collective investment calculating a daily net asset value and being assigned a rating of AAA or its equivalent by a recognised rating agency, (ii) short-term bank deposits, (iii) money market instruments as defined in the above referred Grand-Ducal regulation, (iv) short-term bonds issued or guaranteed by an EU member state, Switzerland, Canada, Japan or the United States or by their local authorities or by supranational institutions and undertakings with EU, regional or world-wide scope, (v) bonds issued or guaranteed by first class issuers offering an adequate liquidity, and (vi) reverse repurchase agreement transactions according to the provisions described under section I.C.a) of the above referred CSSF Circular. It is the current intention of the Management Company that such cash collateral will only be reinvested in instruments which fall within items (i) and (ii) of this paragraph above. The Management Company may delegate authority to the securities lending agent to invest cash collateral into qualifying HSBC products. Such reinvestment will be taken into account for the calculation of each concerned sub-fund's global exposure, in particular if it creates a leverage effect.

The Company may also obtain from time to time from a third party a guarantee covering 100% of the global valuation of the securities lent.

The Company may engage in securities lending transactions either directly or through a standardised lending system organised by a recognised clearing institution or by a financial institution specialised in this type of transaction and subject to the prudential supervision rules which are considered by the CSSF to be equivalent to those laid down by European Community law. Where securities lending transactions are carried out through an affiliate entity either acting as a counterparty or a securities lending agent, such transactions shall be effected on normal commercial terms negotiated at arm's length.

Any incremental income generated from securities lending transactions, deducted by the fees mentioned below and any fees due to the Administration Agent or the securities lending agent in relation to the securities lending programme, will be payable to the relevant sub-fund of the Company.

It is expected that the implementation of the above-mentioned securities lending programme will have no impact on the risk profile of the participating sub-funds of the Company.

## Appendix 4 Additional restrictions

I. 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.

II. In order for the following 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 additional restriction, that for each sub-fund, 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; will be not less than 75% at any point in time for the following sub-funds:

Euroland Equity;  
Euroland Equity Smaller Companies;  
European Equity;  
UK Equity.

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.

## Appendix 5 Directory

### REGISTERED OFFICE

16, boulevard d'Avranches, L-1160 Luxembourg, Grand Duchy of Luxembourg

### BOARD OF DIRECTORS OF THE COMPANY

- **Didier Deleage**, Chief Operating Officer (Chairman)  
HSBC Global Asset Management (France), Immeuble Ile de France, 4, Place de la Pyramide, La Défense 9, 92800 Puteaux, France
- **Dr. Michael Boehm**, Chief Operating Officer  
HSBC Global Asset Management (Deutschland) GmbH, Königsallee 21/23, 40212 Düsseldorf, Germany
- **James Boucher**, Managing Director  
HSBC Bank (Mauritius) Limited, 6<sup>th</sup> Floor, HSBC Centre, 18 CyberCity, Ebene, Mauritius
- **Thies Clemenz**, Chief Executive Officer  
HSBC Bank Armenia CJSC HBAM, Main Office, 66 Teyran Street, Yerevan 0009, Republic of Armenia
- **George Efthimiou**, Global Chief Operating Officer  
HSBC Global Asset Management Limited, 8 Canada Square, London E14 5HQ, United Kingdom
- **Edgar K M Ng**, Head of Business Support Asia Pacific  
HSBC Global Asset Management (Hong Kong) Limited, HSBC Main Building, 1 Queen's Road Central, Hong Kong
- **David Silvester**, Head of Product Management – Global Funds  
HSBC Global Asset Management Limited, 8 Canada Square, London E14 5HQ, United Kingdom
- **Sylvie Vigneaux**, Head of Regulatory and Wealth Engineering  
HSBC Global Asset Management (France), Immeuble Ile de France, 4, Place de la Pyramide, La Défense 9, 92800 Puteaux, France

### MANAGEMENT COMPANY

HSBC Investment Funds (Luxembourg) S.A.

16, boulevard d'Avranches, L-1160 Luxembourg, Grand Duchy of Luxembourg

### BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

- **Alexa Coates**, Global Chief Financial Officer  
HSBC Global Asset Management (UK) Limited, 8 Canada Square, London, E14 5HQ, United Kingdom
- **Tony Corfield**, Chief Operating Officer  
HSBC Global Asset Management (UK) Limited, 8 Canada Square, London, E14 5HQ, United Kingdom
- **Didier Deleage**, Chief Operating Officer  
HSBC Global Asset Management (France), Immeuble Ile de France, 4, Place de la Pyramide, La Défense 9, 92800 Puteaux, France
- **Richard Long**, Head of Global Funds Operations  
HSBC Investment Funds (Luxembourg) S.A., 16, boulevard d'Avranches, L-1160 Luxembourg, Grand Duchy of Luxembourg
- **Edgar K M Ng**, Head of Business Support Asia Pacific  
HSBC Global Asset Management (Hong Kong) Limited, HSBC Main Building, 1 Queen's Road Central, Hong Kong

### INVESTMENT ADVISERS

- **HSBC Global Asset Management (France)**  
Immeuble Ile de France, 4, Place de la Pyramide, La Défense 9, 92800 Puteaux, France
- **HSBC Global Asset Management (Hong Kong) Limited**  
Level 22, HSBC Main Building, Queen's Road Central, Hong Kong
- **HSBC Global Asset Management (Singapore) Limited**  
21 Collyer Quay, #10-01 HSBC Building, Singapore 049320, Singapore
- **HSBC Global Asset Management (UK) Limited**  
8, Canada Square, London E14 5HQ, United Kingdom
- **HSBC Global Asset Management (USA) Inc.**  
452 Fifth Avenue, 7th Floor, New York, NY 10018, USA
- **HSBC Bank Brasil S.A. – Banco Múltiplo**  
Travessa Oliveira Belo, 11-B, 80020-030 Curitiba, Brazil
- **HSBC Portfoy Yonetimi A.S.**  
Esentepe Mahallesi, Büyükdere Caddesi, No:128, 34394 Sisli, Istanbul, Turkey

### SHARE DISTRIBUTORS

- **Global Distributor**  
HSBC Investment Funds (Luxembourg) S.A.  
16, boulevard d'Avranches, L-1160 Luxembourg, Grand Duchy of Luxembourg
- **Austria, Eastern Europe and Germany Distributor**  
HSBC Trinkaus & Burkhardt AG  
Königsallee 21/23, D-40212, Düsseldorf, Germany
- **Hong Kong Representative and Distributor**  
HSBC Investment Funds (Hong Kong) Limited  
HSBC Main Building, 1 Queen's Road Central, Hong Kong

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- **United Kingdom Representative and Distributor**  
HSBC Global Asset Management (UK) Limited  
8 Canada Square, London E14 5HQ, United Kingdom
- **Republic of Ireland Distributor**  
HSBC Global Asset Management (UK) Limited  
8 Canada Square, London E14 5HQ, United Kingdom
- **Republic of Ireland Representative**  
HSBC Securities Services (Ireland) Limited  
HSBC House, 1 Grand Canal Square, Grand Canal Harbour, Dublin 2, Ireland
- **Jersey Representative and Distributor**  
HSBC Global Asset Management (International) Limited  
HSBC House, Esplanade, St Helier, Jersey, JE1 1HS Channel Islands
- **Singapore Representative and Distributor**  
HSBC Global Asset Management (Singapore) Limited  
21 Collyer Quay, #06-01 HSBC Building, Singapore 049320, Singapore
- **Swiss Representative**  
ACOLIN Fund Services AG  
Stadelhoferstrasse 18, CH-8001 Zurich, Switzerland
- **Paying Agent in Switzerland**  
HSBC Private Bank (Suisse) S.A.  
Quai du Général Guisan 2, Case postale 3580, CH-1211 Geneva 3, Switzerland
- **Korea Representative and Distributor**  
HSBC Korea Limited  
HSBC Building #25, 1-Ka, Bongrae-Dong, Chung-Ku, Seoul, Korea
- **Distributor for Continental Europe**  
HSBC Global Asset Management (France)  
Immeuble Ile de France, 4, Place de la Pyramide, La Défense 9, 92800 Puteaux, France

#### **DEPOSITARY BANK**

Until a date decided by the Board of Directors and notified to shareholders  
RBC Investor Services Bank S.A.  
14, Porte de France, L-4360 Esch-sur-Alzette, Grand Duchy of Luxembourg  
From a date decided by the Board of Directors and notified to shareholders  
HSBC Securities Services (Luxembourg) S.A.  
16, boulevard d'Avranches, L-1160 Luxembourg, Grand Duchy of Luxembourg

#### **ADMINISTRATION AGENT**

Until a date decided by the Board of Directors and notified to shareholders  
RBC Investor Services Bank S.A.  
14, Porte de France, L-4360 Esch-sur-Alzette, Grand Duchy of Luxembourg  
From a date decided by the Board of Directors and notified to shareholders  
HSBC Securities Services (Luxembourg) S.A.  
16, boulevard d'Avranches, L-1160 Luxembourg, Grand Duchy of Luxembourg

#### **REGISTRAR AND TRANSFER AGENT**

Until a date decided by the Board of Directors and notified to shareholders  
RBC Investor Services Bank S.A.  
14, Porte de France, L-4360 Esch-sur-Alzette, Grand Duchy of Luxembourg  
From a date decided by the Board of Directors and notified to shareholders  
HSBC Securities Services (Luxembourg) S.A.  
16, boulevard d'Avranches, L-1160 Luxembourg, Grand Duchy of Luxembourg

#### **DOMICILIARY AGENT**

HSBC Securities Services (Luxembourg) S.A.  
16, boulevard d'Avranches, L-1160 Luxembourg, Grand Duchy of Luxembourg

#### **CENTRAL PAYING AGENT**

RBC Investor Services Bank S.A. until a date decided by the Board of Directors and notified to shareholders  
14, Porte de France, L-4360 Esch-sur-Alzette, Grand Duchy of Luxembourg  
HSBC Securities Services (Luxembourg) S.A. from a date decided by the Board of Directors and notified to shareholders  
16, boulevard d'Avranches, L-1160 Luxembourg, Grand Duchy of Luxembourg

#### **PAYING AGENT IN HONG KONG**

The Hong Kong and Shanghai Banking Corporation Limited  
HSBC Main Building, 1 Queen's Road, Central, Hong Kong

#### **REPRESENTATIVE AND PAYING AGENT IN POLAND**

HSBC Bank Polska S.A.  
Kraków Business Park 200, Ul. Krakowska 280, 32-080 Zabierzów, Poland

#### **AUDITORS**

KPMG Audit S.à.r.L., Réviseurs d'Entreprises Agrée  
9, allée Scheffer, L-2520 Luxembourg, Grand Duchy of Luxembourg

### **NON CONTRACTUAL DOCUMENT**

**LEGAL ADVISERS**

Elvinger, Hoss & Prussen

2, Place Winston Churchill, L-1340 Luxembourg, Grand Duchy of Luxembourg

**HSBC GLOBAL INVESTMENT FUNDS**  
16, Boulevard d'Avranches, L-1160 Luxembourg  
Grand Duchy of Luxembourg  
R.C.S. Luxembourg No B 25 087

**ADDENDUM DATED FEBRUARY 2013**

**to the Extract Prospectus for marketing in Switzerland  
(the "Prospectus") dated January 2013**

This document is an Addendum dated February 2013 to the Prospectus of HSBC Global Investment Funds dated January 2013 and may not be distributed without such Prospectus. This Addendum details the amendments to the Prospectus.

**Page 75 of the Prospectus**

In Section 3.2. "Sub-Funds Details", (4) "Index Sub-Funds", the definition of these sub-funds is amended to read as follows:

"The Index sub-funds aim to provide long term total return by tracking as closely as possible any appropriate market index. Such indices are constructed using different economic factors including, but not limited to, market capitalisation and economic value. Financial derivative instruments may be used for hedging purposes and cash flow management (i.e. equitisation). Index sub-funds may also use financial derivative instruments (e.g. contracts for difference) if restricted to invest in certain component securities of the market index due to HSBC Group and/or local regulator restrictions."

**NON CONTRACTUAL DOCUMENT**



## **Additional Information for Investors in Switzerland**

**PLEASE NOTE THAT THE CURRENT MARKETING VERSION OF THE PROSPECTUS HAS NOT BEEN AUTHORISED BY THE SWISS FINANCIAL MARKET SUPERVISORY AUTHORITY. THIS DOCUMENT SHALL NOT BE CAPABLE OF CREATING ANY CONTRACTUAL OR OTHER LEGAL OBLIGATIONS ON THE PART OF HSBC GLOBAL INVESTMENT FUNDS, HSBC GROUP PLC OR ANY OTHER GROUP COMPANY. IN THE EVENT OF A DISPUTE AS TO A CONFLICTING TRANSLATION OF THIS PROSPECTUS WITH THE GERMAN VERSION, THE GERMAN VERSION AS AUTHORISED BY THE SWISS FINANCIAL MARKET SUPERVISORY AUTHORITY SHALL PREVAIL.**

### **Representative in Switzerland**

ACOLIN Fund Services AG  
Stadelhoferstrasse 18  
CH-8001 Zurich  
Switzerland  
Tel. +41 44 396 96 96

### **Paying Agent in Switzerland**

HSBC Private Bank (Suisse) SA  
Quai du Général Guisan 2  
CH-1211 Geneva 3  
Switzerland  
Tel. +41 58 705 55 55

### **Distribution in Switzerland**

HSBC Global Investment Funds is a foreign collective investment scheme authorised for public distribution in Switzerland by the Swiss Financial Market Supervisory Authority under the terms of article 120 of the Federal Collective Investment Schemes Act of 23 June 2006 (CISA).

The articles of association of the SICAV, the prospectus, the Key Investor Information Documents (KIIDs) as well as the (semi-)annual reports in German may be obtained free of charge from the registered office of the Representative in Switzerland.

### **Publications and issue price**

Publications are made in the Swiss Official Gazette of Commerce and on the electronic platform [www.fundinfo.com](http://www.fundinfo.com).

Since 1 July 2010 the share issue and redemption prices or the net asset value with the mention "excluding fees" are published together daily, at least at every issuance and redemption of shares on the electronic platform [www.fundinfo.com](http://www.fundinfo.com).

### **Place of execution and place of jurisdiction**

For shares distributed on the basis of the prospectus and (semi-)annual report of HSBC Global Investment Funds in their current official German version as authorized by the Swiss Financial Market Authority (FINMA) in or from Switzerland, the place of execution and the jurisdiction are situated at the registered office of the representative in Switzerland.