HSBC Portfolios

Information for Hong Kong Investors

February 2015

Prospectus

November 2014

HSBC

Global Asset Management

Information for Hong Kong Investors

HSBC PORTFOLIOS

investment company with variable capital incorporated in Luxembourg

dated February 2015

INTRODUCTION

This document forms part of and should be read in the context of and together with the prospectus (the "Prospectus") for the HSBC Portfolios (the "Company"), and contains additional information which is required by the Securities and Futures Commission (the "SFC") to be provided to prospective Hong Kong investors in the Company. Words and expressions defined in the Prospectus have the same respective meanings when used in this document.

The Directors of the Company accept responsibility for the information contained in this document as being accurate at the date hereof. Any information given or representations made by any dealer, salesman or other person and (in either case) not contained in this document or the Prospectus should be regarded as unauthorised and, accordingly, should not be relied upon.

As at the date of this document, the Company offers shares in all the Portfolios to Hong Kong residents. These Portfolios have been authorised by the SFC and the shares of these Portfolios are available for sale to the public in Hong Kong. SFC authorization is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the Company is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors. The underlying Collective Investment Schemes in which the Company or its Portfolios invest may not be authorised by the SFC.

HSBC UCITS ETFs PLC mentioned in section 2.8 of the Prospectus, headed "Charges and expenses", is not authorised in Hong Kong and not available to the public in Hong Kong.

The Portfolios currently offers the following Classes of Shares to the public in Hong Kong:

Class of Shares	**Available Dealing Currency**
AC shares	Hong Kong dollars and US dollars
AM shares	US dollars
AMHKD shares	Hong Kong dollars
ACHAUD / AMHAUD shares	Australian dollars
AMHCAD shares	Canadian dollars
ACHEUR / AMHEUR shares	Euro
ACHGBP / AMHGBP shares	Pound Sterling

The Share Class denominations above indicate the features of the relevant Classes or sub-classes of Shares. Investors should further refer to section 1.2 of the Prospectus, "Share Class information", for details on Share Class denominations and Dealing Currencies.

Unless otherwise agreed by the Hong Kong Representative, shares being subscribed in one Dealing Currency cannot be changed into another Dealing Currency of the same Class at the investor's request.

The price of shares and the income from them can go down as well as up.

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

HONG KONG REPRESENTATIVE

The Hong Kong Representative of the Company is HSBC Investment Funds (Hong Kong) Limited of HSBC Main Building, 1 Queen's Road Central, Hong Kong, licensed by the SFC in Hong Kong to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 5 (advising on futures contracts), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities (CE Number: AAL518). The Hong Kong Representative also acts as distributor for the Portfolios in Hong Kong.

Copies of the Articles of Incorporation of the Company, the most recent Prospectus and the latest financial reports may be obtained free of charge, on request, at the office of the Hong Kong Representative. Copies of the following documents can be inspected at the office of the Hong Kong Representative during normal office hours:

1. the risk-management process (as described in the Prospectus and this document);
2. the material contracts; and
3. the Hong Kong Representative Agreement.

DEALING AND SETTLEMENT PROCEDURES IN HONG KONG

The Portfolios currently offers AC shares in US dollars and Hong Kong dollars, AM shares in US dollars, AMHKD shares in Hong Kong dollars, ACHAUD shares and AMHAUD shares in Australian dollars, AMHCAD shares in Canadian dollars, ACHEUR shares and AMHEUR shares in Euro as well as ACHGBP shares and AMHGBP shares in Pound Sterling to the public in Hong Kong. Investors should note the minimum initial subscription, minimum subsequent investment, minimum redemption/ withdrawal and minimum holding requirements for dealings through the Hong Kong Representative:

	AC shares / AM shares (Dealing Currency US dollars)	AC shares / AMHKD shares (Dealing Currency Hong Kong dollars)	ACHAUD shares / AMHAUD shares (Dealing Currency Australian dollars)	AMHCAD shares (Dealing Currency Canadian dollars)	ACHEUR shares / AMHEUR shares (Dealing Currency Euro)	ACHGBP shares / AMHGBP shares (Dealing Currency Pound Sterling)
minimum initial investment	USD1,000	HKD10,000	AUD1,500	CAD1,000	EUR850	GBP650
minimum subsequent investment	USD1,000	HKD10,000	AUD1,500	CAD1,000	EUR850	GBP650
minimum redemption / withdrawal	USD1,000	HKD10,000	AUD1,500	CAD1,000	EUR850	GBP650
minimum holding	USD1,000	HKD10,000	AUD1,500	CAD1,000	EUR850	GBP650

Purchase, redemption and conversion of shares normally take place on each Dealing Day. For dealings through the Hong Kong Representative, a Dealing Day means any day (other than Saturday and other than days during a period of suspension of dealing in shares and other than a Business Day immediately following the end of a period of such suspension) on which banks are open for normal banking business in both Luxembourg and Hong Kong and which is also for the Portfolio, a day which stock exchanges and regulated markets in countries where the Portfolio is materially invested are open for normal trading.

For dealings through the Hong Kong Representative, shares in the Portfolios will be held by HSBC Global Asset Management Holdings (Bahamas) Limited as the nominee of the investors. Please refer to the sub-section headed "Nominee Service" under the section headed "Terms and conditions of the Hong Kong Representative" below for more details. Contract notes and statements will be drawn up to show the number of shares issued and no certificate will be issued to investors.

The relevant procedures for dealings through the Hong Kong Representative are set out below.

Application for shares

Shares are usually purchased at the prevailing Offer Prices applicable to the Dealing Day on which the application form is received by the Hong Kong Representative by 4:00 p.m. Hong Kong time on any Dealing Day. Applications received after 4:00 p.m. Hong Kong time or on a day which is not a Dealing Day will be deemed to have been received on the next Dealing Day.

To purchase shares in any one or more of the Portfolios, please complete and return the application form which is available from the Hong Kong Representative. Payment of the amount to be invested in Hong Kong dollars may be made by crossed cheque or bank draft ("A/C payee only, not negotiable") made payable to HSBC Investment Funds (Hong Kong) Limited. Payments can be made in Hong Kong dollars, US dollars, Australian Dollars, Canadian Dollars, Euro or Pound Sterling by telegraphic transfer direct to the appropriate bank account shown on the application form. Bank charges may be deducted by the remitting bank and such charges will be borne by the investor. Applications may also be sent through an intermediary. Additional purchases of shares in other Portfolios or an increased investment in existing Portfolios may be made in written form according to the same procedure.

Redemption of shares

Shares in the Portfolios are normally redeemed at the Redemption Price following receipt in writing of an application to the Hong Kong Representative using a special redemption request form available from them. Partial redemptions are allowed, provided that they are not in an amount less than the minimum redemption/withdrawal amount, and the value of the remaining balance of shares is not less than the minimum holding amount as set out above for the respective Share Classes. The Hong Kong Representative has the discretion to accept partial redemptions of smaller amounts. Redemption requests received after 4:00 p.m. Hong Kong time on any Dealing Day are carried over to the next Dealing Day.

Normally, the date of redemption and reinvestment of shares will be the day of receipt of the written request if it is a Dealing Day, and the relevant prices applicable to that Dealing Day are applied accordingly if received before 4:00 p.m. Hong Kong time.

Conversion between Share Classes or Portfolios

Unless otherwise provided in the section headed "Portfolios details" in relation to a specific Portfolio, subject to the shares in a given Class being available from the Hong Kong Representative (as described above) and eligible for conversion, shares of different Classes in any Portfolio may be converted into different Classes of the same or other Portfolio.

Conversion requests received after 4:00 p.m. Hong Kong time on any Dealing Day are carried over to the next Dealing Day. Investors should refer to the Prospectus for further information on conversion of shares in the Portfolios. As disclosed in the Prospectus, a conversion charge may be levied on the value of shares which are being converted. For investors who initially invest in a Share Classes where no or a lower sales charge is usually payable and subsequently convert into Share Classes of the same or different Portfolios with higher sales charges, such conversion will be subject to the sales charge normally payable on direct investment into such Share Classes.

Nominee Service

The Hong Kong Representative provides a free nominee service so that the applicant's shares will be held by HSBC Global Asset Management Holdings (Bahamas) Limited as the nominee of the investor. This means that whilst the beneficial interest in the shares lies with the investor, the legal title will be vested in the nominee. Detailed terms of the nominee service are set out in the section headed "Terms and conditions of the Hong Kong Representative".

Shares allocated will be registered shares and a contract note will be drawn up to show the number of shares issued. No certificate is available to investors using the nominee service.

Change of information in the application form

An investor shall notify the Hong Kong Representative as soon as practicable if there is any change in the information provided by the investor in the application form.

Settlement

Payment of the subscription monies must be made at the time of application. Where payments are made in a currency other than the Dealing Currency, the necessary foreign exchange transactions (at prevailing exchange rates) will be arranged before the subscription request is forwarded to the Registrar and Transfer Agent in Luxembourg on that Dealing Day. All bank charges will be borne by the applicant.

The Company may rely upon orders placed, even prior to receipt of subscriptions monies, and may invest the expected subscriptions amounts. Any failure by an investor to transmit subscription monies prior to the relevant deadline for receipt of subscription monies may result in certain losses, costs or expenses for the account of a Portfolio. Investors agree to indemnify the Company, the Directors and other service providers for any losses, costs or expenses incurred by them as a result of the failure of the investors to transmit subscription monies in immediately available funds for the account of such Portfolio by the relevant deadline for receipt of subscription monies. Subscription monies received after the relevant deadline will be treated as being received on the next Dealing Day. In order to recover any such costs or expenses incurred, the Directors reserve the right to instruct the sale of such amount of shares

held by a shareholder as may be required to compensate the Company and any Portfolio for any losses incurred as a result of any such failure or default by a shareholder in the transmission of subscription monies.

No money should be paid to any intermediary in Hong Kong who is not licensed or registered to carry on the Type 1 (dealing in securities) regulated activity under Part V of the Securities and Futures Ordinance.

Proceeds from redemption will be paid in the Dealing Currency to the registered shareholder by cheque or by telegraphic transfer usually within 7 Dealing Days but not later than 28 days of receipt by the Hong Kong Representative of the documents necessary to complete the redemption. No third party payment will be accepted. All bank charges incurred in making the redemption payment will be borne by the redeeming shareholder.

SECURITIES LENDING AND REPURCHASE TRANSACTIONS

It is not currently intended that the Company or its Portfolios will enter into any securities lending or repurchase transactions. If there is a change in such policy, at least 1 month's prior notice will be given to shareholders.

RISK CONSIDERATIONS

1. Investors should note the following risk disclosure in relation to "Investment in hedge funds":

   Hedge funds are considered to fall within the category of alternative investments. Hedge funds often engage in borrowing money to increase returns and other speculative investment practices that may increase the risk of investment loss. Investors should be prepared to sustain a substantial or even total loss of their investment in hedge funds.

   Hedge funds may also regularly make short sales, i.e. sales of assets received through securities lending from a third party, for which there exists an obligation to return the securities. To satisfy this obligation, the hedge funds will incur costs in purchasing the relevant securities. If the price of such securities increases, the hedge funds may suffer a loss, possibly unlimited in amount.

   Investments in hedge funds may be difficult to sell and dealings are infrequent. Hedge funds are not required to provide periodic pricing or valuation information to investors, and may involve complex tax structures and delays in distributing important information.

   Alternative investments may not always be subject to governmental or regulatory supervision and are generally not bound by investment restrictions or limits, such as risk diversification requirements. They are often not subject to the same regulatory requirements as, say, funds and often charge high fees that may potentially offset trading profits when they occur. In the absence of regulatory supervision, the standards of disclosure and reporting may be substantially lower. Further, assets of hedge funds may not be placed with a separate institution that is subject to the same regulatory supervision as a custodian bank. As a result, there is an increased custodial and settlement default risk.

Exposure to hedge funds through derivatives is subject to the risks associated with such derivatives described in the Prospectus.

2. Investors should note the following risk disclosure in relation to exposure in "absolute return" asset class:

   The Portfolios may have exposure to an asset class classified as "absolute return". However, investors should not regard such a reference as meaning that absolute return is guaranteed. All investments involve risk and negative returns may be generated in certain circumstances. Exposure to this asset class may be obtained through investments in other investment funds that seek to achieve return through investments that tend to be less correlated with the main asset classes. Such strategies invest in a variety of underlying assets, ranging from equity securities to currencies. Derivatives may be used to gain or reduce net market exposure. Such strategies may also be subject to risks similar to those of hedge funds as mentioned above.

3. Investors should note the following "Early Termination Risk":

   The Company and/or a Portfolio may be liquidated on the occurrence of certain events as set out in the section headed "Liquidation of the Company / Termination and amalgamation of Portfolios" in the Prospectus.

   Upon the liquidation of the Company or a Portfolio, all the assets of the Company or the Portfolio, as the case may be, will be realised and the net proceeds thereof which are available for distribution will be distributed to its shareholders with reference to the number of shares held by them. Shareholders should note that the amount distributed to them may be less than the amount of their initial investment.

4. Investors should note the following "Risks associated with distribution out of capital":

   In respect of Monthly Distribution Shares, if the investment income is not sufficient, the Board of Directors of the Company may determine if, and to what extent, dividends may be paid out of capital or effectively out of capital. Investors should note that the payment of dividends out of capital or effectively out of capital represents a return or withdrawal of part of the amount they originally invested or from any capital gains attributable to the original investment. Any distributions involving the payment of dividends out of the Portfolio's capital or effectively out of the Portfolio's capital will result in an immediate reduction in the Net Asset Value per Share of the relevant Class.

5. Investors should note the following "Risks related to the Foreign Account Tax Compliance Act ("FATCA")":

   Regarding FATCA, although the Company will attempt to satisfy any obligations imposed on it to avoid the imposition of the FATCA withholding tax, no assurance can be given that the Company will be able to satisfy these obligations. If the Company becomes subject to a withholding tax as a result of the FATCA regime, the value of the shares held by shareholders may suffer material losses. On the other hand, if an investor or an intermediary through which it holds its interest in the Company and the Portfolios fails to provide the Company and/or the Portfolios, its agents or authorised representatives with any correct, complete and accurate information that may be

required for the Company and the Portfolios to comply with FATCA, the investor may be subject to withholding on amounts otherwise distributable to the investor, may be compelled to sell its interest in the Company and the Portfolios or, in certain situations, the investor's interest in the Company and the Portfolios may be sold involuntarily (provided that the Management Company or the Depositary Bank shall observe relevant legal requirements and shall act in good faith and on reasonable grounds). In particular, investors and potential investors should note the section "Foreign Account Tax Compliance Act ("FATCA")" in the section headed "Taxation of Shareholders".

6. Investment in any Portfolio carries with it a degree of risk, including, but not limited to, those referred to in the Prospectus. Potential investors should review the Prospectus in its entirety and consult with their legal, tax and financial advisors prior to making a decision to invest. To the best knowledge of the Board of Directors of the Company, the offering document sets out all the risks that it is aware of pertaining to the Company and the Portfolios and all the risks that an investor should be aware of in assessing the Company and the Portfolios.

RISK-MANAGEMENT PROCESS

Suitable risk management and control systems are in place which are commensurate with the risk profile of the Company and the use of financial derivative instruments by the Company. In summary:

1. The risk management team of the Investment Adviser is responsible for the implementation of risk control procedures for the Portfolios managed by the Investment Adviser, and will collaborate with the investment team of the Investment Adviser to determine various control limits in order to match the risk profile and strategy of the Portfolios.

2. The commitment approach will be used to measure market risk of various Portfolios. Further details may be found in the section "Risk-Management Process" in Appendix 3 of the Prospectus.

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

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

5. In case of any breach, an "escalation process" will be triggered to inform relevant parties in order for necessary actions to be taken and the risk management team of the Investment Adviser will provide periodic breach report to the Management Company for review.

When a Portfolio invests in financial derivative instruments, it will follow the risk management and control mechanism as described in the risk-management process of the Company.

CHARGES AND EXPENSES

Details of the charges and expenses payable by a Portfolio are set out in the Prospectus under the section 2.8 of the Prospectus headed "Charges and expenses". During such period as a Portfolio remains authorised by the SFC, no advertising or promotional expenses will be charged to that

Portfolio. In so far as the Company or its Portfolios invest in underlying Collective Investment Schemes, neither the Management Company nor the Investment Adviser may obtain a rebate on any fees and charges levied by those schemes or the management companies of those schemes. For the avoidance of doubt, the Directors may negotiate a rebate, where applicable, in favour of the Company.

The operating, administrative and servicing expenses as indicated for the relevant Portfolios in Section 3. "Portfolio Information" in the Prospectus will cover the fees payable to the Hong Kong Representative.

For so long as a Share Class of a Portfolio is authorised by the SFC:

In the event of any increase in the current level of fees up to the maximum permitted rate as disclosed in the Prospectus, at least 1 month's prior notice 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 Portfolio.

Investors should note that the ongoing charge of the "operating, administrative and servicing expenses" (as disclosed under section 2.8 of the Prospectus headed "Charges and expenses") will vary for each Share Class but will be capped to 0.25% of net assets per annum on a rolling basis of each Share Class. Any increase in the maximum permitted rate of 0.25% p.a. of the net assets per annum is subject to the prior approval of the SFC and the affected shareholders of the relevant Share Class of the relevant Portfolio.

TRANSACTIONS WITH CONNECTED PERSONS

Any transactions between the Company and the Management Company, the Investment Adviser or any of their connected persons as principal may only be made with the prior written consent of the Depositary Bank.

All transactions carried out by or on behalf of a Portfolio will be at arm's length and executed on the best available terms. Transactions with brokers or dealers connected to the Management Company, Investment Adviser or Directors of the Company shall be in compliance with the requirements under the SFC Code on Unit Trusts and Mutual Funds.

The Management Company, the Investment Adviser or any of their connected persons will not receive cash or other rebates from brokers or dealers in respect of transactions for the Company.

Soft commissions in the form of the provision of goods or services by brokers are permitted if such goods or services are of demonstrable benefit to the Company. For the avoidance of doubt, examples of goods and services which are not permitted include travel, accommodation, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employee salaries or direct money payments.

The Management Company, the Investment Adviser and any of their connected persons (as defined in the SFC Code on Unit Trusts and Mutual Funds) shall not retain the benefit of any cash commission rebate paid or payable from brokers or dealers in respect of any business placed for or on behalf of the Company. Any such cash commission rebate received from any such brokers or dealers shall be for the account of the Company.

Details of transactions with connected persons and soft commission arrangements will be disclosed in the annual report and accounts of the Company. The execution of transactions will be consistent with best execution standards and brokerage rates will not be in excess of customary institutional full-service brokerage rates.

PUBLICATION OF PRICES

Details of the most recent subscription and redemption prices of shares in a Portfolio are available on request from the Hong Kong Representative. In addition, the prices of Class AC shares in US dollars and Hong Kong dollars, Class AM shares in US dollars, Class AMHKD shares in Hong Kong dollars, Class ACHAUD shares and AMHCAD shares in Australian dollars, AMHCAD shares in Canadian dollars, Class ACHEUR shares and AMHEUR shares in Euro as well as Class ACHGBP shares and AMHGBP shares in Pound Sterling are also published in the South China Morning Post and the Hong Kong Economic Times in Hong Kong.

SUSPENSION OF DEALING

Under certain circumstances, the Company may suspend the issue, redemption and conversion of shares relating to any Portfolio. Notice of any suspension of dealings will be published immediately following such decision and at least once a month during the period of suspension, in the South China Morning Post and the Hong Kong Economic Times, or by such other means of notification as approved by the SFC.

REPORTS AND ACCOUNTS

The financial year-end of the Company is 31 July each year. Audited accounts are prepared and sent to shareholders within four months of the financial year-end. Unaudited half-yearly reports are also prepared and sent within two months of 31 January each year. As an alternative to distributing hard copies of the audited accounts and unaudited half-yearly reports, the Hong Kong Representative may notify shareholders when and where such reports are available (in printed and electronic forms) within the above periods. The audited accounts and unaudited half-yearly reports will be available on HSBC Global Asset Management's Hong Kong website at www.assetmanagement.hsbc.com/hk[1]. Printed copies of the audited accounts and unaudited half-yearly reports will be provided to shareholders upon their request and will be available at the office of the Hong Kong Representative. Such audited accounts and unaudited half-yearly reports will only be provided in English.

TAXATION IN HONG KONG

The following summary is based on the Company's understanding of the law and practice currently in force in Hong Kong, which may be subject to change. The summary does not purport to be comprehensive.

Taxation of the Company

The Company will not be chargeable to Hong Kong profits tax unless it carries on business in Hong Kong and has assessable profits arising in or derived from Hong Kong from that business and the profits are not from the sale of capital assets. The Company is authorised under Section 104 of the Securities and Futures Ordinance. Certain profits received or accrued by authorised funds are specifically excluded from profits chargeable to Hong Kong profits tax.

[1] Please note that this website has not been reviewed by the SFC.

Taxation of the shareholders

No Hong Kong tax is payable by shareholders in respect of dividends received or capital gains arising on a sale or other disposal of shares, save that liability to Hong Kong tax may arise with respect to a gain if it is considered that such gain arises in or is derived from Hong Kong by a person carrying on a trade, business or profession in Hong Kong and is received in the course of that trade, business or profession.

Prospective shareholders should consult their own professional advisers concerning their own tax position.

KEY INVESTOR INFORMATION DOCUMENT

Investors should note that in accordance with the requirements applicable to an Undertaking for Collective Investment in Transferable Securities ("UCITS") complying with the provisions of Part I of the 2010 Law, the Key Investor Information Document ("Key Investor Information Document") is available for each Portfolio of the Company. The Key Investor Information Documents are available on request from the registered office of the Company and the Management Company. The Key Investor Information Documents must be read together with the Prospectus and this document.

The Key Investor Information Documents contain key information about the Portfolios of the Company. Investors are reminded that investment involves risks. Past performance is not indicative of future performance. The Key Investor Information Documents are not intended to be, and shall not in any event be interpreted as, an offering document of the Company. Investors should read the Prospectus and this document in full before making any investment decision.

ENQUIRIES AND COMPLAINTS

Enquiries and complaints concerning the Company and the Portfolios (including information concerning subscription and redemption procedures and the current net asset value) should be directed to the Hong Kong Representative at (852) 2284 1118 or at Level 22, HSBC Main Building, 1 Queen's Road Central, Hong Kong. HSBC Investment Funds (Hong Kong) Limited will respond to any enquiry or complaint as soon as practicable.

TERMS AND CONDITIONS OF THE HONG KONG REPRESENTATIVE

HSBC Investment Funds (Hong Kong) Limited (referred to as "we" or "us" below) is the Hong Kong Representative of the Company. Investors or shareholders (referred to as "investors" or "you" below) are bound by and should follow the terms of this document and the Prospectus, and the following terms and conditions in relation to the services provided by the Hong Kong Representative.

Application and payment

We reserve the right to refuse any application in whole or in part. Any application monies not accepted will be returned to you by the Company at your risk, and without interest. Once we receive your application, you will be contractually bound to purchase the shares applied for. All instructions given or purported to be given by you will be binding on you.

Joint holders

If you are one of joint shareholders, your obligation shall be joint and several.

Investors from the United States and Canada

You declare that you are not a "U.S. Person", "Other USP" or a Canadian resident or such other persons to whom shares of the Company may not be offered (as defined under "Important Information" in the Prospectus. You must inform us immediately when you become a "U.S. Person", "Other USP" or Canadian resident, in which circumstances you may be obliged to redeem your shares.

Risk of communications and remittances

All communications and remittances sent to us by you or your nominee or vice versa are sent at your risk. We shall have no responsibility for any loss arising from the inaccuracy or failure of any communication, whether by post or fax, unless such loss results from our wilful default or negligence.

Investors should consider the risks inherent in giving instructions by fax. Non original signatures on faxes may be forged and instructions given by fax may be transmitted to wrong numbers, may never reach us and may thereby become known to third parties. We accept no responsibility for any loss that investors may suffer as a result of giving instructions by fax. Investors should not authorise us to accept faxed instructions unless they are prepared to undertake such risks.

For investors who have authorised us to act on faxed instructions, investors are required to confirm all faxed dealing instructions with our Investor Hotline or with our Financial Consultants before the dealing deadline of the day on which the instruction is to be processed. We shall not be responsible for any failure to process any faxed dealing instruction unless the instruction is confirmed by telephone with our Investor Hotline or Financial Consultants, although we may, in our absolute discretion, process such faxed instruction without telephone confirmation and any deal so processed will be binding on the investor.

In addition, if you have authorised us to act on faxed instructions, you confirm that we are authorised to act on any instruction which we believe emanates from you, and that we shall not be liable for acting in good faith on instructions which emanate from unauthorised individuals. We shall not be under any duty to verify the authenticity of any signature on any instruction, and you will keep us indemnified at all times against any loss we may suffer or incur in connection with acting on such instructions. However, if we decide to authenticate any instructions given by fax, we have absolute discretion to refuse to act upon any such instructions if we have any reason to doubt the authenticity of such instructions and we will not be responsible to you for any loss you may suffer or incur in connection with any delay or failure in effecting any of your instructions.

Recording

We are entitled to electronically record your telephone conversations with us or any of our representatives with or without the use of an automatic tone warning device. Such recording and transcripts may be used for any purpose, including as evidence by either party in any dispute between you and us.

Notification of errors

You must examine contract notes and statements sent to you. If you do not notify us of any errors within 30 days of issue of the statement or contract note, you will be deemed to have waived your right to raise any objections in relation to them.

Indemnity and set off

You will indemnify us against any actions, proceedings, claims, losses and expenses which are suffered by us as a result of our reliance on or failure to act in accordance with instructions given to us, unless arising through our fraud, wilful default or negligence. You confirm that we may set off any claim that we may have against you against any cash held by us on your account.

Dividends and distributions

All dividends and distributions declared on the Portfolios (if any) will be automatically reinvested. However, if the dividends or distributions payable to you are more than USD50, you can instruct us to pay the proceeds to you, in which case all payment will be made in the Dealing Currency of the relevant shares. We reserve the right not to reinvest the dividends and distributions for you and the relevant proceeds will be paid to you accordingly.

In respect of Monthly Distribution Shares, if the investment income is not sufficient, the Board of Directors of the Company may determine if, and to what extent, dividends may be paid out of capital or effectively out of capital. Where the dividend is paid gross of expenses, this will result in an increase in distributable income for the payment of dividends by the Portfolio and therefore, the Portfolio may effectively pay dividend out of capital. If there is a change to this policy, prior approval will be sought from the SFC and affected investors will receive at least one month's prior written notification.

In respect of the Monthly Distribution Shares, the composition of the latest dividends (i.e. the relative amounts paid out of (i) net distributable income and (ii) capital) (if any) for the last 12 months is available from the Hong Kong Representative on request and on the website www.assetmanagement.hsbc.com/hk[2].

Nominee Service

All shares purchased in the Company will be held in the name of a nominee company, HSBC Global Asset Management Holdings (Bahamas) Limited ("the Nominee"). The following terms and conditions apply to the nominee service:

(a) On your instructions, the Nominee will (i) convert your shares into shares of any other Portfolio (subject to the minimum investment requirement); (ii) redeem your shares and pay the redemption proceeds to you; (iii) subject to (b) below, transfer the shares into your own name or as directed by you; (iv) exercise powers of voting conferred by the shares, or, in the absence of such instructions, as it deems to be in your best interest.

(b) For the Monthly Investment Plan, you cannot transfer your holding into your name whilst the plan is in force, and any subsequent transfer may be subject to a fee.

[2] Investors should note that the website has not been reviewed or authorised by the SFC.

(c) The Nominee will forward to you all documents that are issued to shareholders.

(d) As the beneficial owner of the shares, you agree to indemnify the Nominee against all costs, expenses, and liabilities (other than those arising from the Nominee's negligence or wilful default) arising from the fact that the shares are registered in the name of the Nominee, or arising from the discharge of this nominee service.

(e) The Nominee may terminate the nominee arrangement and transfer the shares into your own name on giving you 30 days written notice.

Under the nominee arrangement, although the shares of the Company will be issued in the name of the Nominee, you are the beneficial owner of such shares. Accordingly, you will have direct contractual relationship with the Nominee instead of with the Company. The Nominee will be responsible for liaising with the Company on your behalf.

Alteration

We reserve the right to amend these Terms and Conditions from time to time by giving notice to you and you agree to be bound by the latest terms and conditions.

Personal data

(i) Personal data provided by you on the application form, and details of transactions or dealings between you and us will be used, stored, disclosed and transferred (in and outside Hong Kong) to such persons as we consider necessary, including any member of the HSBC Group, for any purpose in connection with the services we may provide to you, and/or in connection with matching for whatever purpose with other personal data concerning you, and/or for the purpose of promoting, improving and furthering the provision of services by us/other HSBC Group members to customers generally; (ii) you have the right to request access to and correction of any personal data or to request the personal data not to be used for direct marketing purposes.

Applicable law

These Terms and Conditions shall be governed by laws of the Hong Kong Special Administrative Region.

Additional terms and conditions for the Monthly Investment Plan

You may invest in all share classes currently available to the public in Hong Kong through the Monthly Investment Plan, unless otherwise determined by the Hong Kong Representative.

Monthly Investment

You will make monthly contribution, with a minimum of HKD1,000 (or equivalent in the Dealing Currency) per month per Portfolio. Contributions must be made by direct debit in Hong Kong dollars through a bank account in Hong Kong. Your account will be debited on the 1st or 15th day of the month (Debit Day) and shares of the relevant class of the Portfolio will be issued within 5 Hong Kong Business Days (a day (other than Saturday) upon which banks are generally open for normal banking business in Hong Kong). You should ensure that there is enough money in your account one Hong Kong Business Day before the Debit Day to cover the contribution. We will not issue shares until the contributions reach our account.

A monthly statement will be sent to you to summarise all your transactions completed in the month.

Irregular Investment

No initial investment is required. Irregular lump sum contributions (on plan setup or any Dealing Day thereafter) can be made from a minimum of USD1,000, HKD10,000, AUD1,500, CAD1,000, EUR850 or GBP650 (as appropriate) per Portfolio.

Change of Debit Date

You can change your debit date to 1st or 15th day of the month, on 5 Hong Kong Business Days notice (starting from the date we receive the relevant form), by sending us an amendment form.

Increasing or decreasing monthly contributions

You can increase or decrease the amount of your monthly contributions, on 5 Hong Kong Business Days notice (starting from the date we receive the relevant form), by sending us an amendment form. Your new monthly contributions cannot be less than HKD1,000 (or equivalent in the Dealing Currency) per month per Portfolio.

Redirecting your new contributions

You may redirect your new contributions to different Portfolio(s) to those indicated on the original application form, on 5 Hong Kong Business Days notice (starting from the date we receive the relevant form), by sending us an amendment form. The minimum contribution for each Portfolio is HKD1,000 (or equivalent in the Dealing Currency) per month. You may retain the holding already accumulated in the original Portfolio(s).

Conversions between Portfolios

Unless otherwise provided in the section headed "Portfolios details" in relation to a specific Portfolio, you may convert your accumulated shares from one Portfolio into shares of another Portfolio by sending us an amendment form. A conversion fee will apply. If there is no new monthly contribution instruction stated on the amendment form, we will continue to invest your monthly contributions in accordance with your original or updated instructions.

Redeeming shares

You may redeem your shares at any time by sending us a redemption form. Partial redemptions of amounts greater than USD1,000, HKD10,000, AUD1,500, CAD1,000, EUR850 or GBP650 (as appropriate) are permitted providing the value of the remaining balance of shares in the relevant Portfolio is not less than the minimum investment requirement of the Portfolio.

Discount

Once you have made at least 12 successful consecutive monthly contributions and your total investment amounts to HKD65,000 (or equivalent in the Dealing Currency, including monthly and irregular investment) or more, the initial charge will be reduced by 1%, for shares purchased with future monthly contributions.

Cancelling the plan

You may stop contributing to the plan, on 5 business days notice (starting from the date we receive the relevant form), by sending us an amendment form and retain shares accumulated.

Prospectus

HSBC Portfolios

Nov 2014

Investment company with variable capital incorporated in Luxembourg

HSBC

Global Asset Management

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IMPORTANT INFORMATION

THE INFORMATION IN THIS PROSPECTUS IS BASED ON THE DIRECTORS' UNDERSTANDING OF CURRENT LAW AND PRACTICE (INCLUDING AS TO TAXATION) AT THE DATE HEREOF. BOTH LAW AND PRACTICE MAY BE SUBJECT TO CHANGE. IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS PROSPECTUS, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER FINANCIAL ADVISER OR, IF YOU ARE IN THE UK, A PERSON AUTHORISED UNDER THE FINANCIAL SERVICES AND MARKETS ACT 2000 WHO SPECIALISES IN ADVISING ON THE ACQUISITION OF SHARES AND OTHER SECURITIES.

HSBC PORTFOLIOS (the "Company") 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.

It should be remembered that the price of shares of the Company and income from them can go down as well as up and that investors may not receive back the amount they originally invested.

Shares are available for issue on the basis of the information and representations contained in this Prospectus. Any further information given or representations made by any person with respect to any shares must be regarded as unauthorised.

The Directors have taken all reasonable care to ensure that the facts stated herein are true and accurate in all material respects and that there are no other material facts, the omission of which would make misleading any statement herein whether of fact or opinion. All the Directors accept responsibility accordingly.

This Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer 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 shares described in this Prospectus may only be distributed in Canada through HSBC Global Asset Management (Canada) Limited, and this Prospectus may not be used to solicit, and will not constitute a solicitation of, an offer to buy shares in Canada unless such solicitation is made by HSBC Global Asset Management (Canada) Limited. A distribution or solicitation may be deemed to occur in Canada where a distribution or solicitation is made to a person (including an individual, corporation, trust, partnership or other entity, or other legal person) resident or otherwise located in Canada at the applicable time. For these purposes, the following persons will generally be considered to be a Canadian resident:

1. An individual, if
   - i. the individual's primary principal residence is located in Canada; or
   - ii. the individual is physically located in Canada at the time of the offer, sale or other relevant activity.
2. A corporation, if
   - i. the corporation's head office or principal office is located in Canada; or
   - ii. securities of the corporation that entitle the holder to elect a majority of the directors are held by Canadian Resident individuals (as described above) or by legal persons resident or otherwise located in Canada; or
   - iii. the individuals that make investment decisions or provide instructions on behalf of the corporation are Canadian Resident individuals (as described above).
3. A trust, if
   - i. the principal office of the trust (if any) is located in Canada; or
   - ii. the trustee (or in the case of multiple trustees, the majority of trustees) are Canadian Resident individuals (as described above) or are legal persons resident or otherwise located in Canada; or
   - iii. the individuals that make investment decisions or provide instructions on behalf of the trust are Canadian Resident individuals (as described above).
4. A partnership, if
   - i. the partnership's head office or principal office (if any) is located in Canada; or
   - ii. the holders of the majority of the interests of or in the partnership are held by Canadian Residents (as described above); or
   - iii. the general partner (if any) is a Canadian Resident (as described above); or
   - iv. the individuals that make investment decisions or provide instructions on behalf of the partnership are Canadian Resident individuals (as described above).

Shares of the Company may not be offered or sold to any “U.S. Person” within the meaning of the Articles of Incorporation (i.e. a citizen or resident of the United States of America (the "United States"), a partnership organised or existing in laws of any state, territory or possession of the United States, or a corporation organised under the laws of the United States, 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 without the United States is not includible in gross income for purposes of computing United States income tax payable by it).
Shares of the Company may not be offered or sold to any other “U.S. Person” (an “Other USP”). For the purposes of this restriction, the term Other USP shall mean the following:
1. An individual who is deemed a resident of the U.S. under any U.S. law or regulation
2. An entity:

   i. that is a corporation, partnership, limited liability company or other business entity:
      a. that was created or organized under U.S. federal or state law including any non-U.S. agency or branch of such entity; or

b. where regardless of place of formation or organization, was organized principally for passive investment (such as an investment company or fund or similar entity other than an employee benefit plan or employee pension scheme for the employees, officers, or principals of a non-U.S. entity having its principal place of business outside the United States);
   - and owned directly or indirectly by one or more Other USPs, with respect to which such Other USPs (unless defined as a Qualified Eligible Person under CFTC Regulation 4.7(a)) directly or indirectly hold in the aggregate 10% or greater beneficial interest; or
   - where an Other USP is the general partner, managing member, managing director or other position with authority for directing the entity's activities; or
   - was formed by or for an Other USP principally for the purpose of investing in securities not registered with the SEC; or
   - where more than 50% of its voting ownership interests or non-voting ownership interests are directly or indirectly owned by Other USPs; or

c. that is any agency or branch of a non-U.S. entity located in the U.S.; or

d. has its principal place of business in the U.S.; or

ii. that is a trust created or organized under U.S. federal or state law or regardless of the place of creation or organization;

a. where one or more Other USPs has the authority to control all substantial decisions of the trust; or

b. where the administration of the trust or its formation documents are subject to the supervision of one or more U.S. courts: or

c. where any settlor, founder, trustee, or other person responsible for decisions related to the trust is an Other USP; or

iii. that is an estate of a deceased person regardless of where the person resided while alive where an executor or administrator is an Other USP.

3. An employee benefit plan established and administered in accordance with the laws of the U.S.
4. A discretionary or non-discretionary investment account or similar account (other than an estate or trust) held by a non-U.S. or U.S. dealer or other fiduciary for the benefit or account of an Other USP (as defined above).

For the purpose of this definition, the “United States” and “U.S.” means the United States of America (including the States and the District of Columbia), its territories, possessions and other areas of subject to its jurisdiction.”

If, subsequent to a shareholder's investment in the Company, the shareholder becomes an Other USP, such shareholder (i) will be restricted from making any additional investments in the Company and (ii) as soon as practicable have its shares compulsorily redeemed by the Company (subject to the requirements of the Articles of Incorporation and the applicable law).
The Company may, from time to time, waive or modify the above restrictions.

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 documents of each Class of each Portfolio (the "Key Investor Information Documents"), the latest annual and any semi-annual reports of the Company, are available at the registered office of the Company and will be sent to investors upon request. Such reports shall be deemed to form part of this Prospectus.

The Key Investor Information Documents are available on www.assetmanagement.hsbc.com/fundinfo. Before subscribing to any Class and to the extent required by local laws and regulations each investor shall consult, if available, 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.

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 HSBC Group as promoter and any distributor that is also a member of 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 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.

The Company is authorized and regulated in the Grand Duchy of Luxembourg. HSBC Holding Plc ("HSBC") is the parent company of a number of affiliates involved in the management, investment management and distribution of the Company. HSBC is regulated by the Federal Reserve in the United States as a Financial Holding Company ("FHC") under the Bank Holding Company Act (and its associated the rules and regulations) (the "BHCA"). As an FHC, the activities of HSBC and its affiliates are subject to certain restrictions imposed by the BHCA.

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

For example, in order to comply with the BHCA a Portfolio may be:
(i) restricted in its ability to make certain investments;
(ii) restricted in the size of certain investments ,
(iii) subject to a maximum holding period on some or all of its investments; and/or
(iv) required to liquidate certain of its investments.

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

Any actions required pursuant to the BHCA will be executed in compliance with applicable law and in a manner consistent with the best interests of the Shareholders of each Portfolio. Investors should also refer to Section 2.12 "Conflicts of Interest" below. There can be no assurance that the bank regulatory requirements applicable to HSBC and/or indirectly to the Company, will not change, or that any such change will not have a material adverse effect on the investments and/or investment performance of the Portfolios. Subject to applicable law, HSBC and the Company may in the future, undertake such actions as they deem reasonably necessary (consistent with ensuring any actions remain in the best interests of the shareholders of the Portfolios) in order to reduce or eliminate the impact or applicability of any bank regulatory restrictions on the Company and its Portfolios.

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 "Portfolio"), 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 Portfolio, shares may be offered in different Classes which are distinguished by specific features, as more fully described in Section 3.2. "Portfolios details".

The assets of a Portfolio are exclusively available to satisfy the rights of shareholders in relation to that Portfolio and the rights of creditors whose claims have arisen in connection with the creation, operation or liquidation of that Portfolio.

In this Prospectus and in the reports, the short names of the Portfolios are used. They should be read with HSBC Portfolios preceding them.

1.1. Investment objectives and policies of the Company

The Company seeks to provide a comprehensive range of Portfolios with the purpose of spreading investment risk and satisfying the requirements of investors seeking to emphasise income, capital conservation and/or capital growth as detailed in relation to the specific Portfolios.

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

Whilst using their best endeavours to attain the investment objectives, the 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 Directors may from time to time, by amendment of this Prospectus, establish further Portfolios which may have different investment objectives and policies to those detailed in Section 3.2. "Portfolios details", subject however to these conforming to the UCITS status of the Company.

1.2. Share Class information

The Directors have authority to issue different Classes of Shares in one or several Portfolios. Details of the characteristics of such Share Classes, if and when offered, by one or several Portfolios will be determined by the Directors. In case of the creation of additional Classes of Shares and issue of shares within a Portfolio, this Prospectus will be updated.

As at the date of this Prospectus, the Company has the following Share Classes available:

Class	Description
Class A	A shares are available to all investors.
Class 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.
Class E	E Shares will be available in certain countries, subject to the relevant regulatory approval, through specific distributors selected by the Distributor on application to the Company.
Class S*	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.
Class Z	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.

* Successive issue of Classes S Shares will be numbered 1, 2, 3, etc. and respectively referred to as S_1, S_2, S_3, etc. A series of Class S Shares may be issued in one or more Portfolios and each series may or may not be available in all Portfolios.

The subscription proceeds of all Shares in a Portfolio are invested in one common underlying portfolio of investments. The allocation of the assets and liabilities of the Company to each Portfolio is described in the Articles of Incorporation. All shares of the same Class have equal rights and privileges. Each share is, upon issue, entitled to participate equally in assets of the Portfolio to which it relates on liquidation and in dividends and other distributions as declared for such Portfolio. 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 Portfolio is less than the amount determined by the Directors for each Class, the Directors may consider at their discretion that the shareholder has requested to convert or

redeem its entire holding in such Class and proceed to compulsory redemption. 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, S, and Z Shares. First time applicants should contact their local HSBC distributor before submitting an Application Form for these Classes of Shares.

The minimum initial and subsequent investment amounts may be waived or reduced at the discretion of the Company.

Share Class Denominations

Within each Share Class of a Portfolio, the Company shall be entitled to create different sub-classes, distinguished by their Class name, 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 criterion to be stipulated by the Board of Directors.

Distribution Shares are identifiable by a "D" following the Portfolio and Class names (e.g.: Class AD), with the exception of Monthly Distribution Shares which are identifiable by an "M" following the Portfolio and Class names (e.g.: Class AM) and Quarterly Distribution Shares which are identifiable by a "Q" following the Portfolio 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 different Classes offered in relation to each Portfolio are described in the relevant table in Section 3.2. "Portfolios details".

Currency Hedged Share Classes

Within each Share Class of a Portfolio, separate currency hedged Classes may be issued (suffixed by "H" and the currency into which the Base Currency is hedged e.g. "HEUR" or "HGBP"). Any fees relating to the execution of the currency hedging policy will be borne by the relevant currency hedged Class. These fees are in addition to the operating administrative and servicing expenses as detailed under Section 2.8. (3).

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 whether the Base Currency is declining or increasing in value relative to the target currency. No assurance can be given that the hedging objective will be achieved.

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

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

Share Class Reference Currencies

The Management Company may decide to issue within a Portfolio Share Classes having a different reference currency (currency denomination) than the Base Currency and which denotes the currency in which the Net Asset Value per Share of the Share Class will be calculated. In principle, Share Classes may be issued in the following reference currencies: Euro, Hong Kong Dollar, Australian Dollar, Singapore 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.

Unless otherwise provided for in the Prospectus, 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 Portfolio, 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. "Portfolios Details".

Dealing Currencies

Share Classes are available in the Base Currency of the relevant Portfolio and in EUR and GBP, as the case may be, as disclosed in Section 3.2. "Portfolios details".

Hong Kong Dollar, Singapore Dollar, Australian Dollar and Polish Zloty are available as Dealing Currencies in certain Classes or through selected distributors and/or in certain countries. Other Dealing Currencies may be available on application to the Company. The amount of the minimum initial and subsequent investment in each Dealing Currency may be obtained from the distributors or at the registered office of 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. "Portfolios details".

1.3. Risk considerations

Investment in any Portfolio 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 Portfolios 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.

Conflicts

There are potential conflicts of interest which may arise between the Company and those persons and entities which are involved as managers of the Collective Investment Schemes. Managers normally manage assets of other clients that make investments similar to those made on behalf of the Company and such clients could thus compete for the same trades or investments. Whilst available investments or opportunities are generally allocated to each client in a manner believed to be equitable, some of those allocation procedures may adversely affect the price paid or received for investments or the size of positions obtained or disposed of. Conflicts may also arise as a result of other services provided by the affiliates of the HSBC Group which may provide advisory, custodial or other services to other clients and to some of the Collective Investment Schemes in which the Company invests.

The Company may also invest in other Collective Investment Schemes which are managed by the Management Company or Investment Advisers of the Company. The directors of the Management Company may also be directors of the Collective Investment Schemes and the interest of such Collective Investment Schemes and of the Company could result in conflicts. Generally there may be conflicts between the best interests of the Company and the interests of affiliates of the Management Company in connection with the fees, commissions and other revenues derived from the Company or the Collective Investment Schemes. In the event that such a conflict arises, the directors of the Management Company will endeavour to ensure that it is resolved in a fair manner.

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.

Foreign exchange risk

Because a Portfolios' assets and liabilities may be denominated in currencies different to the Base Currency, the Portfolio 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 Portfolio'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 Portfolio 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 Portfolio from benefiting from the performance of a Portfolio's securities if the currency in which the securities held by the Portfolio 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.

Liquidity risk

A Portfolio 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 redeem funds from that Portfolio, and can also have an impact on the value of the Portfolio.

Although the Portfolios will invest mainly in the Collective Investment Schemes in which the shareholders are entitled to redeem their shares within a reasonable timeframe, there may be exceptional circumstances in which such Collective Investment Schemes can not guarantee the liquidity of their shares/units. Absence of liquidity may have a determined impact on the Portfolio and the value of its investments.

This liquidity risk is mitigated as the Portfolios will have a well diversified exposure to a broad range of asset classes.

In addition, the Company manages a robust risk management process effective on a daily basis in identifying, measuring,

monitoring and controlling the liquidity risk for all assets classes including, but not limited to, Emerging Markets equities, Investment Grade, high yield and Emerging Markets debt securities, real estate, hedge fund, private equity and absolute return strategies.

Emerging Markets risk

Because of the special risks associated with investing in Emerging Markets, Portfolios which have exposure to such securities should be considered speculative. Investors in such Portfolios 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 Portfolio 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 Portfolio to make intended securities purchases due to settlement problems could cause the Portfolio to miss attractive investment opportunities. Inability to dispose of a portfolio security caused by settlement problems could result either in losses to a Portfolio due to subsequent declines in value of the portfolio security or, if a Portfolio 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 Portfolio'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 Portfolio so affected.

Investors in Emerging Markets Portfolios 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 Portfolios will therefore only invest up to 10% of their net asset value directly in Russian equity securities (except if they are listed on the RTS Stock Exchange, on the Moscow Interbank Currency Exchange in Russia and any other regulated markets in Russia which would further be recognised as such by the Luxembourg supervisory authority) while the Portfolios 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 Portfolios 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.

Interest rate risk

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

Credit risk

A Portfolio which has exposure to 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. Portfolios investing in lower quality debt securities are more susceptible to these problems and their value may be more volatile.

Downgrading Risk

Investment Grade bonds may be subject to the risk of being downgraded to Non-Investment Grade bonds. In the event of downgrading in the credit ratings of a security or an issuer relating to a security, the Portfolio's investment value in such security may be adversely affected. The Management Company or the relevant Investment Adviser may or may not dispose of the securities, subject to the investment objective of the Portfolio. If downgrading occurs, the non-Investment Grade debt risk outlined in the paragraph below will apply.

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 Portfolio 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 Portfolio's price may be more volatile.

Volatility of financial derivative instruments

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

Futures and options

Under certain conditions, the Company may use options and futures on securities, indices and interest rates for different purposes (i.e. investment, hedging and efficient portfolio management). Also, 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.

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 Portfolio entering into OTC financial derivative transactions will be subject to the risk that its direct counterparty will not perform its obligations under the transactions and that a Portfolio 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 the 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 Portfolio 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.

Counterparty risk

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

For example, the Company on behalf of the Portfolio may enter into repurchase agreements, forward contracts, options and swap arrangements or other derivative techniques, each of which expose the Portfolio 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 Portfolio 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 Portfolio on the advice of the Investment Adviser involve credit risk that could result in a loss of the Portfolio's entire investment as the Portfolio may be fully exposed to the credit worthiness of a single approved counterparty where such an exposure will be collateralised.

Investment in real estate

Investments in equity securities issued by companies or in shares/units of real estate Collective Investment Scheme which are principally engaged in the business of real estate will subject the strategy to risks associated with the direct ownership of real estate. These risks include, among others, possible declines in the value of real estate. Risks related to general and local economic conditions, possible lack of availability of mortgage funds, overbuilding, extended vacancies of properties, increases in competition, real estate taxes and transaction, operating and foreclosure expenses, changes in zoning laws, costs resulting from the clean up of, and liability to third parties for damages resulting from, environmental problems; casualty or condemnation losses, uninsured damages from natural disasters and acts of terrorism, limitations on and variations in rents; and changes in interest rates. The strategy may invest in securities of small to mid-size companies which may trade in lower volumes and be less liquid than the securities of larger, more established companies or other Collective Investment Schemes. There are therefore risks of fluctuations in value due to the greater potential volatility in their share prices.

Investment in REITs

Investors should note that insofar as the Portfolio directly invests in REITs, any dividend policy or dividend payout at the Portfolio level may not be representative of the dividend policy or dividend payout of the relevant underlying REIT.

The legal structure of a REIT, its investment restrictions and the regulatory and taxation regimes to which it is subject will differ depending on the jurisdiction in which it is established.

Investment in hedge funds

Hedge funds are considered to fall within the category of alternative investments. Hedge funds often engage in borrowing money to increase returns and other speculative investment practices that may increase the risk of investment loss. They may also regularly make short sales, i.e. sales of assets received through securities lending from a third party, for which there exists an obligation to return the securities. If the price of the securities increases the hedge funds may suffer a loss, possibly unlimited in amount. They can be difficult to sell, are not required to provide periodic pricing or valuation information to investors, may involve complex tax structures and delays in distributing important information. Alternative investments may not always be subject to governmental or regulatory supervision and are generally not bound by investment restrictions or limits. They are often not subject to the same regulatory requirements as, say, funds and often charge high fees that may potentially offset trading profits when they occur. Exposure to hedge funds through derivatives is subject to the risks associated with such derivatives described in this section.

Investment in private equity

Private equity investments are generally illiquid, long-term investments that do not display the liquidity or transparency characteristics often found in other investments (e.g. listed securities). It can take a longer time for money to be invested as well as a longer time for investments to produce returns after initial losses. There is a higher degree of risk that the entire investment may be lost. Private equity companies are subject to little or no regulatory supervision and thus the reporting standards may be lower than exchange traded companies.

Investment in commodity Collective Investment Schemes or commodity financial derivative instruments

The Portfolio may have exposure to commodities markets. This type of exposure generally entails greater volatility than investments in traditional securities, such as stocks and bonds. The commodities markets may vary widely based on a variety of factors. These include changes in overall market movements, domestic and foreign political and economic events and policies, war, acts of terrorism, changes in domestic or foreign interest rates and/or expectations concerning interest rates, domestic and foreign inflation rates and/or investor expectations concerning inflation rates and investment and trading activities of mutual funds and commodities funds.

Prices of various commodities may also be affected by factors such as droughts, floods, weather, livestock disease, embargoes, tariffs and other regulatory developments. Many of these factors are very unpredictable. The prices of commodities can also fluctuate widely due to supply and demand disruptions in major producing or consuming regions. Certain commodities may be produced in a limited number of countries and may be controlled by a small number of producers. As a result political, economic and supply related events in such countries could have a disproportionate impact on the prices of such commodities.

Because the Portfolio's performance may be linked to the performance of highly volatile commodities, investors should consider purchasing shares of the Portfolio only as part of an overall diversified portfolio and should be willing to assume the risks of potentially significant fluctuations in the value of Portfolio shares.

Specific nature of a fund of funds

Prospective investors should be aware of the specific features of a fund of funds and the consequences of investing in the Collective Investment Schemes. Although the Company will seek to monitor investments and trading activities of the Collective Investment Schemes to which certain Portfolios' assets will be allocated, investment decisions are made at the level of such Collective Investment Schemes and it is possible that the managers of such Collective Investment Schemes will take positions or engage in transactions in the same securities or in issues of the same asset class, industry or country or currency at the same time. Consequently there is a possibility that one Collective Investment Scheme may purchase an asset at about the same time as another Collective Investment Schemes may sell it.

There can be no assurance that the selection of the managers of the Collective Investment Schemes will result in an effective diversification of investment styles and that positions taken by the underlying Collective Investment Schemes will always be consistent.

The selection of the Collective Investment Schemes will be made in a manner to secure the opportunity to have the shares or units in such Collective Investment Schemes redeemed within a reasonable time frame. There is, however, no assurance that the liquidity of the Collective Investment Schemes will always be sufficient to meet redemption requests as and when made.

Duplication of costs when investing in Collective Investment Schemes

The Company incurs costs of its own management and administration comprising the fees paid to the Management Company (which include among others the fees of the Depositary Bank, unless otherwise provided hereinafter) and other service providers. It should be noted that, in addition, the Company incurs similar costs in its capacity as an investor in the Collective Investment Schemes which in turn pay similar fees to their manager and other service providers. The Directors endeavour to reduce duplication of management charges by negotiating rebates where applicable in favour of the Company with the Collective Investment Schemes or their managers. Please refer to the Section 2.8. "Charges and Expenses" of this Prospectus.

Further, the investment strategies and techniques employed by certain Collective Investment Schemes may involve frequent changes in positions and a consequent portfolio turnover. This may result in brokerage commission expenses which exceed significantly those of the Collective Investment Schemes of comparable size.

The Collective Investment Schemes may be required to pay performance fees to their manager. Under these arrangements the managers will benefit from the appreciation, including unrealised appreciation of the investments of such Collective Investment Schemes, but they are not similarly penalised for realised or unrealised losses.

As a consequence, the direct and indirect costs borne by the Company are likely to represent a higher percentage of the Net Asset Value than would typically be the case with Collective Investment Schemes which invest directly in equity and bond markets (and not through other Collective Investment Schemes).

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 Portfolio'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 Portfolio 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 Portfolio 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.

SECTION 2 COMPANY DETAILS

2.1. Summary of principal features

Legal structure:	Open-ended investment company with multiple Portfolios incorporated as a société anonyme qualifying as a société d'investissement à capital variable under Part I of the Luxembourg law of 20 December 2002 implementing directive 85/611/EEC (as amended) into Luxembourg law. Each Portfolio corresponds to a distinct part of assets and liabilities. It exists for an unlimited period. Since 1 July 2011, the Company qualifies as an Undertaking for Collective Investment in Transferable Securities under the Part I of the 2010 Law implementing Directive 2009/65/EC into Luxembourg law.
Incorporation date:	21 July 2009.
Registered number:	B147223 at the *Registre de Commerce et des Sociétés* of Luxembourg.
Articles of Incorporation	Published in the Mémorial on 5 August 2009 and the latest amendment was published in the Mémorial on 21 February 2012.
Dividends:	Will be declared separately in respect of each distribution Class of each Portfolio 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 Portfolios.
Taxation:	The Company is 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. This tax rate is reduced to 0.01% per annum for S and Z Share Classes in the relevant Portfolios (for details see Section 2.15. "Taxation").
Investment objectives:	The Company provides investment in separate professionally managed pools of international securities distinguished by different geographical areas and currencies, with the opportunity for the investor to spread investment risk as well as to choose to emphasise income, capital conservation and growth.
NAV publication:	Details can be obtained from distributors or the registered office of the Company. Generally available in various publications (for details see Section 2.6. "Prices of shares, publication of prices and NAV").
Current sales charge:	Up to 4.17% of the Net Asset Value per share.
Base currency:	USD.
Year End:	31 July.

2.2. How to buy shares

(1) Application

Investors buying shares for the first time should complete the Application Form. Investors are allocated a personal account number upon acceptance of their 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 Portfolio made to the Company, either directly to the Registrar and Transfer Agent or through an appointed 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

The dealing cut-off times are indicated in Section 3.2. "Portfolios details" for each Portfolio.

Applications received after the relevant cut-off times will normally be dealt on the next following Dealing Day.

Shareholders should normally allow up to five Business Days before further switching or redeeming their shares after purchase or subscription to allow cleared funds to be received by the Company.

Investors and shareholders dealing through distributors (including those offering nominee services) shall be entitled to deal until the relevant 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 or conversion 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 by cheque or, at the cost of the applicant, by telegraphic transfer.

(4) Anti-money laundering and prevention of terrorist financing

Pursuant to the Luxembourg law of 12 November 2004 (as amended) on the fight against money laundering and terrorist financing, any other applicable laws and regulations and the relevant circulars of the Luxembourg supervisory authority, obligations have been imposed on professionals of the financial sector to prevent the use of undertakings for collective investment such as the Company for money laundering and terrorist financing purposes ("AML & KYC").

As a result of such provisions, the registrar and transfer 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 and Transfer 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 Company nor the Registrar and Transfer Agent have any liability for delays or failure to process deals as a result of the applicant 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 current Registrar and Transfer Agent. These requirements may be amended following any 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 electronic transfer net of bank charges to the relevant correspondent bank(s) quoting the applicant's name and stating the appropriate Portfolio 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.

In Kind

The Board of Directors may, at its discretion, decide to accept securities as valid consideration for a subscription provided that these comply with the investment policy and restrictions of the relevant Portfolios. Such securities will be independently valued in accordance with Luxembourg law by a special report of the Company's Luxembourg Auditors (to the extent legally or regulatory required). Additional costs resulting from a subscription in kind will be borne exclusively by the subscriber concerned.

(6) Currencies

Where payments for subscriptions are made in a currency other than the Base Currency of the Portfolio concerned, EUR, GBP or the Dealing Currencies available for the relevant Share Class, the necessary foreign exchange transactions are arranged by the Registrar and Transfer Agent for the account of, and at the expense of, the applicant at prevailing exchange rates on the relevant Dealing Day.

Payments for subscriptions in a currency hedged Share Class can only be made in the currency of the relevant currency hedged Share Class.

(7) Share allocation

Shares are provisionally allotted but not allocated until cleared funds have been received by the Company or to its order. Cleared monies must be received by the Company or by a correspondent bank to its order, not later than the deadlines set forth in Section 3.2. "Portfolios details".

If settlement is not received by the Company or to its order in cleared funds by the due date the Company reserves the right to cancel the provisional allotment of shares without prejudice to the right of the Company to obtain compensation of any loss directly or indirectly resulting from the failure of an applicant to effect settlement.

(8) Contract notes

Contract Notes are faxed and/or posted to the investor on the allotment of shares. The Shareholder' personal account number is included in the Contract Note and 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 by prior agreement.

2.3. How to sell shares

(1) Request

Redemption requests should be made to the Company, either directly to the Registrar and Transfer Agent or through an appointed distributor. Redemption requests may be made by letter, fax or, by prior agreement, by telephone. The latter may require confirmation in writing.

They must include the names and personal account number(s) of the shareholder(s), the number of shares to be repurchased relating to each Portfolio and any special instructions for despatch of the redemption proceeds.

Valid instructions to redeem shares of any Portfolio received prior to the appropriate dealing cut-off times as described in Section 3.2. "Portfolios details" for each Portfolio 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.

(2) Settlement

In Cash

The net redemption proceeds shall be paid in the Base Currency of the Portfolio concerned, in EUR, in GBP or in any other Dealing Currency available for the relevant Share Class, no later than the dates defined in Section 3.2. "Portfolios details".

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

In Kind

At a shareholder's request, 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) Currencies

Where payments for redemptions are made in a currency other than the Base Currency of the Portfolio concerned, EUR, GBP or the Dealing Currencies available for the relevant Share Class, the necessary foreign exchange transactions are arranged by the Registrar and Transfer Agent for the account of, and at the expense of, the applicant at prevailing exchange rates as at the Dealing Day.

Payments for redemptions in a currency hedged Share Class can only be made in the currency of the relevant currency hedged Share Class.

In exceptional circumstances, such as during an event of very significant currency markets disruption, should it not be possible for the Company to make payments for redemptions in the Dealing Currency or currency of any currency hedged Share Class, the Company reserves the right to make such payment only in the Base Currency of the relevant Portfolio.

(4) Contract note

Contract Notes are posted to shareholders as soon as practicable after the transaction has been effected.

(5) Mandatory redemption

If a redemption instruction would reduce the value of a shareholder's residual holding in any one Portfolio to below the minimum holding requirement as set forth in Section 3. "Portfolio Information", the Company may decide to compulsorily redeem the shareholder's entire holding in respect of that Portfolio.

(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 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 Portfolio:

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 Portfolio. 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 for 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.

b) may elect to sell assets representing, as nearly as practicable, the same proportion of the Portfolio'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 1.3. "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 Portfolio.

(8) Prevention of market timing practices

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

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

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

- The Registrar and Transfer Agent may combine shares which are under common ownership or control for the purposes of ascertaining whether an individual or a group of individuals can be deemed to be involved in market timing practices. Accordingly, the Management Company reserves the right to cause the Registrar and Transfer Agent to reject any application for switching and/or subscription of shares from investors whom the former considers market timers.

- If a Portfolio is primarily invested in markets which are closed for business at the time the Portfolio 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 Portfolio's investments or, in certain circumstances specified below, 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 Portfolio.

If a Portfolio is primarily invested in markets that are closed or 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 Portfolio (see Appendix 2 "Other Information", paragraph 6).

In addition to the fees listed elsewhere in this Prospectus, the Board of Directors may impose a charge of up to 2.00% of the Net Asset Value of the shares redeemed or exchanged where the Board of Directors 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 Portfolio.

2.4. 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 Portfolio or Class concerned. The Offer and Redemption Prices may also be expressed in different Dealing Currencies or in the currency of a currency hedged Share Class.

Payments for subscriptions and redemptions in a currency hedged Share Class can only be made in the currency of the relevant currency hedged Share Class, unless otherwise provided for in the Prospectus.

Where payments are tendered by a subscriber or, if a capital withdrawal is required in a currency other than that in the Base Currency or the Dealing Currencies, the necessary foreign exchange transactions are arranged by the Registrar and Transfer Agent for the account of, and at the expense of, the applicant at prevailing exchange rates on the relevant Dealing Day.

2.5. How to convert between Portfolios

Subject to shareholders being eligible in a given Class, shares of different Classes in any Portfolio may be converted into different Classes of the same or other Portfolios on any Dealing Day for both Portfolios (a "Qualifying Day"). 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 Portfolio or Class of less than the minimum holding, the 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.

Investors in capital-accumulation shares can convert their holding to distribution shares, where available, in the same as other Portfolios and vice versa. Investors in currency hedged Share Classes can convert their holding to unhedged Share Classes in the same or other Portfolios 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 investors 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 Portfolios 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.

2.6. Price of shares, publication of prices and NAV

(1) Valuations

Details of Dealing Prices for shares of the Portfolios can be found in Section 3.2. "Portfolios details". Dealing Prices are calculated by reference to the Net Asset Value of the relevant Class of Shares of the relevant Portfolio in its relevant currencies.

(2) Calculation of Net Asset Value

Valuation Principles

The Net Asset Value of each Class within each Portfolio (expressed in the currency of denomination of the Portfolio) 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 assets of each Class within each Portfolio are valued as of the Valuation Point, as defined in Section 3.2. "Portfolios details", as follows:

1. shares or units in open-ended undertakings for collective investment, which do not have a price quotation on a Regulated Market, will be valued at the actual net asset value for such shares or units as of the relevant Dealing Day, failing which they shall be valued at the last available net asset value which is calculated prior to such Dealing Day. In the case where events have occurred which have resulted in a material change in the net asset value of such shares or units since the last net asset value was calculated, the value of such shares or units may be adjusted at their fair value in order to reflect, in the reasonable opinion of the Board of Directors, such change;

2. the value of securities (including a share or unit in a closed-ended undertaking for collective investment and in an exchange traded fund) and/or financial derivative instruments which are listed and with a price quoted on any official stock exchange or traded on any other organised market at the last available stock price. Where such securities or other assets are quoted or dealt in or on more than one stock exchange or other organised markets, the Board of Directors shall select the principal of such stock exchanges or markets for such purposes;

3. shares or units in undertakings for collective investment the issue or redemption of which is restricted and in respect of which a secondary market is maintained by dealers who, as principal market-makers, offer prices in response to market conditions may be valued by the Board of Directors in line with such prices;

4. the value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received shall be deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof

shall be arrived at after making such discount as the Board of Directors may consider appropriate in such case to reflect the true value thereof;

5. in the event that any of the securities held in the Company portfolio on the relevant day are not listed on any stock exchange or traded on any organised market or if with respect to securities listed on any stock exchange or traded on any other organised market, the price as determined pursuant to sub-paragraph (2) is not, in the opinion of the Board of Directors, representative of the fair market value of the relevant securities, the value of such securities will be determined prudently and in good faith based on the reasonably foreseeable sales price or any other appropriate valuation principles;

6. 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 and verified by a competent professional appointed by the Company;

7. swap contracts will be valued according to generally accepted valuation rules that can be verified by auditors. Asset based swap contracts will be valued by reference to the market value of the underlying assets. Cash flow based swap contracts will be valued by reference to the net present value of the underlying future cash flows;

8. the value of any security or other asset which is dealt principally on a market made among professional dealers and institutional investors shall be determined by reference to the last available price;

9. any assets or liabilities in currencies other than the currency of the Classes of the shares will be converted using the relevant spot rate quoted by a bank or other responsible financial institution;

10. in the event that the above mentioned calculation methods are inappropriate or misleading, the Board of Directors may adopt to the extent such valuation principles are in the best interests of the shareholders any other appropriate valuation principles for the assets of the Company; and

11. in circumstances where the interests of the Company or its shareholders so justify (avoidance of market timing practices, for example), the Board of Directors may take any appropriate measures, such as applying a fair value pricing methodology to adjust the value of the Company's assets.

Any asset or liabilities expressed in terms of currencies other than the relevant currency of the Portfolio 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 USD.

(3) Temporary suspension

In certain circumstances, as defined in Appendix 2, section 6), Net Asset Value per share determinations may be suspended and during any such period of suspension no shares relating to the Portfolio to which the suspension applies may be issued or allocated (other than those already allotted), converted or redeemed.

(4) Pricing adjustment

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

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

If it is in the interests of shareholders, the Net Asset Value per Share may be adjusted up or down by a maximum of 2% when the net capital inflows or outflows in a Portfolio exceeds a predefined threshold agreed from time to time by the Board of Directors.

The pricing adjustment mechanism has 3 main components:
- A threshold rate
- A buy adjustment rate
- A sell adjustment rate

These may be different for each Portfolio.

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

The adjustment of the Net Asset Value per Share will apply equally to each Class of Share in a specific Portfolio 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.

(5) Offer price

The offer price for shares of each Portfolio is based on the Net Asset Value per share designated in the currency of denomination and the currencies of expression, adjusted by the pricing adjustment (as described above) if applicable, and includes a sales charge up to 4.17 % of the Net Asset Value per share (the "Offer Price"). The total may then be rounded upwards to the minimum unit of the currency concerned. The sales charge and the rounding will be retained by the relevant distributor or will be paid to the Management Company who will remunerate intermediaries acting in the placing of the shares.

Offer Prices are quoted to four decimal points.

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

(6) Redemption price

The redemption price of shares of each Portfolio is the Dealing Price (the "Redemption Price") designated in the currency of denomination and the currencies of expression, adjusted by the pricing adjustment (as described above) if applicable. Redemption Prices are quoted to four decimal points. This may be rounded downwards to the minimum unit of currency concerned. Full details of the Net Asset Value calculations are set out above.

(7) Information on prices

The Net Asset Value per share in each Portfolio is available at the registered office of the Company, at the distributors' offices and in various publications as determined from time to time by the Directors.

2.7. Dividends

The Directors have resolved to issue distribution and capital-accumulation shares in different Classes of the Portfolios.

(1) Capital-Accumulation Shares

Capital-accumulation shares are identifiable by a "C" following the Portfolio and Class names and do not pay any dividends.

(2) Distribution Shares

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

(3) Declaration and Announcement of Dividends

The distribution policy of the distribution shares can be summarised as follows:

Dividends will be declared separately in respect of each distribution Class of each Portfolio 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 Portfolios. 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.

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 Portfolios are registered according to the regulations of those jurisdictions.

(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 Portfolio paid out to them. Otherwise dividends will be reinvested automatically in the acquisition of further shares relating to that Portfolio. 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 or GBP 30 will in any case be automatically reinvested in accordance with the provisions set out above.

2.8. Charges and expenses

Share Classes attract charges for their investment management, distribution and for operating services rendered to them. There are three types of charge: sales charge, ongoing charges and other charges.

(1) Sales charge

A sales charge may be levied at the point of subscription in a Share Class. This is a maximum of 4.17% and may be waived in whole or in part by the Company or the Distributors, as detailed in Section 2.6. (4) "Offer Price" above.

(2) Ongoing charges

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

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

Ongoing charges consist of a management fee; operating, administrative and servicing expenses; costs of investing in units in other UCITS and/or other Eligible UCIs; and extraordinary expenses:

a) Management fee

The Company pays to the Management Company an annual management fee calculated as a percentage of the net asset value of each Share Class. This covers all investment management, investment advisory and distribution services provided in relation to the relevant Portfolio. Different Share Classes may have different management fee levels.
The fee is accrued daily and payable monthly in arrears. The rates are indicated in Section 3.2. "Portfolios details". The maximum management fee that may be charged is 2.0%.

For all Portfolios, in certain circumstances, the Management Company may instruct the Company to pay a portion of the management fee directly out of the assets of the Company to any such service providers. In such case, the management fee due to the Management Company is reduced accordingly.

b) Operating, administrative and servicing expenses

There are certain operating, administrative and servicing expenses ('the expenses') incurred throughout the lifetime of a Portfolio or Share Class. These expenses are associated with services rendered to a relevant Portfolio which are overseen by either the Management Company or the Company. Many of the services are delegated to other service providers who are paid directly by the Company.

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

- Management Company expenses
- Custody, depositary and safekeeping charges
- Transfer, registrar and payment agency fees
- Administration, domiciliary and fund accounting services
- Legal expenses for advice on behalf of the Company
- Audit fees
- Ongoing registration fees
- Taxe d'abonnement – an annual subscription tax in Luxembourg
- Listing fees (if applicable)
- Company Directors' fees
- Documentation costs – preparing, printing, translating and distributing documents including, but not limited to, the Prospectus, Key Investor Information Documents and annual reports.
- Formation expenses for current and new Portfolios including initial registration fees – these are amortised over a period not exceeding 5 years from the formation date of the Portfolio.

The Company will pay the expenses directly and as such the ongoing charge for each Share Class will vary. The above expenses paid by the Company will not exceed 0.25% of net assets per annum on a rolling basis of each Share Class. Where actual expenses exceed 0.25% per annum, the excess will be borne directly by the Management Company or by HSBC Global Asset Management distributors.

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

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

c) Costs of investing in units in other UCITS and/or other Eligible UCIs

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

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

If any Portfolio's investments in UCITS and other Eligible UCIs constitute a substantial proportion of the Portfolio's assets, the total management fee charged both to such Portfolio itself and the other UCITS and/or other Eligible UCIs concerned shall not exceed 2.5% of the relevant assets. The Directors will endeavour to reduce duplication of management charges by negotiating rebates, where applicable, in favour of the Company. The Company will indicate the value of the rebate in its annual report.

d) Extraordinary expenses

Any extraordinary expenses including 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 will be borne by the Company without limitation.

(3) Other charges

Other charges are the remaining charges incurred by the Portfolios. They are paid by the Company depending on the services rendered to the Share Class. Other charges are not included in the OCF in the Key Investor Information Documents. They consist of, but are not limited to, the following:

- Duties, taxes and transaction costs associated with buying and selling the underlying assets of the Company
- Brokerage fees and commissions
- Interest on borrowing and bank charges incurred in negotiating borrowing
- Payments incurred for the holding of financial derivative instruments for the purposes of investment, efficient portfolio management and hedging. Hedging includes currency hedging for the underlying assets of the fund or for the currency hedging of share classes denominated in a currency other than the base currency.

2.9. Management company and investment advice

The Directors are responsible for the overall investment policy, objectives and management of the Company, and for its Portfolios.

The Directors of the Company have appointed HSBC Investment Funds (Luxembourg) S.A. as the Management Company to be responsible on a day to day basis, under the supervision of the Directors, for providing administration, marketing, investment management and advice services in respect of all Portfolios. The Management Company has delegated the administration functions to the Administration Agent and registrar and transfer functions to the Registrar and Transfer Agent. The Management Company has delegated the marketing functions to the distributors and the investment management and advisory functions 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 management company regulated by chapter 15 of the 2010 Law.

As of date of the Prospectus, 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 which will be mentioned in the financial reports of the Company.

The Management Company and the Investment Adviser are members of the HSBC Group, which serves customers worldwide from around 6,300 offices in 75 countries and territories in Europe, Asia, North and Latin America, and the Middle East and North Africa.

The Management Company shall ensure compliance of the Company with the investment instructions and oversee the implementation of the Company's strategies and investment policy. The Management Company shall send reports to the Directors on a quarterly basis and inform each Director 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 Portfolios' 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, makes and implements asset management and portfolio selection recommendations in connection with the investment and reinvestment of the assets of the Company in the relevant Portfolios.

The Investment Advisory Agreements may be terminated by the Management Company or the relevant Investment Adviser upon three months' prior written notice. The Investment Advisory Agreements contain provisions whereby the Management Company undertakes to exempt the relevant Investment Adviser from liability not due to the negligence of, or wilful breach of its duties by, the relevant Investment Adviser.

2.10. Depositary Bank

HSBC Securities Services (Luxembourg) S.A. has been appointed to act, subject to the overall supervision of the Directors, as depositary bank of the Company pursuant to an agreement, which may be terminated by either party in writing giving not less than 90 days prior notice to the other party. The Depositary Bank's principal activity is the provision of a range of domestic and international banking and custodian services.

HSBC Securities Services (Luxembourg) S.A. was incorporated for an unlimited period in Luxembourg as a *société anonyme* on 19 July 1988 under the name of Bank of Bermuda (Luxembourg) S.A. and has its registered office at 16, boulevard d'Avranches, L-1160 Luxembourg. It has engaged in banking activities since its incorporation.

The Depositary Bank is an ultimately wholly owned subsidiary of HSBC Holdings plc, a public company incorporated in England.

HSBC Securities Services (Luxembourg) S.A. will transfer its activities to HSBC Bank Plc, Luxembourg Branch with effect from the close of business on 14 November 2014 and therefore, from 15 November 2014, HSBC Bank Plc, Luxembourg Branch will act as depositary bank of the Company.

The Depositary Bank is responsible, in accordance with the provisions of the Depositary Bank Agreement, for the safekeeping of the subscription monies on their receipt from the Administration Agent and, following the investment of subscription monies, is responsible in compliance with applicable Luxembourg regulations for the supervision of the assets of the Company which are held to the order of and registered in the name of the Company or in the name or to the order of the Depositary Bank on the Company's behalf.

The Company has agreed to indemnify the Depositary Bank as provided for in the Depositary Bank Agreement.

The Depositary Bank has no decision-making discretion relating to the Company's investments. The Depositary Bank is a service provider to the Company and is not responsible for the preparation of 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.

The Depositary Bank has power to appoint sub-custodians, agents and delegates ("Correspondents") to hold the assets of the Company. The Depositary Bank's liability will not be affected by the fact that it has entrusted some or all of the assets in its safekeeping to such Correspondents. The Depositary Bank will exercise care and diligence in choosing and appointing the Correspondents and will exercise this care and diligence through supervision so as to ensure that each Correspondent has and maintains the expertise, competence and will maintain an appropriate level of supervision over each Correspondent and make appropriate enquiries from time to time to confirm that the obligations of the Correspondent continue to be competently discharged.

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

The Depositary Bank Agreement provides that all securities and other permitted assets in any of the Portfolios 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 consideration of transactions is remitted in accordance with usual market 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.

2.11. Administration

(1) Administration Agent

HSBC Securities Services (Luxembourg) S.A. has also been appointed to act, subject to the overall supervision of the Directors, as administration agent for the Company pursuant to an agreement with the Management Company and the Company which may be terminated by either party in writing, giving not less than 90 days prior notice to the other party. In such capacity the Administration Agent provides the Company with certain administrative and clerical services.

HSBC Securities Services (Luxembourg) S.A. will transfer its activities to HSBC Bank Plc, Luxembourg Branch with effect from the close of business on 14 November 2014 and therefore, from 15 November 2014, HSBC Bank Plc, Luxembourg Branch will act as administration agent of the Company.

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

The Company has agreed to indemnify the Administration Agent as provided for in the Fund Accounting, Corporate and Domiciliary Agent and Listing Agent Agreement.

The Administration Agent has no decision-making discretion relating to the Company's investments. The Administration Agent 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) Registrar and Transfer Agent and Paying Agent

HSBC Securities Services (Luxembourg) S.A. has been appointed as registrar and transfer agent of the Company 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 transfer its activities to HSBC Bank Plc, Luxembourg Branch with effect from close of business on 14 November 2014 and therefore, from 15 November 2014, HSBC Bank Plc, Luxembourg Branch will act as registrar and transfer agent of the Company.

(3) Corporate Agent and Domiciliary Agent

HSBC Securities Services (Luxembourg) S.A. has been appointed by the Company as corporate agent and domiciliary agent.

HSBC Securities Services (Luxembourg) S.A. will transfer its activities to HSBC Bank Plc, Luxembourg Branch with effect from the close of business on 14 November 2014 and therefore, from 15 November 2014, HSBC Bank Plc, Luxembourg Branch will act as corporate agent and domiciliary agent of the Company.

2.12. Conflicts of interest

The Management Company and any specific Portfolio Investment Adviser, the sales agents, the Administration Agent, the Registrar and Transfer Agent and the Depositary Bank may from time to time act as management company, investment manager or adviser, sales agent, administrator, registrar and transfer 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 Portfolio. 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 Portfolio. 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 Portfolio. 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 Portfolio Investment Adviser, the sales agents, the Administration Agent, the Registrar and Transfer Agent or the Depositary Bank or with any of their affiliates, 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.

2.13. Distribution of shares

The Management Company, as Distributor has appointed different distributors, the names of which are listed in Appendix 6. 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.

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.

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 relevant Key Investor Information Document (or equivalent document).

United Kingdom Representative and Distributor

HSBC Global Asset Management (UK) Limited acts as the Representative of the Company in the United Kingdom.

The UK Representative is required to maintain certain facilities in the United Kingdom on behalf of the Company, as provided by Chapter 9 of the COLL Sourcebook of the FCA Handbook, whereby certain documents and information may be made available in English. The following documents may be obtained or inspected, free of charge from the offices of the UK Representative: Copies of the Articles of Incorporation and any amending resolutions, the latest Prospectus, and the Key Investor Information Documents and the latest annual and half-yearly reports.

The UK Representative also provides information about the price of Share Classes. 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 Share Classes.

HSBC Global Asset Management (UK) Limited is authorised and regulated in the United Kingdom by the FCA.

2.14. 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 a.m. (Luxembourg time) on the last Friday in November in each year (or, if such day is not a Business Day, on the next following Business Day in Luxembourg).

If permitted by and under the conditions set forth in Luxembourg laws and regulations, the Annual General Meeting may be held at a date, time or place other than those set forth in the preceding paragraph, that date, time or place to be decided by the Board of Directors.

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 (if required) by publication in a Luxembourg newspaper 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 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.

Financial periods of the Company end on 31 July in each year. The annual report containing the audited consolidated financial accounts of the Company expressed in USD in respect of the preceding financial period and with details of each Portfolio 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 offices of the Company and/or of the distributors.

2.15. Taxation

(1) Taxation of the Company

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

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. This tax rate is reduced to 0.01% per annum for S and Z Share Classes in the relevant Portfolios. In addition, the value of the Portfolios' assets represented by units held in other Luxembourg UCITS shall be exempt from this tax, provided such units have already been subject to this tax.

The Classes/Portfolios 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/Portfolio must be reserved to institutional investors in the meaning of article 174 of the 2010 Law; (ii) the exclusive object of the Class/Portfolio must be the investment in money market instruments and/or deposits with credit institutions; (iii) the remaining average maturity of the Class/Portfolio must be less than 90 days and (iv) the Class/Portfolio must benefit from the highest possible rating of a recognised rating agency.

Also exempt from the tax are the value of assets represented by units/shares held in other Eligible 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.

No stamp duty or other tax is payable in Luxembourg on the issue of shares.

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

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 Portfolio. 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 the comments on Emerging Markets disclosed in Section 1.3. "Risk considerations". Please also refer to the FATCA comments in Section 2.15.(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.

European Union ("EU") Tax Considerations for individuals resident in the EU or in certain third countries or dependant or associated territories

The Council of the European Union on 3 June 2003 adopted Council Directive 2003/48/EC on taxation of savings income in the form of interest payments ('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 and the Channel Islands, the Isle of Man and the dependant or associated territories in the Caribbean, have also introduced measures equivalent to information reporting or, during the transitional period, withholding tax.

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

Dividends, distributed by a Portfolio of the Company will be subject to the Savings Directive and the EUSD Law if more than 15% of the relevant Portfolio's assets are invested in debt claims (as defined in the EUSD Law) and proceeds realised by shareholders on the redemption or sale of shares in a Portfolio will be subject to the Savings Directive and the EUSD Law if more than 25% of such Portfolio's assets are invested in debt claims (such Portfolios, hereafter "Affected Portfolios").

Consequently, if in relation to an Affected Portfolio 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 dependant or associated territories, such payment will, subject to the next paragraph below, be subject to withholding tax at the rate indicated above.

No withholding tax will be withheld by the Luxembourg paying agent if the relevant individual either (i) has expressly authorized the paying agent to report information to the tax authorities in accordance with the provisions of the EUSD Law or (ii) has provided the paying agent with a certificate drawn up in the format required by the EUSD Law by the competent authorities of this 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 EUSD Law as a result of this Savings Directive.

The Luxembourg government announced on 10 April 2013 its intention to opt out of the withholding system in favour of automatic exchange of information with effect from 1 January 2015. The necessary amending laws and regulations will need to be passed before that date.

In addition, on 24 March 2014, the Council of the European Union adopted Council Directive 2014/48/EU amending the Directive. Member States have to adopt and publish by 1 January 2016, the laws, regulations and administrative provisions necessary to comply with this directive. Council Directive 2014/48/EU enlarges inter alia the scope of the Savings Directive by extending the definition of interest payments and will cover income distributed by or income realised upon the sale, refund or redemption of shares or units in undertakings for collective investment or other collective investment funds or schemes, that either are registered as such in accordance with the law of any of the Member States or of the countries of the European Economic Area which do not belong to the Union, or have fund rules or instruments of incorporation governed by the law relating to collective investment funds or schemes of one of these States or countries, irrespective of the legal form of such undertakings, funds or schemes and irrespective of any restriction to a limited group of investors, in case such undertakings, funds or schemes invest, directly or indirectly, a certain percentage of their assets in debt claims as defined under the amended Savings Directive.

Investors should consult their professional advisors on the possible tax and other consequences with respect to the implementation of the Council Directive 2014/48/EU amending the Savings Directive.

The foregoing is a summary of the implications of the Savings Directive and the EUSD Law, is based on the current interpretation thereof and this section 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 EUSD Law.

Foreign Account Tax Compliance Act ("FATCA")

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

Beginning 1 July 2014, this withholding tax applies to payments to the Company that constitute interest, dividends and other types of income from U.S. sources (such as dividends paid by a U.S. corporation) and beginning on 1 January 2017, this

withholding tax is extended to the proceeds received from the sale or disposition of assets that give rise to U.S. source dividend or interest payments.

These FATCA withholding taxes may be imposed on payments to the Company unless (i) the Company becomes FATCA compliant pursuant to the provisions of FATCA and the relevant regulations, notices and announcements issued thereunder, or (ii) the Company is subject to an appropriate Intergovernmental Agreement to improve international tax compliance and to implement FATCA ("IGA"). The Company intends to comply with FATCA in good time to ensure that none of its income is subject to FATCA withholding.

On 28 March 2014 a Model 1 IGA was signed between the Government of the United States of America and the Government of the Grand Duchy of Luxembourg to implement FATCA. The Company intends to take any measures that may be required to ensure compliance under the terms of the IGA and local implementing regulations.

In order to comply with its FATCA obligations, the Company will be required to obtain certain information from its investors so as to ascertain their U.S. tax status. If the investor is a specified U.S. person, U.S. owned non-U.S. entity, non-participating FFI ("NPFFI") or does not provide the requisite documentation, the Company may need to report information on these investors to the appropriate tax authority, as far as legally permitted.

If an investor or an intermediary through which it holds its interest in the Company fails to provide the Company, its agents or authorised representatives with any correct, complete and accurate information that may be required for the Company to comply with FATCA, the investor may be subject to withholding on amounts otherwise distributable to the investor, may be compelled to sell its Shares or, in certain situations, the investor' Shares may be sold involuntarily (if legally permitted). Such withholding is required by the applicable laws and regulations and the Management Company, on behalf of the Company, will act in good faith and on reasonable grounds to withhold amounts otherwise distributable to the investor. The Company may at its discretion enter into any supplemental agreement without the consent of investors to provide for any measures that the Company deems appropriate or necessary to comply with FATCA.

Other countries are in the process of adopting tax legislation concerning the reporting of information. The Company also intends to comply with such other similar tax legislation that may apply to the Company, although the exact parameters of such requirements are not yet fully known. As a result, the Company may need to seek information about the tax status of investors under such other country's laws and each investor for disclosure to the relevant governmental authority.

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

2.16. Liquidation of the Company / Termination and amalgamation of Portfolios

(1) Liquidation of the Company

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 undertaking for collective investment 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 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 Directors must submit the question of dissolution of the Company to a general meeting, 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) Liquidation, merger, split or consolidation of Portfolios/Classes

The Directors may decide to liquidate one Portfolio if the net assets of such Portfolio fall below USD 50 million (or its equivalent) or one Portfolio/Class of shares if a change in the economical or political situation relating to the Portfolio or Class of Shares concerned would justify such liquidation or if the interests of the shareholders would justify it. The decision of the liquidation will be published or notified to the shareholders by the Company as decided from time to time by the Directors, prior to the effective date of the liquidation and the publication/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 Portfolio or Class of Shares concerned may continue to request redemption or conversion of their shares. Assets which could not be distributed to their beneficiaries upon the close of the liquidation of the Portfolio or Class of Shares 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 Portfolio or Class of Shares may be taken at a meeting of shareholders of the Portfolio or Class of Shares to be liquidated instead of being taken by the Board of Directors. At such Class/Portfolio 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 to the shareholders and/or published by the Company.

Any merger or split of a Portfolio shall be decided by the Board of Directors unless the Board of Directors decides to submit the decision for a merger/split to a meeting of shareholders of the Portfolio 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 one or more Portfolios 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 – PORTFOLIO INFORMATION

3.1 List of the Portfolios available

HSBC Portfolios – World Selection 1

HSBC Portfolios – World Selection 2

HSBC Portfolios – World Selection 3

HSBC Portfolios – World Selection 4

HSBC Portfolios – World Selection 5

3.2 Portfolios details

The aim of each Portfolio is to provide long term total return by investing in a diversified portfolio across a broad range of assets with a defined degree of risk.

The asset allocation of the Portfolios is actively managed. Assets of the Portfolios are invested in a dynamic mix of investments to balance opportunities and downside risks through the economic cycle.

The Portfolios invest in the full spectrum of instruments available across geographic regions, investment sectors and investment styles to build the optimal portfolio.

The Portfolios may invest in fixed income and equity securities as well as in specialist asset classes including, but not limited to, real estate, private equity, hedge fund strategies and commodities.

Exposure to these assets classes may be achieved through investments directly into markets and/or investments in active and passive collective investment schemes (such as ETFs) including funds managed by the Investment Adviser and other HSBC entities.

The Portfolios may use financial derivative instruments for hedging purposes, cash flow management and tactical asset allocation as well as efficient portfolios management.

The Investment Adviser will actively manage the risk exposure of the Portfolios.

In respect of each Portfolio, the Investment Adviser may invest up to a maximum of 10% of the Net Asset Value of the Portfolios into Hong Kong domiciled funds or underlying funds which are managed out of Hong Kong.

HSBC Portfolios – World Selection 1

Base currency
USD

Investment objective
Aims to provide long term total return by investing in a portfolio of fixed income and equity securities consistent with a low risk investment strategy.

Investment policy
The Portfolio invests (normally a minimum of 90% of its net assets) in or gains exposure to:

- fixed income and equity securities directly into markets and/or through investments in UCITS and/or other Eligible UCIs.
- other asset classes including, but not limited to, real estate, private equity, hedge fund strategies and commodities through investments in equities securities issued by companies based or operating in developed or Emerging Markets, UCITS and/or other Eligible UCIs.

The Portfolio invests in Investment Grade and Non-Investment Grade rated fixed income and other similar securities issued or guaranteed by governments, government agencies or supranational bodies of developed markets, such as OECD countries, and/or Emerging Markets or by companies which are based in or carry out the larger part of their business activities in a developed or Emerging Market. These securities are denominated either in US dollar, in other developed markets currencies hedged into US dollar, or in local Emerging Markets currencies.

The Portfolio invests in equities and equity equivalent securities issued by companies which are based or operating in developed and/or Emerging Markets. The Portfolio normally invests across a range of market capitalisations.

The Portfolio may invest up to 100% of its assets in units or shares of UCITS and/or other Eligible UCIs. The Portfolios' exposure to such holdings will normally be between 25% and 75%.

The Portfolio 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 Portfolio's primary currency exposure is to the US dollar.

Asset class exposure limits
For the specific groups of asset class described in the table below, the Portfolio has a total maximum exposure limit as follows:

Asset class	Maximum exposure
Equity	25%
Fixed income	100%
Total of the following:	25%
▪ Real estate*	15%
▪ Private equity	10%
▪ Commodity	10%
▪ Hedge fund	10%
▪ Absolute return	10%

* The fund will not invest in direct real estate.

Use of financial derivative instruments
The Portfolio may achieve its investment policy by investing in financial derivative instruments. However, the Portfolio does not intend to invest in financial derivative instruments extensively and their primary use will be for hedging purposes, cash flow management and tactical asset allocation. Financial derivative instruments may also be used for efficient portfolio management.

Financial derivative instruments that the Portfolio may use include, but are not limited to:

- foreign exchange forwards (including non-deliverable forwards),
- exchange-traded future options, fx options and swaptions.
- on and off-exchange traded futures, and
- swaps (interest rate, credit default, inflation, total return and currency).

Financial derivative instruments may also be embedded in other instruments used by the Portfolio (for example, participation notes and convertibles).

Risk profile
The Portfolio invests in a range of asset classes, markets and currencies. These are subject to different types and levels of risk.

This means the Portfolio is exposed to a spread of risk but each to a lesser extent than if invested into a single asset class, market or currency. The main risks the Portfolio is exposed to are as follows:

- Fixed income securities (e.g. bonds) carry a risk of downgrade and/or default. Bond prices may vary significantly depending on not only the global economic and interest rate conditions but also the general credit market environment and the credit worthiness of the issuer.
- Equities prices are exposed to stock markets fluctuations and the financial performance of the companies who issue such equities. Therefore, the Portfolio's value may fall or rise on a daily basis and investors may not get back their initial investment.
- Emerging Markets carry higher risks and volatility due to greater political and economic risks. Emerging Markets securities can be impacted by high volatility, low liquidity, lower transparency and greater financial risks. Emerging Markets bonds carry higher risks than developed market bonds.
- Investments in or exposure to real estate, private equity, commodities as well as hedge and absolute return funds carry higher risks and can be impacted by higher volatility, lower liquidity, lower transparency and greater financial risks than investments in traditional securities such as stocks and bonds.
- The Portfolio's Base Currency is USD; however the Portfolio will have non-USD exposure and may therefore be subject to currency risk.

Further information is provided in the Section 1.3. “Risk considerations” of this prospectus.

Investor profile
The Portfolio may be suitable for investors looking for a diversified investment solution offering exposure to both bonds and equities and seeking for a reasonable level of capital growth while willing to accept a low degree of risk. Investors should have a medium to long term investment horizon and understand the volatility associated with investments in bonds and equities around the world.

Investment adviser
HSBC Global Asset Management (UK) Limited

Fees and expenses

Class of Shares	A	B	E	S_1	Z
Management fee (%)*	1.00	0.50	1.30	0.50	0.00

* of the net asset value.

Additional fees apply to cover operating, administrative and servicing expenses; costs of investing in units in other UCITS and/or other Eligible UCIs; and extraordinary expenses. Further information is disclosed in Section 2.8. "Charges and expenses" of this prospectus.

Dealing and Valuation Cut-Off Times

Cut-off times	Rest of the world	Hong Kong	Jersey
Dealing time	5.00 p.m. Luxembourg time on any Dealing Day	4.00 p.m. Hong Kong time on any Dealing Day	10.00 a.m. Jersey time on any Dealing Day
Valuation	On the Business Day following the Dealing Day		

Applications to buy, sell or convert shares made to the Company on any Dealing Day before 5.00 p.m. Luxembourg time or to the distributor in Hong Kong before 4.00 p.m. Hong Kong time or to the distributor in Jersey before 10.00 a.m. Jersey time (the "Specified Times") will be allocated on that Dealing Day.

Shares are allocated at the Offer Price per share calculated on the Business Day following the Dealing Day using the latest available prices of assets. Applications received after the Specified Times will normally be dealt on the next Dealing Day. Shares are normally dealt on each Business Day (other than days during a period of suspension of dealing in shares and other than a Business Day immediately following the end of a period of such suspension) and which is also for the Portfolio, a day where stock exchanges and regulated markets in countries where the Portfolio is materially invested are open for normal trading.

Settlement

Operation	Due date for receipt of cleared monies
Buying shares	Payment for shares has to be made within five Business Days after the Dealing Day to the relevant correspondent bank(s) quoting the applicant's name and stating the appropriate Portfolio into which settlement monies are paid.
Selling shares	On receipt of the relevant documents the Registrar and Transfer Agent will dispatch the redemption proceeds normally in the designated currency of the Portfolio to which the shares relate, within five Business Days after the day on which the Redemption Price is determined.

Investment Minima

Class of Shares	A, B and E*			S_I and Z*		
Currency	**USD**	**EUR**	**GBP**	**USD**	**EUR**	**GBP**
Minimum initial investment and minimum holding	5,000	5,000	5,000	1,000,000	1,000,000	1,000,000
Minimum subsequent investment	1,000	1,000	1,000	100,000	100,000	100,000

* or equivalent to USD amount in any other Dealing Currencies or Share Class Reference Currencies.

HSBC Portfolios – World Selection 2

Base Currency
USD

Investment objective
Aims to provide long term total return by investing in a portfolio of fixed income and equity securities consistent with a low to medium risk investment strategy.

Investment policy
The Portfolio invests (normally a minimum of 90% of its net assets) in or gains exposure to:

- fixed income and equity securities directly into markets and/or through investments in UCITS and/or other Eligible UCIs.
- other asset classes including, but not limited to, real estate, private equity, hedge fund strategies and commodities through investments in equities securities issued by companies based or operating in developed or Emerging Markets, UCITS and/or other Eligible UCIs.

The Portfolio invests in Investment Grade and Non-Investment Grade rated fixed income and other similar securities issued or guaranteed by governments, government agencies or supranational bodies of developed markets, such as OECD countries, and/or Emerging Markets or by companies which are based in or carry out the larger part of their business activities in a developed or Emerging Market. These securities are denominated either in US dollar, in other developed markets currencies hedged into US dollar, or in local Emerging Markets currencies.

The Portfolio invests in equities and equity equivalent securities issued by companies which are based or operating in both developed and/or Emerging Markets. The Portfolio normally invests across a range of market capitalisations.

The Portfolio may invest up to 100% of its assets in units or shares of UCITS and/or other Eligible UCIs. The Portfolios' exposure to such holdings will normally be between 25% and 75%.

The Portfolio 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 Portfolio's primary currency exposure is to the US dollar.

Asset class exposure limits
For the specific groups of asset class described in the table below, the Portfolio has a total maximum exposure limit as follows:

Securities*	Maximum exposure
Equity	50%
Fixed income	100%
Total of the following:	25%
▪ Real estate*	15%
▪ Private equity	10%
▪ Commodity	10%
▪ Hedge fund	10%
▪ Absolute return	10%

* The fund will not invest in direct real estate.

Use of financial derivative instruments
The Portfolio may achieve its investment policy by investing in financial derivative instruments. However, the Portfolio does not intend to invest in financial derivative instruments extensively and their primary use will be for hedging purposes, cash flow management and tactical asset allocation. Financial derivative instruments may also be used for efficient portfolio management.

Financial derivative instruments that the Portfolio may use include, but are not limited to:

- foreign exchange forwards (including non-deliverable forwards),
- exchange-traded future options, fx options and swaptions.
- on and off-exchange traded futures, and
- swaps (interest rate, credit default, inflation, total return and currency).

Financial derivative instruments may also be embedded in other instruments used by the Portfolio (for example, participation notes and convertibles).

Risk profile
The Portfolio invests in a range of asset classes, markets and currencies. These are subject to different types and levels of risk. This means the Portfolio is exposed to a spread of risk but each to a lesser extent than if invested into a single asset class, market

or currency. The main risks the Portfolio is exposed to are as follows:

- Fixed income securities (e.g. bonds) carry a risk of downgrade and/or default. Bond prices may vary significantly depending on not only the global economic and interest rate conditions but also the general credit market environment and the credit worthiness of the issuer.
- Equities prices are exposed to stock markets fluctuations and the financial performance of the companies who issue such equities. Therefore, the Portfolio's value may fall or rise on a daily basis and investors may not get back their initial investment.
- Emerging Markets carry higher risks and volatility due to greater political and economic risks. Emerging Markets securities can be impacted by high volatility, low liquidity, lower transparency and greater financial risks. Emerging Markets bonds carry higher risks than developed market bonds.
- Investments in or exposure to real estate, private equity, commodities as well as hedge and absolute return funds carry higher risks and can be impacted by higher volatility, lower liquidity, lower transparency and greater financial risks than investments in traditional securities such as stocks and bonds.
- The Portfolio's Base Currency is US dollar; however the Portfolio will have non-US dollar exposure and may therefore be subject to currency risk.

Further information is provided in the Section 1.3. “Risk considerations” of this prospectus.

Investor profile
The Portfolio may be suitable for investors looking for a diversified investment solution offering exposure to both bonds and equities and seeking for a reasonable level of capital growth while willing to accept a low to medium degree of risk. Investors should have a medium to long term investment horizon and understand the volatility associated with investments in bonds and equities around the world.

Investment Adviser
HSBC Global Asset Management (UK) Limited

Fees and Expenses

Class of Shares	A	B	E	S_I	Z
Management fee (%)*	1.00	0.50	1.30	0.50	0.00

* of the net asset value.

Additional fees apply to cover operating, administrative and servicing expenses; costs of investing in units in other UCITS and/or other Eligible UCIs; and extraordinary expenses. Further information is disclosed in Section 2.8. "Charges and expenses" of this prospectus.

Dealing and Valuation Cut-Off Times

Cut-off times	Rest of the world	Hong Kong	Jersey
Dealing time	5.00 p.m. Luxembourg time on any Dealing Day	4.00 p.m. Hong Kong time on any Dealing Day	10.00 a.m. Jersey time on any Dealing Day
Valuation	On the Business Day following the Dealing Day		

Applications to buy, sell or convert shares made to the Company on any Dealing Day before 5.00 p.m. Luxembourg time or to the distributor in Hong Kong before 4.00 p.m. Hong Kong time or to the distributor in Jersey before 10.00 a.m. Jersey time (the "Specified Times") will be allocated on that Dealing Day.

Shares are allocated at the Offer Price per share calculated on the Business Day following the Dealing Day using the latest available prices of assets. Applications received after the Specified Times will normally be dealt on the next Dealing Day. Shares are normally dealt on each Business Day (other than days during a period of suspension of dealing in shares and other than a Business Day immediately following the end of a period of such suspension) and which is also for the Portfolio, a day where stock exchanges and regulated markets in countries where the Portfolio is materially invested are open for normal trading.

Settlement

Operation	Due date for receipt of cleared monies
Buying shares	Payment for shares has to be made within five Business Days after the Dealing Day to the relevant correspondent bank(s) quoting the applicant's name and stating the appropriate Portfolio into which settlement monies are paid.
Selling shares	On receipt of the relevant documents the Registrar and Transfer Agent will dispatch the redemption proceeds normally in the designated currency of the Portfolio to which the shares relate, within five Business Days after the day on which the Redemption Price is determined.

Investment Minima

Class of Shares	A ,B and E*			S_1 and Z*		
Currency	**USD**	**EUR**	**GBP**	**USD**	**EUR**	**GBP**
Minimum initial investment and minimum holding	5,000	5,000	5,000	1,000,000	1,000,000	1,000,000
Minimum subsequent investment	1,000	1,000	1,000	100,000	100,000	100,000

* or equivalent to USD amount in any other Dealing Currencies or Share Class Reference Currencies.

HSBC Portfolios – World Selection 3

Base Currency
USD

Investment objective
Aims to provide long term total return by investing in a portfolio of equity and fixed income securities consistent with a medium risk investment strategy.

Investment policy
The Portfolio invests (normally a minimum of 90% of its net assets) in or gains exposure to:

- fixed income and equity securities directly into markets and/or through investments in UCITS and/or other Eligible UCIs.
- other asset classes including, but not limited to, real estate, private equity, hedge fund strategies and commodities through investments in equities securities issued by companies based or operating in developed or Emerging Markets, UCITS and/or other Eligible UCIs.

The Portfolio invests in Investment Grade and Non-Investment Grade rated fixed income and other similar securities issued or guaranteed by governments, government agencies or supranational bodies of developed markets, such as OECD countries, and/or Emerging Markets or by companies which are based in or carry out the larger part of their business activities in a developed or Emerging Market. These securities are denominated either in US dollar, in other developed markets currencies hedged into US dollar, or in local Emerging Markets currencies.

The Portfolio invests in equities and equity equivalent securities issued by companies which are based or operating in both developed and/or Emerging Markets. The Portfolio normally invests across a range of market capitalisations.

The Portfolio may invest up to 100% of its assets in units or shares of UCITS and/or other Eligible UCIs. The Portfolios' exposure to such holdings will normally be between 40% and 90%.

The Portfolio 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 Portfolio's primary currency exposure is to the US dollar.

Asset class exposure limits
For the specific groups of asset class described in the table below, the Portfolio has a total maximum exposure limit as follows:

Securities*	Maximum exposure
Equity	85%
Fixed income	80%
Total of the following:	30%
▪ Real estate*	15%
▪ Private equity	10%
▪ Commodity	10%
▪ Hedge fund	15%
▪ Absolute return	10%

* The fund will not invest in direct real estate.

Use of financial derivative instruments
The Portfolio may achieve its investment policy by investing in financial derivative instruments. However, the Portfolio does not intend to invest in financial derivative instruments extensively and their primary use will be for hedging purposes, cash flow management and tactical asset allocation. Financial derivative instruments may also be used for efficient portfolio management.

Financial derivative instruments that the Portfolio may use include, but are not limited to:

- foreign exchange forwards (including non-deliverable forwards),
- exchange-traded future options, fx options and swaptions.
- on and off-exchange traded futures, and
- swaps (interest rate, credit default, inflation, total return and currency).

Financial derivative instruments may also be embedded in other instruments used by the Portfolio (for example, participation notes and convertibles).

Risk profile

The Portfolio invests in a range of asset classes, markets and currencies. These are subject to different types and levels of risk. This means the Portfolio is exposed to a spread of risk but each to a lesser extent than if invested into a single asset class, market or currency. The main risks the Portfolio is exposed to are as follows:

- Equities prices are exposed to stock markets fluctuations and the financial performance of the companies who issue such equities. Therefore, the Portfolio's value may fall or rise on a daily basis and investors may not get back their initial investment.
- Fixed income securities (e.g. bonds) carry a risk of downgrade and/or default. Bond prices may vary significantly depending on not only the global economic and interest rate conditions but also the general credit market environment and the credit worthiness of the issuer.
- Emerging Markets carry higher risks and volatility due to greater political and economic risks. Emerging Markets securities can be impacted by high volatility, low liquidity, lower transparency and greater financial risks. Emerging Markets bonds carry higher risks than developed market bonds.
- Investments in or exposure to real estate, private equity, commodities as well as hedge and absolute return funds carry higher risks and can be impacted by higher volatility, lower liquidity, lower transparency and greater financial risks than investments in traditional securities such as stocks and bonds.
- The Portfolio's Base Currency is USD; however the Portfolio will have non-USD exposure and may therefore be subject to currency risk.

Further information is provided in the Section 1.3. “Risk considerations” of this prospectus.

Investor profile
The Portfolio may be suitable for investors looking for a diversified investment solution offering exposure to both equities and bonds and seeking for a reasonable level of capital growth while willing to accept a medium degree of risk. Investors should have a medium to long term investment horizon and understand the volatility associated with investments in equities and bonds around the world.

Investment Adviser
HSBC Global Asset Management (UK) Limited

Fees and Expenses

Class of Shares	A	B	E	S_I	Z
Management fee (%)*	1.20	0.60	1.30	0.60	0.00

* of the net asset value.

Additional fees apply to cover operating, administrative and servicing expenses; costs of investing in units in other UCITS and/or other Eligible UCIs; and extraordinary expenses. Further information is disclosed in Section 2.8. "Charges and expenses" of this prospectus.

Dealing and Valuation Cut-Off Times

Cut-off times	Rest of the world	Hong Kong	Jersey
Dealing time	5.00 p.m. Luxembourg time on any Dealing Day	4.00 p.m. Hong Kong time on any Dealing Day	10.00 a.m. Jersey time on any Dealing Day
Valuation	On the Business Day following the Dealing Day		

Applications to buy, sell or convert shares made to the Company on any Dealing Day before 5.00 p.m. Luxembourg time or to the distributor in Hong Kong before 4.00 p.m. Hong Kong time or to the distributor in Jersey before 10.00 a.m. Jersey time (the "Specified Times") will be allocated on that Dealing Day.

Shares are allocated at the Offer Price per share calculated on the Business Day following the Dealing Day using the latest available prices of assets. Applications received after the Specified Times will normally be dealt on the next Dealing Day. Shares are normally dealt on each Business Day (other than days during a period of suspension of dealing in shares and other than a Business Day immediately following the end of a period of such suspension) and which is also for the Portfolio, a day where stock exchanges and regulated markets in countries where the Portfolio is materially invested are open for normal trading.

Settlement

Operation	Due date for receipt of cleared monies
Buying shares	Payment for shares has to be made within five Business Days after the Dealing Day to the relevant correspondent bank(s) quoting the applicant's name and stating the appropriate Portfolio into which settlement monies are paid.
Selling shares	On receipt of the relevant documents the Registrar and Transfer Agent will dispatch the redemption proceeds normally in the designated currency of the Portfolio to which the shares relate, within five Business Days after the day on which the Redemption Price is determined.

Investment Minima

Class of Shares	A ,B and E*			S_1 and Z*		
Currency	**USD**	**EUR**	**GBP**	**USD**	**EUR**	**GBP**
Minimum initial investment and minimum holding	5,000	5,000	5,000	1,000,000	1,000,000	1,000,000
Minimum subsequent investment	1,000	1,000	1,000	100,000	100,000	100,000

* or equivalent to USD amount in any other Dealing Currencies or Share Class Reference Currencies.

HSBC Portfolios – World Selection 4

Base Currency
USD

Investment objective
Aims to provide long term total return by investing in a portfolio of equity and fixed income securities consistent with a medium to high risk investment strategy.

Investment policy
The Portfolio invests (normally a minimum of 90% of its net assets) in or gains exposure to:

- fixed income and equity securities directly into markets and/or through investments in UCITS and/or other Eligible UCIs.
- other asset classes including, but not limited to, real estate, private equity, hedge fund strategies and commodities through investments in equities securities issued by companies based or operating in developed or Emerging Markets, UCITS and/or other Eligible UCIs.

The Portfolio invests in Investment Grade and Non-Investment Grade rated fixed income and other similar securities issued or guaranteed by governments, government agencies or supranational bodies of developed markets, such as OECD countries, and/or Emerging Markets or by companies which are based in or carry out the larger part of their business activities in a developed or Emerging Market. These securities are denominated either in US dollar, in other developed markets currencies hedged into US dollar, or in local Emerging Markets currencies.

The Portfolio invests in equities and equity equivalent securities issued by companies which are based or operating in developed and Emerging Markets. The Portfolio normally invests across a range of market capitalisations.

The Portfolio may invest up to 100% of its assets in units or shares of UCITS and/or other Eligible UCIs. The Portfolios' exposure to such holdings will normally be between 50% and 100%.

The Portfolio 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 Portfolio's primary currency exposure is to the US dollar.

Asset class exposure limits
For the specific groups of asset class described in the table below, the Portfolio has a total maximum exposure limit as follows:

Securities*	Maximum exposure
Equity	100%
Fixed income	50%
Total of the following:	35%
▪ Real estate*	15%
▪ Private equity	10%
▪ Commodity	10%
▪ Hedge fund	20%
▪ Absolute return	10%

* The fund will not invest in direct real estate.

Use of financial derivative instruments
The Portfolio may achieve its investment policy by investing in financial derivative instruments. However, the Portfolio does not intend to invest in financial derivative instruments extensively and their primary use will be for hedging purposes, cash flow management and tactical asset allocation. Financial derivative instruments may also be used for efficient portfolio management.

Financial derivative instruments that the Portfolio may use include, but are not limited to:

- foreign exchange forwards (including non-deliverable forwards),
- exchange-traded future options, fx options and swaptions.
- on and off-exchange traded futures, and
- swaps (interest rate, credit default, inflation, total return and currency).

Financial derivative instruments may also be embedded in other instruments used by the Portfolio (for example, participation notes and convertibles).

Risk profile
The Portfolio invests in a range of asset classes, markets and currencies. These are subject to different types and levels of risk. This means the Portfolio is exposed to a spread of risk but each to a lesser extent than if invested into a single asset class, market

or currency. The main risks the Portfolio is exposed to are as follows:

- Equities prices are exposed to stock markets fluctuations and the financial performance of the companies who issue such equities. Therefore, the Portfolio's value may fall or rise on a daily basis and investors may not get back their initial investment.
- Fixed income securities (e.g. bonds) carry a risk of downgrade and/or default. Bond prices may vary significantly depending on not only the global economic and interest rate conditions but also the general credit market environment and the credit worthiness of the issuer.
- Emerging Markets carry higher risks and volatility due to greater political and economic risks. Emerging Markets securities can be impacted by high volatility, low liquidity, lower transparency and greater financial risks. Emerging Markets bonds carry higher risks than developed market bonds.
- Investments in or exposure to real estate, private equity, commodities as well as hedge and absolute return funds carry higher risks and can be impacted by higher volatility, lower liquidity, lower transparency and greater financial risks than investments in traditional securities such as stocks and bonds.
- The Portfolio's Base Currency is USD; however the Portfolio will have non-USD exposure and may therefore be subject to currency risk.

Further information is provided in the Section 1.3. “Risk considerations” of this prospectus.

Investor profile
The Portfolio may be suitable for investors looking for a diversified investment solution offering exposure to both equities and bonds and seeking for a reasonable level of capital growth while willing to accept a medium to high degree of risk. Investors should have a medium to long term investment horizon and understand the volatility associated with investments in equities and bonds around the world.

Investment Adviser
HSBC Global Asset Management (UK) Limited

Fees and Expenses

Class of Shares	A	B	E	S_I	Z
Management fee (%)*	1.20	0.60	1.30	0.60	0.00

* of the net asset value.

Additional fees apply to cover operating, administrative and servicing expenses; costs of investing in units in other UCITS and/or other Eligible UCIs; and extraordinary expenses. Further information is disclosed in Section 2.8. "Charges and expenses" of this prospectus.

Dealing and Valuation Cut-Off Times

Cut-off times	Rest of the world	Hong Kong	Jersey
Dealing time	5.00 p.m. Luxembourg time on any Dealing Day	4.00 p.m. Hong Kong time on any Dealing Day	10.00 a.m. Jersey time on any Dealing Day
Valuation	On the Business Day following the Dealing Day		

Applications to buy, sell or convert shares made to the Company on any Dealing Day before 5.00 p.m. Luxembourg time or to the distributor in Hong Kong before 4.00 p.m. Hong Kong time or to the distributor in Jersey before 10.00 a.m. Jersey time (the "Specified Times") will be allocated on that Dealing Day.

Shares are allocated at the Offer Price per share calculated on the Business Day following the Dealing Day using the latest available prices of assets. Applications received after the Specified Times will normally be dealt on the next Dealing Day. Shares are normally dealt on each Business Day (other than days during a period of suspension of dealing in shares and other than a Business Day immediately following the end of a period of such suspension) and which is also for the Portfolio, a day where stock exchanges and regulated markets in countries where the Portfolio is materially invested are open for normal trading.

Settlement

Operation	Due date for receipt of cleared monies
Buying shares	Payment for shares has to be made within five Business Days after the Dealing Day to the relevant correspondent bank(s) quoting the applicant's name and stating the appropriate Portfolio into which settlement monies are paid.
Selling shares	On receipt of the relevant documents the Registrar and Transfer Agent will dispatch the redemption proceeds normally in the designated currency of the Portfolio to which the shares relate, within five Business Days after the day on which the Redemption Price is determined.

Investment Minima

Class of Shares	A, B and E*			S_1 and Z*		
Currency	**USD**	**EUR**	**GBP**	**USD**	**EUR**	**GBP**
Minimum initial investment and minimum holding	5,000	5,000	5,000	1,000,000	1,000,000	1,000,000
Minimum subsequent investment	1,000	1,000	1,000	100,000	100,000	100,000

* or equivalent to USD amount in any other Dealing Currencies or Share Class Reference Currencies.

HSBC Portfolios – World Selection 5

Base Currency
USD

Investment objective
Aims to provide long term total return by investing in a portfolio of equity and fixed income securities consistent with a high risk investment strategy.

Investment policy
The Portfolio invests (normally a minimum of 90% of its net assets) in or gains exposure to:

- fixed income and equity securities directly into markets and/or through investments in UCITS and/or other Eligible UCIs.
- other asset classes including, but not limited to, real estate, private equity, hedge fund strategies and commodities through investments in equities securities issued by companies based or operating in developed or Emerging Markets, UCITS and/or other Eligible UCIs.

The Portfolio invests in Investment Grade and Non-Investment Grade rated fixed income and other similar securities issued or guaranteed by governments, government agencies or supranational bodies of developed markets, such as OECD countries, and/or Emerging Markets or by companies which are based in or carry out the larger part of their business activities in a developed or Emerging Market. These securities are denominated either in US dollar, in other developed markets currencies hedged into US dollar, or in local Emerging Markets currencies.

The Portfolio invests in equities and equity equivalent securities issued by companies which are based or operating in both developed and/or Emerging Markets. The Portfolio normally invests across a range of market capitalisations.

The Portfolio may invest up to 100% of its assets in units or shares of UCITS and/or other Eligible UCIs. The Portfolios' exposure to such holdings will normally be between 50% and 100%.

The Portfolio 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 Portfolio's primary currency exposure is to the US dollar.

Asset class exposure limits
For the specific groups of asset class described in the table below, the Portfolio has a total maximum exposure limit as follows:

Securities*	Maximum exposure
Equity	100%
Fixed income	20%
Total of the following:	45%
▪ Real estate*	15%
▪ Private equity	10%
▪ Commodity	10%
▪ Hedge fund	20%
▪ Absolute return	10%

* The fund will not invest in direct real estate.

Use of financial derivative instruments
The Portfolio may achieve its investment policy by investing in financial derivative instruments. However, the Portfolio does not intend to invest in financial derivative instruments extensively and their primary use will be for hedging purposes, cash flow management and tactical asset allocation. Financial derivative instruments may also be used for efficient portfolio management.

Financial derivative instruments that the Portfolio may use include, but are not limited to:

- foreign exchange forwards (including non-deliverable forwards),
- exchange-traded future options, fx options and swaptions.
- on and off-exchange traded futures, and
- swaps (interest rate, credit default, inflation, total return and currency).

Financial derivative instruments may also be embedded in other instruments used by the Portfolio (for example, participation notes and convertibles).

Risk profile
The Portfolio invests in a range of asset classes, markets and currencies. These are subject to different types and levels of risk. This means the Portfolio is exposed to a spread of risk but each to a lesser extent than if invested into a single asset class, market or currency. The main risks the Portfolio is exposed to are as follows:

- Equities prices are exposed to stock markets fluctuations and the financial performance of the companies who issue such equities. Therefore, the Portfolio's value may fall or rise on a daily basis and investors may not get back their initial investment.
- Fixed income securities (e.g. bonds) carry a risk of downgrade and/or default. Bond prices may vary significantly depending on not only the global economic and interest rate conditions but also the general credit market environment and the credit worthiness of the issuer.
- Emerging Markets carry higher risks and volatility due to greater political and economic risks. Emerging Markets securities can be impacted by high volatility, low liquidity, lower transparency and greater financial risks. Emerging Markets bonds carry higher risks than developed market bonds.
- Investments in or exposure to real estate, private equity, commodities as well as hedge and absolute return funds carry higher risks and can be impacted by higher volatility, lower liquidity, lower transparency and greater financial risks than investments in traditional securities such as stocks and bonds.
- The Portfolio's Base Currency is USD; however the Portfolio will have non-USD exposure and may therefore be subject to currency risk.

Further information is provided in the Section 1.3. “Risk considerations” of this prospectus.

Investor profile
The Portfolio may be suitable for investors looking for a diversified investment solution offering exposure to both equities and bonds and seeking for a reasonable level of capital growth while willing to accept a high degree of risk. Investors should have a medium to long term investment horizon and understand the volatility associated with investments in equities and bonds around the world.

Investment Adviser
HSBC Global Asset Management (UK) Limited

Fees and Expenses

Class of Shares	A	B	E	S_1	Z
Management fee (%)*	1.30	0.65	1.30	0.65	0.00

* of the net asset value.

Additional fees apply to cover operating, administrative and servicing expenses; costs of investing in units in other UCITS and/or other Eligible UCIs; and extraordinary expenses. Further information is disclosed in Section 2.8. "Charges and expenses" of this prospectus.

Dealing and Valuation Cut-Off Times

Cut-off times	Rest of the world	Hong Kong	Jersey
Dealing time	5.00 p.m. Luxembourg time on any Dealing Day	4.00 p.m. Hong Kong time on any Dealing Day	10.00 a.m. Jersey time on any Dealing Day
Valuation	On the Business Day following the Dealing Day		

Applications to buy, sell or convert shares made to the Company on any Dealing Day before 5.00 p.m. Luxembourg time or to the distributor in Hong Kong before 4.00 p.m. Hong Kong time or to the distributor in Jersey before 10.00 a.m. Jersey time (the "Specified Times") will be allocated on that Dealing Day.

Shares are allocated at the Offer Price per share calculated on the Business Day following the Dealing Day using the latest available prices of assets. Applications received after the Specified Times will normally be dealt on the next Dealing Day. Shares are normally dealt on each Business Day (other than days during a period of suspension of dealing in shares and other than a Business Day immediately following the end of a period of such suspension) and which is also for the Portfolio, a day where stock exchanges and regulated markets in countries where the Portfolio is materially invested are open for normal trading.

Settlement

Operation	Due date for receipt of cleared monies
Buying shares	Payment for shares has to be made within five Business Days after the Dealing Day to the relevant correspondent bank(s) quoting the applicant's name and stating the appropriate Portfolio into which settlement monies are paid.
Selling shares	On receipt of the relevant documents the Registrar and Transfer Agent will dispatch the redemption proceeds normally in the designated currency of the Portfolio to which the shares relate, within five Business Days after the day on which the Redemption Price is determined.

Investment Minima

Class of Shares	A, B and E*			S_1 and Z*		
Currency	**USD**	**EUR**	**GBP**	**USD**	**EUR**	**GBP**
Minimum initial investment and minimum holding	5,000	5,000	5,000	1,000,000	1,000,000	1,000,000
Minimum subsequent investment	1,000	1,000	1,000	100,000	100,000	100,000

* or equivalent to USD amount in any other Dealing Currencies or Share Class Reference Currencies.

APPENDICES

Appendix 1 Glossary

1915 Law	Luxembourg law of 10 August 1915 relating to commercial companies, as amended.
2010 Law	Luxembourg law of 17 December 2010 on undertakings for collective investment, implementing Directive 2009/65/EC into Luxembourg law, as amended.
Administration Agent	HSBC Securities Services (Luxembourg) S.A. until 14 November 2014; HSBC Bank Plc, Luxembourg Branch from 15 November 2014.
Application Form	The application form available from distributors.
Articles of Incorporation	The articles of incorporation of the Company, as may be amended from time to time.
Auditors	KPMG Luxembourg S.à r.l.
Base Currency	The principal currency in which shares of the Portfolio are issued, and in which Report and Accounts are produced.
Board of Directors	The board of directors of the Company.
Business Day	Any day on which the banks are open for normal business banking in Luxembourg.
Class(es) of Shares/ Share Class(es)/ Class(es)	Pursuant to the Articles of Incorporation, the Board of Directors may decide to issue, within each Portfolio, 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 Portfolio, the details of each Class are described under Sections "1.2. Share Class Information" and 3.2. "Portfolios details".
Collective Investment Scheme	Shall include: - UCITS and other Eligible UCI; and - closed-ended collective investment schemes, the shares/units of which qualify as Transferable Securities (including but not limited to REITs).
Company	HSBC Portfolios
CSSF	*Commission de Surveillance du Secteur Financier.*
Depositary Bank	HSBC Securities Services (Luxembourg) S.A. until 14 November 2014; HSBC Bank Plc, Luxembourg Branch from 15 November 2014.
Dealing Currency	Any other currency, as determined by the Directors, that investments may be made in.
Dealing Day	Except as otherwise defined in Section 3.2. "Portfolios details", normally, each Business Day (other than days during a period of suspension of dealing in shares and other than a Business Day immediately following the end of a period of such suspension) and which is also for the Portfolios, a day where stock exchanges and regulated markets in countries where the Portfolio is materially invested are open for normal trading. 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.
Directors	The members of the Board of Directors.
Distributor	HSBC Investment Funds (Luxembourg) S.A., acting as global distributor of the Company.
distributors	Entities listed in Appendix 6 "Directory".
Emerging Markets	Emerging markets are those markets in countries that are not amongst the following groups of industrialised countries: United States and Canada, Switzerland and Members of the European Economic Area, Japan, Australia and New Zealand, and may include those countries in the preceding groups that do not have fully developed financial markets.
ETFs	An investment fund listed on a stock exchange which represents a pool of securities, commodities or currencies which typically track the performance of an index. Exchange Traded Funds (ETFs) are traded like shares. Investment in open-ended or closed-ended ETFs will be allowed if they qualify as (i) UCITS or other Eligible UCIs or (ii) transferable securities, respectively.
EU	European Union.
EUR	Euro.
Eligible State	Any Member State of the European Union ("EU") or any other state in Eastern and Western Europe, Asia, Africa, Australia, North and South America and Oceania.

FCA	Financial Conduct Authority in the United Kingdom.
GBP	Pound Sterling.
G20	The informal group of twenty finance ministers and central bank governors from twenty major economies: Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russia, Saudi Arabia, South Africa, South Korea, Turkey, UK, USA and the European Union.
Investment Grade	Fixed income securities that are at least rated Baa3/BBB- by Moody's, Standard & Poor's, or another recognised credit rating agency.
Luxembourg	The Grand Duchy of Luxembourg.
Luxembourg Stock Exchange	Société de la Bourse de Luxembourg S.A.
Management Company	HSBC Investment Funds (Luxembourg) S.A.
Mémorial	*Mémorial C, Recueil des Sociétés et Associations*, Luxembourg legal gazette.
Money Market Instruments	Shall mean instruments normally dealt in on the money market which are liquid, and have a value which can be accurately determined at any time.
Net Asset Value per share	In relation to any shares of any Class, the value per share determined in accordance with the relevant provisions described under the heading "NAV Calculation Principles" under the Section 2.6. "Price of Shares and Publication of Prices and NAV".
Non-Investment Grade	Fixed income securities that are rated Ba1/BB+ or lower by Moody's, Standard & Poor's or another recognised credit rating agency.
OECD	Organisation for Economic Co-operation and Development.
Qualifying Day	Any Dealing Day for any two Portfolios on which the shares of one of these Portfolios may be converted into the same Class of shares in the other Portfolio concerned.
Register	The register of shareholders of the Company.
Registrar and Transfer Agent	HSBC Securities Services (Luxembourg) S.A. acting as registrar and transfer agent of the Company until 14 November 2014; HSBC Bank Plc, Luxembourg Branch from 15 November 2014.
Regulated Market	A regulated market as defined in the Directive 2004/39/EC of 21 April 2004 on markets in financial instruments (Directive 2004/39/EC), namely a market which appears on the list of the regulated markets drawn up by each Member State, which functions regularly, is characterized by the fact that regulations issued or approved by the competent authorities define the conditions for the operation of the market, the conditions for access to the market and the conditions that must be satisfied by a financial instrument before it can effectively be dealt in on the market, requiring compliance with all the reporting and transparency requirements laid down by the Directive 2004/39/EC and any other market which is regulated, operates regularly and is recognised and open to the public in an Eligible State.
REITs	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.
Savings Directive	Directive 2003/48/EC of 3 June 2003 on taxation of savings income in form of interest payments.
Specified Times	Cut-off times before which instructions as to applications, redemptions or conversions of shares must have been received on any Dealing Day by the Company or by a distributor, as further detailed hereinafter.
Transferable Securities	Shall mean; (a) shares and other securities equivalent to shares, (b) bonds and other debt instruments, (c) any other negotiable securities which carry the right to acquire any such Transferable Securities by subscription or exchange, excluding techniques and instruments relating to Transferable Securities and Money Market Instruments.
UCITS	An Undertaking for collective investment in Transferable Securities and other eligible assets authorised pursuant to Directive 2009/65/EC, as amended.
Other Eligible UCI	An open-ended undertaking for collective investment within the meaning of Article 1 paragraph (2), point (a) and point (b) of Directive 2009/65/EC and complying with the following: - it is authorised under laws which provide that it is subject to supervision considered by the

CSSF to be equivalent to that laid down in Community law, or if cooperation between authorities is sufficiently ensured;

- the level of protection for its unitholders is equivalent to that provided for unitholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of the UCITS Directive 2009/65/EC, as amended;

- its business is reported in 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 its assets can, according to its management regulations or instruments of incorporation, be invested in aggregate in units of other UCITS or other UCIs.

Closed-ended UCIs are not considered as other Eligible UCIs, but may qualify as Transferable Securities.

United States Person 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 the purpose of computing United States income tax payable by it.

USD United States Dollar.

Appendix 2 Other Information

1) Separation of Assets

The proceeds from the allotment and allocation of shares relating to each Portfolio are applied in the books of the Company to the portfolio of Transferable Securities and other permitted investments which represent the Portfolio, and the assets, and liabilities and income and expenditure attributable to that Portfolio are applied thereto. The entitlements of each Class if and when created by the Company in each Portfolio will change in accordance with the rules set out in the Articles of Incorporation.

Save as otherwise provided the assets held in each Portfolio are to be applied solely in respect of the shares which relate to the Portfolio to which each portfolio applies.

The assets of each Portfolio will be separate from those of all other Portfolios and will be invested separately in accordance with the investment objective and policies of such Portfolio. All liabilities attributable to a particular Portfolio shall be binding solely upon that Portfolio. For the purpose of the relations between shareholders, each Portfolio shall be deemed to be a separate entity.

2) Share Confirmations

The Company will only issue shares in registered form. Ownership of shares is evidenced by entry in the Company's Register 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.

3) Voting Rights and Joint Holders

At general meetings each shareholder has the right to one vote for each whole share of which he is the holder. A holder of shares relating to any particular Class is entitled at any separate meeting of the holders of shares relating to that Class to one vote for each whole share relating to that Class of which he is the holder.

The Company shall register shares jointly in the names of not more than two 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.

4) Class Rights and Restrictions

Shares are divided into Classes designated by reference to the Portfolio to which the Class relates. They have no preferential or pre-emption rights and are freely transferable, save as referred to below.

The Directors may impose or relax 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 Portfolio). The Directors may also require the transfer of shares as they deem necessary to ensure that shares are neither acquired nor held by or on behalf of any person in breach of the law or requirements of any country or governmental or regulatory authority, or which might have adverse taxation or other pecuniary consequences for the Company, including a requirement to register under any securities or investment or similar laws or requirements of any country or authority. The Directors may in this connection require a shareholder to provide such information as they may consider necessary to establish whether he is the beneficial owner of the shares which he holds.

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 Portfolio save that the quorum shall be the holders of not less than one half of the issued shares relating to that Class or Portfolio, or, at an adjourned meeting, any one person holding shares relating to that Class or Portfolio (or in either case the proxies of such persons). Two or more Classes or Portfolios may be treated as a single Class or Portfolio if such Classes or Portfolios would be affected in the same way by the proposals requiring the approval of holders of shares relating to the separate Classes or Portfolios.

5) Rights on a Winding-Up

If the Company shall be voluntarily liquidated, its liquidation will be carried out in accordance with the provisions of the 2010 Law and the 1915 Law which specify the steps to be taken to enable shareholders to participate in the liquidation distribution(s) and in that connection provides for deposit in escrow at the *Caisse de Consignation* of any such amounts to the close of liquidation. Amounts not claimed from escrow within the prescription period would be liable to be forfeited in accordance with the provisions of Luxembourg laws.

6) Suspension of the Calculation of the Net Asset Value and Issue, Allocation, Conversion and Redemption of shares

The Management Company, on behalf of the Company, may suspend, as disclosed in section 2.6. (3), the issue, allocation and the redemption of shares relating to any Portfolio as well as the right to convert shares relating to a Class in a Portfolio into those relating to the same Class in another Portfolio 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 Portfolio 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 Portfolio by the Company is not possible;

c) during any period when the publication of an index, underlying of a financial derivative instrument representing a material part of the assets of the relevant Portfolio is suspended;

d) during any period when the determination of the net asset value per share of the Collective Investment Schemes or the dealing of their shares/units in which a Portfolio is a materially invested is suspended or restricted;

e) during any breakdown in the means of communication normally employed in determining the price of any of the relevant Portfolio's investments or the current prices on any market or stock exchange;

f) 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 Portfolio's investments is not possible;

g) to the extent that such suspension is justified for the protection of the shareholders, in the event of the publication of the convening notice to a general meeting of shareholders at which a resolution to wind up the Company or a class is to be proposed, or of the decision of the Board of Directors to wind up one or more Portfolios;

h) to the extent that such a suspension is justified for the protection of the shareholders, in the event of the publication of the notice of the general meeting of shareholders at which the merger of the Company or a Portfolio is to be proposed, or of the decision of the Board of Directors to merge one or more Portfolios; or

i) during any period when in the opinion of the Directors of the Company 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 Portfolio of the Company.

The Company may cease the issue, allocation, conversion and redemption of the shares forthwith upon the occurrence of an event causing it to enter into liquidation or upon the order of the Luxembourg supervisory authority.

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

7) Documents Available for Inspection

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.

i) The Articles of Incorporation of the Company;

ii) The material contracts

Copies of the Articles of Incorporation of the Company, the most recent Prospectus, the Key Investor Information Documents and the latest financial reports may be obtained free of charge, on request at the registered office of the Company.

In addition, the Key Investor Information Documents will be available on www.assetmanagement.hsbc.com/fundinfo. When issued, 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 or the Management Company, 16, boulevard d'Avranches, L-1160 Luxembourg, Grand Duchy of Luxembourg.

Appendix 3 General Investment Restrictions

Each Portfolio of the Company or where a UCITS comprises more than one compartment, each such Portfolio or compartment shall be regarded as a separate UCITS for the purposes of this Appendix. The Directors shall, based upon the principle of spreading of risks, have power to determine the investment policy for the investments of the Company in respect of each Portfolio and the currency of denomination of a Portfolio subject to the following restrictions:

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 of the European Union 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 UCITS;

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 Regulated Market and such admission is secured within a year of the issue.

e) units of UCITS and/or other UCI, whether situated in an EU 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 Luxembourg supervisory authority to be equivalent to that laid down in 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 an EU Member State or if the registered office of the credit institution is situated in a non-EU Member State provided that it is subject to prudential rules considered by the Luxembourg supervisory authority as equivalent to those laid down in Community law;

g) financial derivative instruments, including equivalent cash-settled instruments, dealt in on an Regulated Market and/or financial derivative instruments dealt in over-the-counter ("OTC derivatives"), provided that:

- the underlying consists of instruments covered by this Section (1) (a), financial indices, interest rates, foreign exchange rates or currencies, in which the Portfolios may invest according to their investment objective;

- the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the Luxembourg supervisory authority;

- 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, 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 an EU Member State, the European Central Bank, the EU or the European Investment Bank, a non-EU 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 EU Member States belong, or

- issued by an undertaking any securities of which are dealt in on Regulated Markets,

- issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by the 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 Community law, or

- issued by other bodies belonging to the categories approved by the Luxembourg supervisory authority 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 Portfolio in Transferable Securities and Money Market Instruments other than those referred to under (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 Portfolio in Transferable Securities and Money Market Instruments issued by the same issuing body.

(ii) The Company may not invest more than 20% of the total net assets of such Portfolio in deposits made with the same body. The risk exposure of a Portfolio 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 I. (1) f) above or 5% of its net assets in other cases.

b) Moreover where the Company holds on behalf of a Portfolio investment in Transferable Securities and Money Market Instruments of any issuing body which individually exceed 5% of the net assets of such Portfolio, the total of all such investments must not account for more than 40% of the total net assets of such Portfolio.

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 III. 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 Portfolio:,

- investments in Transferable Securities or Money Market Instruments issued by that body,

- deposits made with that body, or

- exposures arising from OTC derivative transactions undertaken with that body

c) The limit of 10% laid down in sub-paragraph III. a) (i) above will be increased to a maximum of 35% in respect of Transferable Securities or Money Market Instruments which are issued or guaranteed by an EU Member State , its local authorities, or by another Eligible State or by public international bodies of which one or more EU Member States are members.

d) The limit of 10% laid down in sub-paragraph III. a) (i) may be of a maximum of 25% for certain bonds when they are issued by a credit institution which has its registered office in a Member State of the EU 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 Portfolio 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 asset value of the Portfolio.

e) The Transferable Securities and Money Market Instruments referred to in paragraphs III. c) and III.d) shall not be included in the calculation of the limit of 40% stated in paragraph III. b) above.

The limits set out in sub-paragraphs a), b) c) and d) may not be aggregated and, accordingly, investments in Transferable Securities and 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 Portfolio'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 paragraph III.

The Company may cumulatively invest up to 20% of the net assets of a Portfolio 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 Portfolio, in accordance with the principle of risk spreading, in Transferable Securities and Money Market Instruments issued or guaranteed by a Member State of the EU, by 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 G20 or by public international bodies of which one or more Member States of the EU are members, provided that such Portfolio must hold securities from at least six different issues and securities from one issue do not account for more than 30% of the total net assets of such Portfolio.**

IV. a) Without prejudice to the limits laid down in paragraph V., the limits provided in paragraph III. are raised to a maximum of 20% for investments in shares and/or bonds issued by the same issuing body if the aim of the investment policy of a Portfolio 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 Portfolio'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. The Company may not acquire shares carrying voting rights which should enable it to exercise significant influence over the management of an issuing body.

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.

The limits under the 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 of the EU 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 non-Member State of the EU complies with the limits laid down in paragraphs III., V. and VI. a), b), c) and d).

VI. a) The Company may acquire units of the UCITS and/or other Eligible UCIs referred to in paragraph I. (1) e), provided that no more than 20% of a Portfolio's net assets be invested in the units of a single UCITS or other Eligible UCI.

For the purpose of the application of the investment limit, each compartment of an Eligible 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.

b) Investments made in units of Eligible UCIs other than UCITS may not in aggregate exceed 30% of the net assets of a Portfolio.

c) The underlying investments held by the UCITS or other Eligible UCIs in which the Company invests do not have to be considered for the purpose of the investment restrictions set forth under III. above.

d) When the Company invests in the units of other UCITS and/or other Eligible UCIs linked to the Company by common management or control, no subscription or redemption fees may be charged to the Company on account of its investment in the units of such other UCITS and/or other Eligible UCIs.

In respect of a Portfolio's investments in UCITS and other Eligible UCIs linked to the Company as described in the preceding paragraph, the total management fee (excluding any performance fee, if any) charged to such Portfolio itself and the other UCITS and/or other Eligible UCIs concerned shall not exceed 2.5% of the relevant assets. The Company will indicate in its annual report the total management fees charged both to the relevant Portfolio and to the UCITS and other Eligible UCIs in which such Portfolio has invested during the relevant period.

e) The Company may acquire no more than 25% of the units of the same UCITS and/or other Eligible UCI. This limit may be disregarded at the time of acquisition if at that time the gross amount of the units in issue cannot be calculated. In case of a UCITS or other Eligible UCI with multiple compartments, this restriction is applicable by reference to all units issued by the UCITS/ Eligible UCI concerned, all compartments combined.

VII. In compliance with the applicable laws and regulations any Portfolio of the Company (hereinafter referred to as a "Feeder Portfolio") may be authorised to invest at least 85% of its assets in the units of another UCITS or portfolio thereof (the "Master UCITS"). A Feeder Portfolio may hold up to 15% of its assets in one or more of the following:

- ancillary liquid assets in accordance with II;
- financial derivative instruments, which may be used only for hedging purposes;
- movable and immovable property which is essential for the direct pursuit of its business.

For the purposes of compliance with article 42(3) of the 2010 Law, the Feeder Portfolio shall calculate its global exposure related to financial derivative instruments by combining its own direct exposure under the second indent of the first sub-paragraph with either:

- the Master UCITS actual exposure to financial derivative instruments in proportion to the Feeder Portfolio investment into the Master UCITS; or
- the Master UCITS potential maximum global exposure to financial derivative instruments provided for in the Master UCITS management regulations or instruments of incorporation in proportion to the Feeder Portfolio investment into the Master UCITS.

A Portfolio of the Company may in addition and to the full extent permitted by applicable laws and regulations but in compliance with the conditions set-forth by applicable laws and regulations, be launched or converted into a Master UCITS in the meaning of Article 77(3) of the 2010 Law.

VIII. A Portfolio (the "Investing Portfolio") may subscribe, acquire and/or hold securities to be issued or issued by one or more Portfolio of the Company (each a "Target Portfolio") 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:

- the Investing Portfolio may not invest more than 20% of its net asset value in a single Target Portfolio; and
- the Target Portfolio(s) do(es) not, in turn, invest in the Investing Portfolio invested in this (these) Target Portfolio (s); and
- the investment policy(ies) of the Target Portfolio(s) whose acquisition is contemplated does not allow such Target Portfolio(s) to invest more than 10% of its(their) net asset value in UCITS and UCIs; and
- voting rights, if any, attaching to the Shares of the Target Portfolio(s) held by the Investing Portfolio are suspended for as long as they are held by the Investing Portfolio concerned and without prejudice to the appropriate processing in the accounts and the periodic reports; and
- in any event, for as long as these securities are held by the Investing Portfolio, 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.

IX. The global exposure of each Portfolio relating to derivative instruments may not exceed the net assets of the relevant Portfolio.

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 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 restriction III. When the Company invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in restriction III.

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 sub-paragraph.

X. a) The Company may not borrow for the account of any Portfolio amounts in excess of 10% of the total net assets of that Portfolio, any such borrowings to be from banks and to be effected only as a temporary basis provided that the purchase of foreign currencies by way of back to back loans remains possible;

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 I. (1) c), 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.

XI. If the percentage limitations set forth in the above restrictions 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 interests of its shareholders.

The Company will in addition comply with such further restrictions as may be required by the regulatory authorities in which the shares are marketed.

During the first six months following its launch, a new Portfolio may derogate from restrictions III., IV. and VI. a), b), c) and d) while ensuring observance of the principle of risk spreading.

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 Portfolio to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of each Portfolio. The Management Company or the Investment Adviser of the relevant Portfolio, on behalf of the Company 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 Management Company will provide supplementary information relating to the quantitative limits that apply in the risk management of each Portfolio, to the methods chosen to this end and to the recent evolution of the risks and yields of the main categories of instruments.

Commitment approach

The Portfolios 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 Portfolio Investment Adviser believes that it is more efficient to purchase financial derivative instruments than the corresponding physical securities. These Portfolios 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.

Appendix 4 Additional restrictions

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 Portfolios 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 Portfolios authorised in Hong Kong (other than the Portfolios exercising the wider derivatives powers as indicated in the relevant investment objective of such Portfolios) 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 Portfolios.

Unless otherwise indicated in the investment objective of a Portfolio in Section 3.2. "Portfolios 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 Portfolio (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.

At the date of the Prospectus, all the Portfolios are authorised by the SFC and therefore the abovementioned additional restrictions apply to all the Portfolios.

Appendix 5 Financial derivative instruments

A Portfolio may hold financial derivative instruments ("FDIs") for hedging and efficient portfolio management purposes, as well as gaining exposure to markets, both short-term (e.g. equitisation) and long-term (e.g. exposure to commodity indices).
The Company will not use non-linear or leveraged indices.

Additional restrictions or derogations for certain Portfolios will be disclosed in Section 3.2. "Portfolios details" in relation to the relevant Portfolio.

The global exposure of each Portfolio relating to FDIs may not exceed the net assets of the relevant Portfolio.

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 FDIs, the exposure to the underlying assets may not exceed in aggregate the investment limits laid down in item III. a) to e) of Appendix 3 above. When the Company invests in index-based FDIs, these investments do not have to be combined to the limits laid down in item III. a) to e) of Appendix 3 above. The rebalancing frequency of the underlying index of such FDI is determined by the index provider and there is no cost to the Portfolio when the index itself rebalances.

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.

I. Efficient Portfolio Management

Efficient Portfolio Management ("EPM") refers to techniques and instruments (including FDIs) which relate to transferable securities which fulfil the following criteria:

1. They are economically appropriate in that they are realised in a cost-effective way,
2. They are entered into for one or more of the following specific aims:

    - reduction of risk (e.g. to perform an investment hedge on a portion of a portfolio),
    - reduction of cost (e.g. be short term cash flow management or tactical asset allocation),
    - generation of additional capital or income, with a level of risk that is consistent with the risk profile of a Portfolio (e.g. Securities Lending and/or Repurchase (and Reverse Repurchase) agreements where the collateral is not reinvested for any form of leverage).

The use of FDIs introduces an additional exposure of counterparty risk by the Portfolio, although this is managed through internal risk control mechanisms and according to the diversification and concentration requirements of the UCITS regulation.

The use of these EPM instruments/ techniques does not change the objective of a Portfolio or add substantial risks in comparison to the original risk policy of a Portfolio.

Any EPM instruments/techniques are included within the Company's liquidity risk management process to ensure that the Company can continue to meet redemptions within the obligated timeframe.

HSBC Global Asset Management Limited is responsible for managing any conflict that might exist such that conflicts are prevented from negatively impacting shareholders.

II. Management of collateral

Under the investment advisory agreement, the Investment Adviser has authority to agree the terms for collateral arrangements, duly advising the Management Company of what arrangements have been made, for purposes of managing counterparty risk where transactions in over-the-counter ("OTC") FDIs have been executed. Transactions in FDIs can only be executed with approved counterparties. Such transactions will at all times be governed by approved Group standard documentation such as a legally enforceable bilateral ISDA and an accompanying Credit Support Annex ("CSA") where it has been agreed that collateral will form part of the transaction.

Assets received by the Company as collateral in the context of OTC FDIs and in the context of EPM techniques will comply with the following criteria at all times:

- Liquidity: any collateral received other than cash should be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation. Collateral received will also comply with the provisions of paragraph V of Appendix 2 "General Investment Restrictions".
- Valuation: eligible collateral, as determined is valued daily by an entity that is independent from the counterparty on a mark-to-market basis.
- Issuer credit quality: non cash collateral received is of high credit quality (at least A3 and A-).

- Haircut policy: haircuts will take into account the characteristics of the assets such as the credit standing or the price volatility. Assets that exhibit high price volatility will not be accepted by the Company as collateral unless suitably conservative haircuts are in place. Haircuts are reviewed by the Management Company on an ongoing basis to ensure that they remain appropriate for eligible collateral taking into account collateral quality, liquidity and price volatility:
- Correlation: collateral received by the Company is issued by an entity that is independent from the counterparty or by one that is expected not to display a high correlation with the performance of the counterparty.
- Diversification: collateral received by the Company will remain sufficiently diversified such that no more than 20% of the net asset value of a Portfolio will be held in a basket of non-cash collateral (and reinvested collateral) with the same issuer.
- Enforceability: collateral received by the Company is capable of being fully enforced by the Company at any time without reference to or approval from the counterparty.
- Non-cash collateral received should not be sold, reinvested or pledged.
- Reinvestment of cash collateral: where received by the Company, reinvested cash collateral will remain sufficiently diversified in accordance with the diversification requirements applicable to non-cash collateral and may only be:
  - placed on deposit with credit institution having its registered office in a country which is a Member State or with a credit institution having its registered office in a third country provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in European Community law;
  - invested in short-term money market funds as defined in the Guidelines on a Common Definition of European Money Market Funds approved by the Management Company.
    The Management Company may delegate authority to the securities lending agent to invest cash collateral into qualifying HSBC products.
- A Portfolio that receives collateral for at least 30% of its net assets will have an appropriate stress testing policy in place to ensure regular stress tests are carried out under normal and exceptional liquidity conditions to enable the Company to assess the liquidity risk attached to the collateral. This stress testing policy will:
  - ensure appropriate calibration, certification and sensitivity analysis;
  - consider an empirical approach to impact assessment, including back-testing of liquidity risk estimates;
  - establish reporting frequency and limit/loss tolerance threshold/s; and
  - consider mitigation actions to reduce loss including haircut policy and gap risk protection.
- Other risks - other risks linked to the management of collateral, such as operational and legal risks, are identified, managed and mitigated by the risk management process.

Collateral received by the Company Portfolios in respect of securities lending arrangements with HSBC Bank Plc (acting as agent through its securities services) will comply with the following haircut requirements:

- Eligible cash collateral will be subject to a minimum positive haircut of 105%;
- Other eligible non-cash collateral will be subject to a minimum positive haircut of 105% for fixed income securities and 110% for equities.

Appendix 6 Directory

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

Board of Directors of the Company
- George Efthimiou, Global Chief Operating Officer (Chairman)
HSBC Global Asset Management Limited, 78 St James's Street, London SW1A 1HL, United Kingdom

- Dr. Michael Boehm, Chief Operating Officer
HSBC Global Asset Management (Deutschland) GmbH, Königsallee 21/23, 40212 Düsseldorf, Germany

- Jean de Courrèges, Independent Director
Carne Global Financial Services Luxembourg S.à.r.l, European Banking and Business Centre
6B route de Trèves, L-2633 Senningerberg, Grand Duchy of Luxembourg

- Eimear Cowhey, Independent Director
Dublin, Ireland

- Peter Dew, Independent Director
London, United Kingdom

- Dean Lam, Managing Director
HSBC Bank (Mauritius) Limited, 6th Floor, HSBC Centre, 18 CyberCity, Ebene, Mauritius

- John Li, Independent Director
MDO Services S.A., 19 rue de Bitbourg, L-1273 Luxembourg, Grand Duchy of Luxembourg

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
- Edmund Stokes, Global Head of Product (Chairman)
HSBC Global Asset Management Limited, 78 St James's Street, London, SW1A 1HL, United Kingdom

- Alexa Coates, Global CFO
HSBC Global Asset Management (UK) Limited, 78 St James's Street, London, SW1A 1HL, United Kingdom

- Tony Corfield, Chief Operating Officer
HSBC Global Asset Management (UK) Limited, 78 St James's Street, London, SW1A 1HL, United Kingdom

- Cecilia Lazzari, Conducting Officer
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- 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

- 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

Depositary Bank and Administration Agent
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16, boulevard d'Avranches, L-1160 Luxembourg, Grand Duchy of Luxembourg
From 15 November 2014.
HSBC Bank Plc, Luxembourg Branch
16, boulevard d'Avranches, L-1160 Luxembourg, Grand Duchy of Luxembourg

Paying Agent
Until 14 November 2014.
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From 15 November 2014.
HSBC Bank Plc, Luxembourg Branch

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Registrar and Transfer Agent
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From 15 November 2014.
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Corporate and Domiciliary Agent
Until 14 November 2014.
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From 15 November 2014.
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Investment Adviser
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78 St James's Street, London SW1A 1EJ, United Kingdom

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- Austria, and Eastern Europe Distributor
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- Continental Europe Distributor
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  HSBC Main Building, 1 Queen's Road Central, Hong Kong

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  HSBC Global Asset Management (International) Limited
  HSBC House, Esplanade, St Helier, Jersey, JE4 8WP Channel Islands

- Middle East Distributor
  HSBC Bank Middle East Limited
  HSBC House, Esplanade, St Helier, Jersey, JE4 8UB Channel Islands

- Singapore Representative and Distributor
  HSBC Global Asset Management (Singapore) Limited
  21 Collyer Quay, #06-01 HSBC Building, Singapore 049320, Singapore

- United Kingdom Representative and Distributor
  HSBC Global Asset Management (UK) Limited
  8 Canada Square, London E14 5HQ, United Kingdom

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