HSBC Global Investment Funds - Global High Yield Bond

Notice dated 27 July 2012 and 29 June 2012

Summary of the Explanatory Memorandum
July 2012

- Class AM
- Class AMHKD
- Class AMHAUD
- Class AMHEUR

HSBC
Global Asset Management

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IMPORTANT: This document is important and requires your immediate attention. If you are in any doubt as to the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or financial adviser.

HSBC Global Investment Funds

société d'investissement à capital variable
(the "Company" or "HGIF")

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

Luxembourg, 27 July 2012

Dear Shareholder,

We are writing to inform you of some important changes being made to the Company. The changes are summarised below.

(1) HSBC Global Investment Funds – Global High Income Bond

The changes listed below will become effective from 3 September 2012

The investment adviser of HSBC Global Investment Funds – Global High Income Bond will change from HSBC Global Asset Management (UK) Limited to HSBC Global Asset Management (USA) Inc.

In addition, the sub-investment adviser of the sub-fund will change from HSBC Global Asset Management (USA) Inc to HSBC Global Asset Management (UK) Limited.

The above changes will have no impact on (1) the investment objective and policy of the sub-fund or the way that the sub-fund is being managed; and (2) the level of fees charged to the shareholders or paid by the sub-fund.

(2) Charging Structure

The change listed below will become effective from 3 September 2012.

The board of directors of the Company (the "**HGIF Board**") has decided to amend the charging structure detailed in the Explanatory Memorandum of the Company:

Currently, if the Company invests in shares or units of UCITS and/or other UCIs that are managed directly or indirectly by the Management Company (HSBC Investment Funds (Luxembourg) S.A.) itself or a company with which it is linked by way of common management or control or by way of a direct or indirect stake of more than 10% of the capital or votes, then there will be no duplication of management, subscription or repurchase fees between the Company and the UCITS and/or other UCIs into which the Company invests.

With effect from 3 September 2012, if the Company invests in shares of HSBC ETFs PLC, there may be duplication of management fees for any relevant HGIF sub-funds. The total management fees charged both to the relevant HGIF sub-fund and to HSBC ETFs PLC shall not exceed 3.00% of the relevant assets and will be disclosed in the annual report of the Company.

If any sub-fund's investments in UCITS and other UCIs constitute a substantial proportion of the sub-fund's assets, the total management fee (excluding any performance fee, if any) charged both to such sub-fund itself and the other UCITS and/or other UCIs concerned shall not exceed 3.00% of the relevant assets. The Company will indicate in its annual report the total management fees charged both to the relevant sub-fund and to the UCITS and other UCIs in which such sub-fund has invested during the relevant period.

(3) Termination of Sub-Funds

The change listed below will become effective from 3 September 2012

The HGIF Board has decided to increase the threshold for the liquidation of each sub-fund of the Company from US$10 million to US$50 million, in line with the Management Company's other SFC authorised fund range in order to maintain a consistent approach, and to provide the HGIF Board with more flexibility in a sub-fund liquidation when it is not possible to operate a sub-fund in an economically efficient manner or in the interest of shareholders. Therefore, sub-section (3) of the section in the Explanatory Memorandum of the Company titled "Liquidation of the Company / Termination and Amalgamation of Sub-Funds" has been amended to read as follows:

> *"The Board of Directors may decide to liquidate any sub-fund if the net assets of such sub-fund fall below USD50 million, or if a change in the economical or political situation relating to the sub-fund concerned would justify such liquidation or if the interests of the shareholders would justify it. The decision to liquidate will be published or notified to the shareholders by the Company prior to the effective date of the liquidation and the publication or notification will indicate the reasons for, and the procedure of, the liquidation operations. Unless the Board of Directors otherwise decides in the interests of, or to keep equal treatment between, the shareholders, the shareholders of the sub-fund concerned may continue to request redemption or conversion of their Shares. Liquidation proceeds which cannot be distributed to their beneficiaries upon the close of the liquidation of the sub-fund concerned will be deposited with the Caisse de Consignation on behalf of their beneficiaries."*

The HGIF Board would like to reassure shareholders that they will not incur any costs associated with the implementation of the changes stated above and that the terms and conditions regulating their investments will remain the same.

Shareholders who do not agree with the above changes may take the opportunity to fully redeem their investments in the Company free of charge until 31 August 2012, in accordance with the normal terms disclosed in the Explanatory Memorandum of the Company.

If you have any questions about the above changes and would like to discuss the matter in more detail, please contact your local Distributor, who will be able to assist you[1].

The HGIF Board accepts responsibility for the accuracy of the information contained in this letter.

Yours faithfully,

For and on behalf of the Board

HSBC Global Investment Funds

[1] Investors in Hong Kong please contact HSBC Investment Funds (Hong Kong) Limited (the Hong Kong Representative) at (852) 2284 1229 for further enquiry.

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HSBC Global Investment Funds

Société d'Investissement à Capital Variable

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

29 June 2012

To the investors of HSBC Global Investment Funds

Dear Investor,

HSBC Global Investment Funds (the "Company") – Change of indirect control in RBC Dexia Investor Services Bank S.A.

We write to inform you that Dexia S.A. together with all the entities within its group will cease to be (indirect) shareholders and controllers of RBC Dexia Investor Services Bank S.A. (**RBCDISB**) with effect from the date on which completion of the Transaction (as defined below) occurs.

RBCDISB is currently the Custodian, Paying Agent, Administration Agent, Registrar and Transfer Agent of HSBC Global Investment Funds.

Change of controller

Reference is made to the announcement issued by Royal Bank of Canada (**RBC**) on 3 April 2012 entitled "Royal Bank of Canada to Acquire Full Ownership of RBC Dexia Investor Services", a copy of which is available at http://www.rbc.com/newsroom/2012/0403-dexia.html.

Currently, RBCDISB is wholly owned by RBC Dexia Investor Services Limited (**RBCDISL**). RBCDISL is a joint venture between Dexia S.A. (**Dexia**) and RBC. Its shares are owned as to 50% each by Royal Bank Holding Inc. (**RBHI**) and Banque Internationale à Luxembourg (**BIL**).

On 3 April 2012, RBHI, BIL, RBC and Dexia entered into a share sale and purchase agreement (**SPA**), pursuant to which RBHI agreed to acquire all of BIL's shares in RBCDISL (**Transaction**). The SPA also includes provisions for BIL's shares in RBCDISL potentially to be transferred to Dexia prior to completion in which case it would become the seller under the SPA. Completion of the Transaction is subject to a number of conditions precedent, including regulatory approvals. Following completion of the Transaction, RBCDISL will be wholly owned by RBHI.

Unless otherwise agreed between RBC and Dexia, the Transaction is originally expected to complete within 6 calendar months from the date of the SPA ("**Long Stop Date**"). However, it is currently expected that completion will be approximately 3 months after signing the SPA (i.e., in mid 2012). Hong Kong investors will be notified of the updated status of the Transaction.

Change of name

The current intention is that RBCDISB will change its name at or shortly after completion. Although a final decision has not yet been taken in relation to the new name, the word "Dexia" will not appear when the name is changed. We will advise you on the details when further information is available.

If Transaction is unable to be completed

If, for whatever reason, the Transaction cannot be completed on or before the Long Stop Date, the SPA will lapse with effect from the Long Stop Date and the Transaction will not proceed. Should this occur, there will be no change to the shareholders and controllers of RBCDISB. In addition, there will be no change of name of RBCDISB. We will notify you if the Long Stop Date is extended or if the Transaction does not proceed.

Other matters in relation to RBCDISB

There will be no change to the contact details of RBCDISB.

The business, organisation and corporate governance of RBCDISB is expected to continue in the ordinary course prior to completion. The Transaction is not expected to affect the capacity or ability of RBCDISB to continue to perform its role in respect of the Company, or otherwise affect the day-to-day management or operation of the Company. There will be no change to the investment objectives and policies of the Company, and no change to the current fees and expenses payable to or borne by the Company, as a result of the Transaction.

The directors of the Company accept responsibility for the information contained in this notice. To the best of the knowledge and belief of such directors (who have taken all reasonable care to ensure that this is the case), the information contained in this notice is in accordance with the facts and does not omit anything likely to affect the import of such information.

If you have any questions in relation to the above, please direct these to your bank or financial adviser or alternatively you should contact the Hong Kong Representative, HSBC Investment Funds (Hong Kong) Limited at Level 22, HSBC Main Building, 1 Queen's Road Central, Hong Kong (telephone number: (852) 2284 1229).

Yours faithfully,

HSBC Investment Funds (Hong Kong) Limited
Hong Kong Representative of HSBC Global Investment Funds

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HSBC Global Investment Funds

société d'investissement à capital variable
(the "Company")

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

Luxembourg, 29 June 2012

Dear Shareholder,

We are writing to inform you of some important changes to the operations of the Company.

The board of directors of the Company (the "HGIF Board") and the board of directors of the HSBC Investments Funds (Luxembourg) S.A. (the "HIFL Board") have decided to appoint new agents for some of the delegated services.

1. Administration Agent

The HIFL Board intends to appoint HSBC Securities Services (Luxembourg) S.A. ("HSSL") to undertake central administration services commencing from 1 October 2012, pursuant to an agreement with HSSL dated June 2012. Activity will transfer from RBC Dexia Investor Services Bank S.A. ("RBC Dexia") in a phased migration from the 1 October 2012 with a completion date of 30 November 2012. RBC Dexia will act as administration agent of the Company until 30 September 2012. There is no time gap between the cessation and commencement date of the appointment of the respective entities. Shareholders are advised that between 1 October 2012 and 30 November 2012 a sub-delegation agreement will be in operation among HSBC Investments Funds (Luxembourg) S.A., HSSL, and RBC Dexia in respect of some administration requirements.

2. Depositary and Custody Agent

The HGIF Board intends to appoint HSSL to act as custodian and to undertake depositary and custody services commencing from 3 December 2012, pursuant to an agreement with HSSL dated June 2012. Activity will transfer from RBC Dexia as one exercise from this date. RBC Dexia will act as depositary and custody agent of the Company until 2 December 2012. There is no time gap between the cessation and commencement date of the appointment of the respective entities.

3. Registrar and Transfer Agent

The HIFL Board intends to appoint HSSL to undertake central transfer agency and shareholder services from 4 March 2013, pursuant to an agreement with HSSL dated June 2012. This activity will be transferred from RBC Dexia as one exercise. RBC Dexia will act as registrar and transfer agent of the Company until 3 March 2013. There is no time gap between the cessation and commencement date of the appointment of the respective entities. Shareholders should be aware that this change will mean that there will be changes to addresses for correspondence, telephone and facsimile numbers, and changes to the bank payment arrangements for the settlement of subscriptions and redemptions. These changes will only impact shareholders on the central share register in Luxembourg and will not impact shareholders who invest in HGIF through an intermediary investing into HGIF in his/her/its own name but on behalf of the shareholders. These new details will be advised to shareholders in advance of the transition[1].

HSSL is an ultimately wholly owned subsidiary of HSBC Holdings plc, a public company incorporated in England. HSSL is registered with the Luxembourg trade and companies register under number B 28531. HSSL is a fully licensed bank under Luxembourg law submitted to the supervision of the Luxembourg regulatory authority (Commission de Surveillance du Secteur Financier (CSSF)). HSSL is currently also acting as custodian of other funds authorized by the Securities and Futures Commission in Hong Kong.

If you have any questions about these changes and would like to discuss the matter in more detail, please contact your local Distributor, who will be able to assist you[2].

In the event of exceptional market conditions or other conditions considered detrimental to shareholders, the HGIF Board and the HIFL Board may decide to postpone any or all of the transfer of activities for a period to be agreed by the parties. Shareholders will be informed should such postponement take place.

As an existing Shareholder, you may take the opportunity to fully redeem your investment from the Company free of charge in accordance with the normal terms available to Shareholders in the Company. Your redemption request should be received at any time up to 4:00 p.m. Hong Kong time on the business day preceding the transition date for each activity:

The Board would like to reassure Shareholders that they will not incur any additional costs associated with the implementation of these changes and that the terms and conditions regulating their investments will remain the same. There will not have any change in fee levels charge to investors or paid by the Company and its sub-funds as a result of the change.

The HGIF Board accepts responsibility for the accuracy of the information contained in this letter.

Yours faithfully,

For and on behalf of the Board

HSBC Global Investment Funds

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[1] For investors in Hong Kong, it is not envisaged that there will be changes to addresses for correspondence, telephone and facsimile numbers, and changes to the bank payment arrangements for the settlement of subscriptions and redemptions as a result of the change to the registrar and transfer agent.

[2] Investors in Hong Kong please contact HSBC Investment Funds (Hong Kong) Limited (the Hong Kong Representative) at (852) 2284 1229 for further enquiry.

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Nationals or residents of, or persons domiciled in, countries other than Hong Kong should inform themselves, as to (a) possible tax consequences, (b) legal requirements and (c) any foreign exchange restrictions or exchange control requirements which they may encounter under the law of their country of domicile or residence, and which may be relevant to the subscription, holding and disposal of units or shares in any HSBC fund.

HSBC Investment Funds (Hong Kong) Limited

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1 Queen's Road Central
Hong Kong
Telephone: (852) 2284 1118 Facsimile: (852) 2269 3068

Issued by HSBC Global Asset Management (Hong Kong) Limited

Contents

General information

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The HSBC Global Investment Funds (the "Fund") is an open-ended investment company (Société d'Investissement à Capital Variable) incorporated in Luxembourg on 21 November 1986 and qualifies as an Undertaking for Collective Investment in Transferable Securities in the Grand Duchy of Luxembourg complying with the provisions of Part I of the 2010 Law implementing directive 2009/65/EC into Luxembourg law. The Fund has been authorised by the Securities and Futures Commission ("SFC") in Hong Kong. SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of the scheme or its performance. It does not mean the Fund is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

This Summary contains details of the sub-fund Global High Yield Bond (the "Sub-Fund"). The investment objectives and risk factors of the Sub-Fund are set out in the section headed "Investment objectives and risk factors" below.

Dealings in the Sub-Fund take place through HSBC Investment Funds (Hong Kong) Limited (called "we" or "us" in this Summary), which acts as the Hong Kong Representative of the Sub-Fund.

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 Fund, 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 Fund's register of shareholders maintained by the Registrar and Transfer Agent. In cases where an investor invests in the Fund through an intermediary investing into the Fund 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 Fund. Investors should seek advice from their salesman or intermediary on their rights in the Fund.

Enquiries and complaints

Enquiries and complaints concerning the Fund and the sub-funds (including information concerning subscription and redemption procedures and the current net asset value) should be directed to HSBC Investment Funds (Hong Kong) Limited 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.

Initial issue of shares

Class AM, Class AMHKD, Class AMHAUD and Class AMHEUR shares of the Sub-Fund will be available for subscription during the period commencing 9:00 a.m. (Hong Kong time) on 3 July 2012 to 4:00 p.m. (Hong Kong time) on 20 July 2012 (or such other date as we may determine) (the "Initial Offer Period").

To subscribe for shares during the Initial Offer Period investors will pay the initial offer price (the "Initial Offer Price") of the relevant class of shares set out below. The Initial Offer Price includes a sales charge of 5.25% of the Initial Offer Price:

Class	Class Currency	Initial Offer Price
Class AM	USD	USD10.554
Class AMHKD	HKD	HKD10.554
Class AMHAUD	AUD	AUD10.554
Class AMHEUR	EUR	EUR10.554

Shares will be issued after the close of the Initial Offer Period in respect of applications received by us prior to 4:00 p.m. (Hong Kong time) on the last day of the Initial Offer Period. Unless otherwise agreed by us, application monies in cleared funds must be received by us on behalf of the Sub-Fund on or before the close of the Initial Offer Period.

The Board of Directors of the Fund has the discretion to accept or reject any application for shares or to decide not to launch the Sub-Fund. In such case, subscription monies paid by the applicants will be returned without interest by cheque through the post or by telegraphic transfer at the risk and expense of the applicants.

Subsequent issue of shares

Applications for the issue of shares in the Sub-Fund will, if received and accepted by us prior to the dealing deadline on a Dealing Day and provided that the relevant application monies have been received in cleared funds on behalf of the Sub-Fund prior to such dealing deadline, be dealt with on that Dealing Day. The dealing deadline shall be 4:00 p.m. Hong Kong time on a Dealing Day. In Hong Kong, Dealing Day is any day (other than Saturday and other than days during a period of suspension of dealing in shares) on which banks are open for normal banking business in both Luxembourg and Hong Kong and where stock exchanges and Regulated Markets in countries where the Sub-Fund is materially invested are open for normal trading.

Lists of Non-Dealing Days are available at the office of HSBC Investment Funds (Hong Kong) Limited. Please refer to the section headed "Suspension and deferral of dealings" below for situations when the dealings may be suspended or deferred.

Applications or application monies received after the dealing deadline for a particular Dealing Day will be deemed as received on the next following Dealing Day. Notwithstanding the above, the Sub-Fund may rely upon application orders received, even prior to receipt of application monies, and may issue shares to investors according to such orders and invest the expected application amounts. If payment is not cleared within 4 business days (days during which the banks in the principal financial centre for the Dealing Currency or Share Class Reference Currency as defined below ("Settlement Currency") of the relevant share class are open for business) of receipt of the application, we reserve the right to cancel the transaction at any time thereafter at the cost of the applicant or its financial intermediary. In such circumstances, an investor may be required to settle the difference between the offer price (i.e. subscription price) and the bid price (i.e. redemption price) of the shares concerned.

Application for shares

To apply for shares in the Sub-Fund, please complete an application form (available either from us or from any designated financial intermediary) and return it to us together with payment for the shares. The minimum investments applicable to the different classes of shares are:

Class	Minimum investment
Class AM	USD1,000
Class AMHKD	HKD10,000
Class AMHAUD	AUD1,500
Class AMHEUR	EUR850

Please refer to the section headed "Summary of main features" for the minimum subsequent subscriptions and minimum holdings of the different classes of shares.

We have discretion to accept investment of smaller amounts. Payment can be telegraphically transferred to our bank accounts (the details of which are shown on the application form). Please note that bank charges may be deducted by the remitting bank. Such charges will be borne by investors. Payment may also be made in other methods acceptable to us from time to time.

Investors shall notify us as soon as practicable if there is any change in the information provided by the investor in the application form.

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.

Any payment made in a currency different to the Dealing Currency of the relevant shares will be converted into such Dealing Currency before being used to purchase shares. The cost of currency conversion and other expenses will be borne by investor.

The Management Company may decide to issue within the Sub-Fund share classes having a different reference currency (currency denomination) which denotes the currency in which the net asset value per share will be calculated. In principle, share classes may be issued in the following reference currencies: Euro, Hong Kong Dollar and Pound Sterling ("**Share Class Reference Currencies**"). Share classes in other Share Classes Reference Currencies may be available on application to the Fund. 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 Sub-Fund, the portfolio remains exposed to the currencies of the underlying holdings. No hedging is undertaken for those share classes except otherwise provided in this Summary.

Shares will be issued at the offer price (i.e. subscription price) of the Sub-Fund which includes a sales charge of up to 5.25% of the offer price.

Within the Sub-Fund, separate currency hedged Share Classes may be issued (suffixed by "H" and the currency into which the Base Currency is hedged or the currency into which the currency the sub-fund total assets are primarily invested in, is hedged. These currency hedged share classes will be named: "ACHEUR" or "ACHGBP" for a Capital-Accumulation Share Class hedged into Euro or Pound Sterling). Subscriptions and redemptions are only accepted in the currency of the currency hedged Share Class. For the currency hedged share classes, the Administration Agent is entitled to any fees relating to the execution of the currency hedging policy, which will be borne by the relevant currency hedged class. These fees are in addition to the operating, administrative and servicing expenses as set out in this Summary.

Any gains or losses from the currency hedging shall also accrue to the relevant currency hedged class.

Currency hedged share classes will be hedged irrespective of whether the target currency is declining or increasing in value. No assurance can be given that the hedging objective will be achieved. A list of all currently available currency hedged Share Classes may be obtained at the office of the Hong Kong Representative.

Shares will be issued in registered form and certificate will not be issued. A contract note will normally be issued within 2 business days of issue of shares and will be sent by post.

We have discretion to accept or reject any application for shares in whole or in part. No application may be made by any resident, corporation or partnership of the United States ("US") or Canada, and if any investor becomes a United States person as defined in Regulation S of the United States Securities Act of 1933 or a Canadian resident, shares held by the investor may be compulsorily redeemed.

Realisation of shares

Investors may redeem their shares in the Sub-Fund on any Dealing Day except when dealings are suspended. Partial redemptions are permitted of amounts greater than USD1,000 for the United State Dollar Dealing Currency and HKD10,000 for the HK Dollar Dealing Currency (or Share Class Reference Currency) respectively (we have discretion to accept partial redemptions of smaller amounts), provided that the remaining holding is not less than the minimum investment.

Shares will be redeemed at the bid price (i.e. redemption price) of the Sub-Fund. A redemption charge may be deducted from the bid price according to the procedure set out under the section headed "Prevention of market timing and other shareholder protection mechanisms". Written redemption requests are required for redemption. Redemption requests must be received by us before the dealing deadline applicable to the Sub-Fund. The dealing deadline shall be 4:00 p.m. Hong Kong time on a Dealing Day.

We reserve the right not to accept instructions to pay third parties.

Payment will be made by cheque, or by telegraphic transfer if bank details have been provided, normally within 7 Dealing Days, and not more than 28 days. Please note that any bank charges imposed will be borne by the investor.

Switching between sub-funds

Subject to any suspension of dealings, investors can switch all or part of their shares in the Sub-Fund into shares in any other sub-funds of the Fund (subject to any restrictions applicable to any share class). Substantial discounts are available on sales charge of new shares, provided that investors who initially invest in the sub-funds where no or low sales charges are payable and subsequently switch into sub-funds with higher sales charges may be subject to the sales charges normally payable on direct investments into the new shares. Additional charges may be imposed to protect the interest of the relevant fund according to the procedure set out under the section headed "Prevention of market timing and other shareholder protection mechanisms". Details can be obtained from us.

Investors should note that subject to the valuation time of each sub-fund and the time required to remit redemption proceeds for switching between sub-funds, the dealing day on which the shares are created in the new sub-fund may be later than (or in certain cases, the same as) the dealing day on which investments in the old sub-fund are redeemed or the day on which switching instructions are received by us. Details can be obtained from us.

Prevention of money laundering

The Fund, its service providers and other members of the HSBC Group are required to act in accordance with the laws, regulations and requests of public and regulatory authorities operating in various jurisdictions which relate to, amongst other things, the prevention of money laundering, terrorist financing and the provision of financial and other services to any persons or entities which may be subject to sanctions. The Fund, any of its service providers or any member of the HSBC Group may take any action which in their sole and absolute discretion consider appropriate to take in accordance with all such laws, regulations and requests.

Such action may include but is not limited to: the interception and investigation of any payment messages and other information or communications sent to or by an investor or on behalf of such investor via the systems of the Fund, any service provider of the Fund or any member of the HSBC Group; and making further enquiries as to whether a name which might refer to a sanctioned person or entity actually refers to that person or entity.

The Fund, its service providers and other members of the HSBC Group shall not be liable for loss (whether direct or consequential and including, without limitation, loss of profit or interest) or damage suffered by any party arising out of:

(a) any delay or failure of the Fund, any of its service providers or any member of the HSBC Group in processing any such payment messages or other information or communications, or in performing any of their duties or other obligations in connection with any accounts or the provision of any services to an investor, caused in whole or in part by any steps which the Fund, any of its service providers or any member of the HSBC Group, in their sole and absolute discretion, consider appropriate to take in accordance with all such laws, regulations and requests; or

(b) the exercise of any of the rights of the Fund, its service providers and other members of the HSBC Group under this section.

In certain circumstances, the action which the Fund, any of its service providers or any member of the HSBC Group may take may prevent or cause a delay in the processing of certain information. Therefore, the Fund, its service providers and other members of the HSBC Group do not warrant that any information on their systems relating to any payment messages or other information and communications which are the subject of any action taken pursuant to this section is accurate, current or up-to-date at the time it is accessed, whilst such action is being taken.

Prevention of market timing and other shareholder protection mechanisms

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

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

(a) The Registrar and Transfer Agent may combine shares of the Fund 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 of the Fund reserves the right to cause the Registrar and Transfer Agent to reject any application for switching and / or subscription of shares from investors whom the former considers market timers.

(b) If the Sub-Fund is primarily invested in markets which are closed for business at the time the Sub-Fund is valued, the Management Company of the Fund 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 of the Sub-Fund to reflect more accurately the fair value of the Sub-Fund's investments or, in certain circumstances specified below, to suspend the calculation of the net asset value per share and the issue, allocation, redemption and conversion of shares relating to the Sub-Fund.

(c) If the Sub-Fund is primarily invested in markets that are closed or operate with substantially restricted or suspended dealings, the Management Company of the Fund may suspend the calculation of the net asset value per

share of the Sub-Fund and the issue allocation and the redemption and repurchase of shares relating to the Sub-Fund (see the section headed "Suspension and deferral of dealings").

In addition to the fees listed elsewhere in this Summary, 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 in good faith 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 Sub-Fund.

Fair value adjustments

The Sub-Fund's investments in non-European markets are usually valued on the basis of the last available price at the time when the net asset value per share is calculated. The time difference between the close of the markets in which the Sub-Fund invests and the point of valuation can be significant.

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

Where an adjustment is made as per the foregoing, it will be applied consistently to all classes of shares in the Sub-Fund.

Valuation

Bid and offer prices of the Sub-Fund are calculated for each Dealing Day and the prices calculated will apply to all applications / redemptions / switchings processed on that Dealing Day. Since the prices are calculated after the dealing deadline, the share prices are not yet available at the time application, redemption or switching instructions are received by us, and investors deal at an unknown share price.

Pricing adjustment

If it is in the interests of shareholders, when the net capital inflows or outflows in the Sub-Fund exceeds a predefined threshold agreed from time to time by the Board of Directors of the Fund, the net asset value per share may be adjusted by a maximum of 2% in order to mitigate the effects of transaction costs, in particular but not exclusively, bid-offer spreads, brokerage and taxes on transactions.

The adjustment of the net asset value per share will apply equally to each class of share in the Sub-Fund on any particular valuation. For the avoidance of doubt it is clarified that fees (other than sales charges) will continue to be calculated on the basis of the unadjusted net asset value.

The offer price of each class of shares of the Sub-Fund (including a sales charge) is calculated on the basis of the adjusted net asset value when the above-mentioned pricing adjustment is applied.

Type of shares

Under the constitutive documents of the Fund, the Sub-Fund can issue more than one class of shares. Different classes of shares may have different rights and characteristics, such as fee structure and dividend policy. Certain classes of shares are only available to investors designated by the Management Company of the Fund. The classes of shares being offered to the public in Hong Kong is set out on page 1.

Charges

Details of the sales charge, management fee, and other expenses are set out in the section headed "Summary of main features" below. The whole or a part of these charges may be payable to any intermediary.

Publication of prices

The Sub-Fund is valued for every Dealing Day. The prices of shares are quoted in the South China Morning Post, the Hong Kong Economic Journal and the Hong Kong Economic Times.

Reports and accounts

The Fund's financial year ends on 31 March each year. Audited accounts for the Fund are prepared and sent to investors within 4 months of the financial year end. Half-yearly reports are also prepared and sent to investors within 2 months of the Fund's financial mid-year. Such annual and half-yearly reports will only be provided in English.

As an alternative to distributing hard copies of the annual reports and half-yearly reports, HSBC Investment Funds (Hong Kong) Limited may in future notify shareholders when and where such reports are available (in printed and electronic forms) within the above periods. The annual reports and half-yearly reports will be available on the Hong Kong website of HSBC Global Asset Management at www.assetmanagement.hsbc.com/hk. Printed copies of the annual reports and half-yearly reports will be provided to shareholders upon their request and will be available at the office of HSBC Investment Funds (Hong Kong) Limited.

Inspection of documents

The constitutive documents establishing the Fund can be inspected free of charge at our office during normal business hours. Copies can be obtained and a small fee may be charged. Copy of the full Explanatory Memorandum is available from us free of charge. All investors are entitled to the benefit of, are bound by, and are deemed to have notice of the provisions of such documents as may be amended, modified or supplemented from time to time.

Taxation in Hong Kong

The Sub-Fund is not expected to be subject to Hong Kong profits tax in respect of any of its authorised activities. No tax will be payable by investors in Hong Kong in respect of dividends or other income distributions of the Sub-Fund or in respect of capital gains arising on a sale, redemption or other disposal of shares, except that Hong Kong profits tax may arise where such transactions form part of a trade or business carried on in Hong Kong.

Prospective investors are advised to check their own tax position, particularly if they may be subject to the laws of a jurisdiction other than Hong Kong.

Foreign Account Tax Compliance Act (FATCA)

The Hiring Incentives to Restore Employment Act (the "Hire Act") was signed into US law in March 2010. It includes provisions generally known as FATCA. The intention of these is that details of U.S. investors holding assets outside the US will be reported by financial institutions to the IRS, as a safeguard against U.S. tax evasion. As a result of the Hire Act, and to discourage non-U.S. financial institutions from staying outside this regime, financial institutions that do not enter and comply with the regime will be subject to a 30% penalty withholding tax with respect to certain U.S. source income (including dividends) and gross proceeds from the sale or other disposal of property that can produce U.S. source income. The regime will be legally effective from 1 January 2013, however, withholding will only be phased in from 1 January 2014. The basic terms of the Hire Act currently appear to include the Fund as a 'Financial Institution', such that in order to comply, the Fund may require all Shareholders to provide mandatory documentary evidence of their tax residence. However, the Hire Act grants the U.S. Treasury Secretary extensive powers to relax or waive the requirements where an institution is deemed to pose a low risk of being used for the purposes of U.S. tax evasion. The detailed regulations that are expected to define how widely those powers will in fact be exercised have not yet been published, and accordingly the Fund cannot at this time accurately assess the extent of the requirements that FATCA may place upon it.

However, in order to protect its Shareholders from the effect of any penalty withholding, it is the intention of the Fund to be compliant with the requirements of the FATCA regime. Hence, it is possible that this may require the Fund (through its agents or service providers) as far as legally permitted, to report information on the holdings or investment returns of any Shareholder to the US authorities and apply withholding tax to payments to Shareholders who fail to provide the information and documents required to identify their status, or are non-FATCA compliant financial institutions.

In cases where an investor invests in the Fund through an intermediary, investors are reminded to check whether such intermediary is FATCA compliant. If you are in any doubt, you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser.

Suspension and deferral of dealings

The Management Company, on behalf of the Fund, may suspend the calculation of the net asset value of the Sub-Fund and consequently the issue, redemption and switching of shares in the Sub-Fund in any of the following circumstances:

(1) 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 Sub-Fund for the time being are quoted, is closed, or during which dealings are substantially restricted or suspended;

(2) during the existence of any state of affairs which constitutes an emergency as a result of which disposal of investments of the Sub-Fund by the Fund is not possible;

(3) during any breakdown in the means of communication normally employed in determining the price of any of the Sub-Fund's investments or the current prices on any market or stock exchange;

(4) 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 Sub-Fund's investments is not possible;

(5) if the Fund or the Sub-Fund is being or may be wound up on, or following the date on which notice is given of the general meeting of shareholders at which a resolution to wind up the Fund or the Sub-Fund is to be proposed;

(6) during any period when in the opinion of the Board of Directors there exist circumstances outside the control of the Fund where it would be impracticable or unfair towards the shareholders to continue dealing in shares of the Sub-Fund; or

(7) during any period when the determination of the net asset value per share of investment funds representing a material part of the assets of the Sub-Fund is suspended.

The Sub-Fund shall not be bound to redeem on any Dealing Day a number of shares representing 10% or more of the net asset value of the Sub-Fund. If the Fund receives requests on any Dealing Day for redemption of a greater number of shares, it may defer such redemption applications exceeding the 10% limit by up to seven consecutive Dealing Days. On such Dealing Day such requests for redemption will be complied with in priority to later requests.

Liquidation of the Fund / termination and amalgamation of sub-funds

(1) With the consent of the shareholders expressed in the manner provided for by Articles 67-1 and 142 of the 1915 Law, the Fund may be liquidated. Upon a decision taken by the shareholders of the Fund or by the liquidator duly authorised and subject to a one month's prior notice to the shareholders, all assets and liabilities of the Fund may be transferred to another UCI having substantially the same characteristics as the Fund in exchange for the issue to shareholders in the Fund of shares of such corporation or fund proportionate to their shareholdings in the Fund.

(2) If at any time the aggregate 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 Fund to a general meeting acting, without minimum quorum requirements, by a simple majority decision of the shares represented at the meeting.

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

(3) The Board of Directors may decide to liquidate the Sub-Fund if the net assets of the Sub-Fund falls below USD10 million, or if a change in the economical or political situation relating to the Sub-Fund concerned would justify such liquidation or if the interests of the shareholders would justify it. The decision to liquidate will be published or notified to the shareholders by the Fund prior to the effective date of the liquidation and the publication or notification will indicate the reasons for, and the procedure for, the liquidation. Unless the Board of Directors otherwise decides in the interests of, or to keep equal treatment between, the shareholders, the shareholders of the Sub-Fund may continue to request redemption or conversion of their shares. Liquidation proceeds which cannot be distributed to such shareholders upon the liquidation of the Sub-Fund 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 the Sub-Fund may be taken at a meeting of shareholders of the Sub-Fund instead of being taken by the Board of Directors. At such class meeting, no quorum shall be required and the decision to liquidate must be approved by shareholders with a simple majority of the votes cast. The decision of the meeting will be notified and/or published by the Fund.

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

In case of a merger of the Sub-Fund where, as a result, the Fund 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.

Investment involves risk. There can be no assurance that the Sub-Fund will achieve its investment objective and past performance is not necessarily a guide to future returns. An investment may be affected by any changes in exchange control regulations, tax laws, withholding taxes, political developments, economic environments and government and monetary policies. Changes in the rates of exchange between currencies may also cause the value of investments to diminish or to increase. The value of investments and income derived therefrom may fall as well as rise and investors may not recoup the original amount invested in the Sub-Fund. The Sub-Fund should be regarded as a medium to long-term investment. Please refer to the section headed "Risk factors" for further information.

Investors should refer to the full Explanatory Memorandum and the constitutive documents of the Fund for further details and the risks involved.

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

July 2012

Investment objectives and risk factors

Investment objective

The Sub-Fund invests for total return primarily in a diversified portfolio of Non-Investment Grade and unrated fixed income securities issued by companies, agencies or governments from any country, in both developed and Emerging Markets and denominated in or hedged into United States Dollars (USD).

On an ancillary basis, the Sub-Fund may invest in asset backed securities (limited to a maximum of 10%) and Investment Grade fixed income securities, and have exposure to non-USD currencies including Emerging Markets local currencies (up to a maximum of 20%) to enhance return. Normally, a minimum of 90% of the Sub-Fund will be invested in Non-Investment Grade and other higher yielding bonds (including unrated bonds). However, for liquidity management purposes, the Sub-Fund may also invest up to 30% in Investment Grade fixed income securities.

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

The Sub-Fund may gain exposure to higher yielding bonds by investing up to 10% of its net assets in units or shares of UCITS and/or other UCIs (including other sub-funds of HSBC Global Investment Funds) with similar debt securities as that of the Sub-Fund.

The Sub-Fund does not intend to use financial derivative instruments extensively for investment purposes. However, the Sub-Fund may invest in financial derivative instruments such as futures, options, swaps (including, but not limited to, credit default swaps and total return swaps), forward currency contracts and other credit derivatives for, inter alia, the purposes of managing interest rate risks and credit risks, currency positioning as well as for investment purposes to enhance return at times when the Investment Adviser believes the investment in financial derivative instruments will assist the Sub-Fund in achieving its investment objectives. The Sub-Fund may be leveraged through the use of financial derivative instruments.

Distribution

For Monthly Distribution Shares, if the investment income is not sufficient, the Board of Directors may determine if, and to what extent, the monthly dividend may be paid out of capital where the income/ capital gain generated by the Sub-Fund is insufficient to pay a distribution as declared by the Sub-Fund. 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.

The composition of the latest dividends (i.e. the relative amounts paid from income and capital) (if any) is available from the Hong Kong Representative on request and on the website www.assetmanagement.hsbc.com/hk.

Investors should however note that the Board of Directors may in its discretion decide not to declare dividends, and there is no guarantee on regular distribution of dividends.

Risk management

The global exposure relating to the Sub-Fund will be calculated using a relative Value-at-Risk approach benchmarked against BofA Merrill Lynch Global High Yield BB-B Constrained (USD Hedged). The average leverage of the Sub-Fund, under normal market conditions, calculated by adding together all the notionals of the commitments and

offsetting only in accordance with the current regulations and guidance, is expected to be 20%, although higher levels are possible, under certain circumstances, including but not limited to, during high levels of market volatility (when financial derivative instruments are generally used to manage the risk of the portfolio) or stability (when financial derivative instruments are generally used to access the relevant markets or securities in a more cost efficient way).

Risk factors

Following is a summary of the risk factors of the Fund and the Sub-Fund.

(1) General risk considerations

Investment in the Sub-Fund carries with it a degree of risk, including, but not limited to those referred to below. Potential investors should review the offering document in its entirety and consult with their legal, tax and financial advisors prior to making a decision to invest. There can be no assurance that the Sub-Fund will achieve its 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. Investment in the Sub-Fund may decline in value and investors should be prepared to sustain a substantial or total loss of their investment. Deterioration in the liquidity of the Sub-Fund's underlying investments may adversely affect the value of the Sub-Fund and may affect the Sub-Fund's ability to pay out redemption proceeds to investors.

The risks may include or relate to, among others, foreign exchange, interest rate, credit, liquidity, market volatility and political risks and any combination of these and other risks mentioned in this section below. The value of equity securities are affected by many factors, including but not limited to the business, performance and activities of individual companies as well as general market and economic conditions. The value of fixed income securities such as bonds may fluctuate as a result of changes in a number of factors such as interest rates and credit quality of the issuer. If the issuer of any of the securities in which the Sub-Fund is invested defaults or its credit quality deteriorates, the performance of the Sub-Fund will be adversely affected. The Sub-Fund may, subject to its investment objectives and policies, invest in securities of issuers located in different countries and regions. The economic and political environment of the relevant countries and regions may affect the performance of the Sub-Fund. Dividends, interests and capital gains received or earned by the Sub-Fund on its investments may be subject to non-recoverable withholding taxes in the countries of origin.

The Sub-Fund may invest in financial derivative instruments for, inter alia, the purposes of managing interest rate risks and credit risks, currency positioning as well as for investment purposes. The Sub-Fund does not intend to use financial derivative instruments extensively for investment purposes.

The financial derivative instruments and structured products that may be used by the Sub-Fund include but are not limited to futures, options, swaps (such as credit default swaps and total return swaps), and forward currency contracts. Due to the inherent nature of financial derivative instruments, the Sub-Fund may involve risks different from, or possibly greater than, the risks associated with typical reserve, equity and bond sub-funds.

The price of financial derivative instruments can be very volatile 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. In addition, financial derivative instruments are subject to a variety of other risks, including liquidity risk (e.g. when particular derivative instruments become difficult to purchase or sell), credit risk (e.g. when an issuer or counterparty fails to honour its obligations under the derivative contract, or a lowering of the credit rating of an instrument leading to decreased liquidity of the instrument) and the risk of non-performance by the counterparty, including risks relating to the financial soundness and creditworthiness of the counterparty.

There can be no assurance that any hedging techniques (including the use of financial derivative instruments) will fully and effectively eliminate the risk exposure of the Sub-Fund. While the Sub-Fund may enter into such transactions to seek to reduce risks (such as currency risk), unanticipated changes in the relevant markets may result in a poorer overall performance. The Sub-Fund may not obtain a perfect correlation between its hedging techniques and the portfolio holdings being hedged. In adverse situation, the use of derivatives may become ineffective in hedging and the Sub-Fund may suffer significant losses.

Investors are reminded to consider the risks set out in this section for details of the risks involved in financial derivative instruments.

(a) 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 Sub-Fund. In particular, the value of investments may

be affected by uncertainties such as international, political and economic developments or changes in government policies.

(b) Foreign exchange risk

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

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

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

(c) Volatility

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

(d) Futures and options

Under certain conditions, the Fund may use options and futures on securities, indices and interest rates, as described under the sections "Restrictions on the use of techniques and instruments" and "Investment objectives" for the purposes of investment, hedging and efficient portfolio management. Also, where appropriate, the Fund 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. In this case, the Sub-Fund will use financial derivative instruments for the purposes of investment, hedging and efficient portfolio management.

(e) Credit default swaps

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

(f) 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, the Sub-Fund's OTC transactions will be subject to the risk that its direct counterparty will not perform its obligations under the transactions and that the Sub-Fund will sustain losses. The Fund 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 Fund may seek to implement to reduce counterparty credit risk, however, there can be no assurance that a counterparty will not default or that the Sub-Fund will not sustain losses as a result.

From time to time, the counterparties with which the Fund effects transactions might cease making markets or quoting prices in certain of the instruments. In such instances, the Fund 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 Fund's obligations through an equal and opposite transaction. For this reason, in entering into forward, spot or options contracts, the Fund may be required, and must be able, to perform its obligations under the contracts.

(g) Securities lending and repurchase transactions

Use of the techniques and instruments set out in the section headed "Restrictions on the use of techniques and instruments" involves certain risks and there can be no assurance that the objective sought to be obtained from such use will be achieved.

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

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

(h) Liquidity risk

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

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

(i) Early termination risk

The Fund and/or the Sub-Fund may be liquidated on the occurrence of certain events as set out in the section headed "Liquidation of the Fund / termination and amalgamation of sub-funds".

Upon the liquidation of the Fund or the Sub-Fund, all the assets of the Fund or the Sub-Fund, 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.

(j) Taxation

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

(k) Conflicts of interest

The Management Company and the Sub-Fund's Investment Adviser, the sales agents, the Administration Agent, the Registrar and Transfer Agent and the Custodian may from time to time act as management company, investment manager or adviser, sales agent, administrator, registrar and transfer agent or custodian in relation to, or be otherwise involved in, other funds or collective investment schemes which have similar investment objectives to those of the Fund or the Sub-Fund. It is therefore possible that any of them may, in the due course of their business, have potential conflicts of interest with the Fund or the Sub-Fund. In such event, each will at all times have regard to its obligations under any agreements to which it is party or by which it is bound in relation to the Fund or the Sub-Fund. In particular, but without limitation to its obligations to act in the best interests of the shareholders when undertaking any dealings or investments where conflicts of interest may arise, each will respectively endeavour to ensure that such conflicts are resolved fairly.

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

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

(2) Sub-Fund specific risk considerations

(a) Interest rate risk

The Sub-Fund's investments in bonds and other fixed income securities may fall in value if interest rates change. Generally, the prices of debt securities rise when interest rates fall, whilst their prices fall when interest rates rise. Longer term debt securities are usually more sensitive to interest rate changes.

(b) Credit risk

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

(c) Emerging markets

Because of the special risks associated with investing in Emerging Markets, the Sub-Fund's investments in such securities should be considered speculative. Investors in the Sub-Fund 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 the Sub-Fund to accept greater custodial risks in order to invest, although the Custodian 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 the Sub-Fund to make intended securities purchases due to settlement problems could cause the Sub-Fund to miss attractive investment opportunities. Inability to dispose of a portfolio security caused by settlement problems could result either in losses to the Sub-Fund due to subsequent declines in value of the portfolio security or, if the Sub-Fund has entered into a contract to sell the security, could result in potential liability to the purchaser.

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

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

(d) Counterparty risk

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

For example, the Fund on behalf of the Sub-Fund may enter into repurchase agreements, forward contracts, options and swap arrangements or other derivative techniques, each of which expose the Sub-Fund to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of a bankruptcy or insolvency of a counterparty, the Sub-Fund could experience delays in liquidating the position and significant losses, including declines in the value of its investment during the period in which the Fund 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 Fund on behalf of the Sub-Fund on the advice of the Investment Adviser involve credit risk that could result in a loss of the Sub-Fund's entire investment as the Sub-Fund may be fully exposed to the credit worthiness of a single approved counterparty where such an exposure will be collateralised.

(e) Sovereign Risk

Certain developing countries and certain developed countries are especially large debtors to commercial banks and foreign governments. Investment in debt obligations ("Sovereign Debt") issued or guaranteed by governments or their agencies ("governmental entities") of such countries involves a high degree of risk. The governmental entity that controls the repayment of Sovereign Debt may not be able or willing to repay the principal and/or interest when due in accordance with the terms of such debt. A governmental entity's willingness or ability to repay principal and interest due in a timely manner may be affected by, among other factors, its cash flow situation, the extent of its foreign reserves, the availability of sufficient foreign exchange on the date a payment is due, the relative size of the debt service burden to the economy as a whole, the governmental entity's policy towards the International Monetary Fund and the political constraints to which a governmental entity may be subject.

Governmental entities may also be dependent on expected disbursements from foreign governments,

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

(f) Non-Investment Grade Debt / Unrated Debt

Credit risk is greater for investments in fixed income securities that are rated below Investment Grade or which are of comparable quality than for Investment Grade securities. It is more likely that income or capital payments may not be made when due. Thus the risk of default is greater. The amounts that may be recovered after any default may be smaller or zero and the Sub-Fund may incur additional expenses if it tries to recover its losses through bankruptcy or other similar proceedings. The market for these securities may be less active, making it more difficult to sell the securities. Valuation of these securities is more difficult and thus the Sub-Fund's price may be more volatile. The Sub-Fund may also invest in unrated fixed income securities which may be subject to risks similar to Non-Investment Grade fixed income securities.

(g) 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 Sub-Fund'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 Sub-Fund. If downgrading occurs, the Non-Investment Grade debt risk outlined in the paragraph above headed "Non-Investment Grade Debt / Unrated Debt" above will apply.

(h) Risks associated with distribution out of capital

For certain classes of shares, the Board of Directors may determine if, and to what extent, dividends may be paid out of capital. Investors should note that the payment of dividends 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. Such distributions may result in an immediate decrease in the net asset value per share of the Sub-Fund.

The foregoing risk factors do not purport to be a complete explanation of the risks involved in investing in the shares. Prospective investors should read the entire offering document and consult with their legal, tax and financial advisors before making any decision to invest in the Sub-Fund. To the best knowledge of the Board of Directors of the Fund, the offering document sets out all the risks that it is aware of pertaining to the Sub-Fund and all the risks that an investor should be aware of in assessing the Sub-Fund.

Investment restrictions and glossary

The investment restrictions applicable to the Sub-Fund are:

General investment restrictions

The Sub-Fund of the Fund shall be regarded as a separate UCITS for the purposes of this section.

I. (1) The Fund 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 Fund;

d) recently issued transferable securities and money market instruments, provided that the terms of issue include an undertaking that application will be made for admission to official listing on a stock exchange or on another regulated market which operates regularly and is recognised and open to the public, provided that the choice of the stock exchange or the markets has been provided for in the constitutional documents of the Fund and such admission is secured within one year of the issue;

e) units of UCITS and/or other UCIs, 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 European Community law, and that cooperation between authorities is sufficiently ensured,

- the level of protection for unitholders in such other UCIs is equivalent to that provided for unitholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of directive 85/611/EEC, 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 European Community law;

g) financial derivative instruments, including equivalent cash-settled instruments, dealt in on a Regulated Market referred to in subparagraphs a), b) and c) above and/or financial derivative instruments dealt in over-the-counter ("OTC derivatives"), provided that:

- the underlying consists of instruments covered by this section (I) (1), financial indices, interest rates, foreign exchange rates or currencies, in which the Sub-Fund may invest according to its investment objective;

- the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the 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 Fund's initiative;

and/or

h) money market instruments other than those dealt in on a Regulated Market and defined in the Glossary section below, 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 referred to in subparagraphs a), b) or c) above, or

- issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by the European Community law, or by an establishment which is subject to and complies with prudential rules considered by the Luxembourg supervisory authority to be at least as stringent as those laid down by European Community law, or

- issued by other bodies belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least ten million euro (Euro 10,000,000) and which presents and publishes its annual accounts in accordance with the fourth directive 78/660/EEC, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

(2) In addition, the Fund may invest a maximum of 10% of the net assets of the Sub-Fund in transferable securities and money market instruments other than those referred to under (1) above.

II. The Fund may hold ancillary liquid assets.

III. a) (i) The Fund will invest no more than 10% of the net assets of the Sub-Fund in transferable securities or money market instruments issued by the same issuing body.

(ii) The Fund may not invest more than 20% of the net assets of the Sub-Fund in deposits made with the same body. The risk exposure of the Sub-Fund to a counterparty in an OTC derivative transaction may not exceed 10% of its net assets when the counterparty is a credit institution referred to in I.(1) f) above or 5% of its net assets in other cases.

b) Moreover, where the Fund holds on behalf of the Sub-Fund investments in transferable securities and money market instruments of issuing bodies which individually exceed 5% of the net assets of the Sub-Fund, the total of all such investments must not account for more than 40% of the total net assets of the Sub-Fund.

This limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision.

Notwithstanding the individual limits laid down in paragraph a), the Fund shall not combine, where this would lead to investing more than 20% of its assets in a single body, any of the following for the Sub-Fund:

- investments in transferable securities or money market instruments issued by that body;

- deposits made with that body; or

- exposure arising from OTC derivative transactions undertaken with that body.

c) The limit of 10% laid down in sub-paragraph a) (i) above is increased to a maximum of 35% in respect of transferable securities or money market instruments which are issued or guaranteed by 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 a) (i) is increased to 25% for certain bonds when they are issued by a credit institution which has its registered office in a Member State 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 the Sub-Fund invests more than 5% of its net assets in the bonds referred to in this sub-paragraph and issued by one issuer, the total value of such investments may not exceed 80% of the net assets of the Sub-Fund.

e) The transferable securities and money market instruments referred to in paragraphs c) and d) shall not be included in the calculation of the limit of 40% in paragraph b).

The limits set out in paragraphs a), b), c) and d) may not be aggregated and, accordingly, investments in transferable securities or money market instruments issued by the same issuing body, in deposits or in financial derivative instruments effected with the same issuing body may not, in any event, exceed a total of 35% of the Sub-Fund's net assets.

Companies which are part of the same group for the purposes of the establishment of consolidated accounts, as defined in accordance with directive 83/349/EEC or in accordance with recognised international accounting rules, are regarded as a single body for the purpose of calculating the limits contained in this paragraph III.

The Fund may cumulatively invest up to 20% of the net assets of the Sub-Fund in transferable securities and money market instruments within the same group.

f) Notwithstanding the above provisions, the Fund is authorised to invest up to 100% of the net assets of the Sub-Fund, in accordance with the principle of risk spreading, in transferable securities and money market instruments issued or guaranteed by any 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, Brazil or any member state of the Group of Twenty or by public international bodies of which one or more Member States of the EU are members, provided that the Sub-Fund must hold securities from at least six different issues and securities from one issue do not account for more than 30% of the net assets of the Sub-Fund.

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 the Sub-Fund is to replicate the composition of a certain stock or bond index which is sufficiently diversified, represents an adequate benchmark for the market to which it refers, is published in an appropriate manner and disclosed in the Sub-Fund's investment policy.

b) The limit laid down in paragraph a) is raised to 35% where this proves to be justified by exceptional market conditions, in particular on Regulated Markets where certain transferable securities or money market instruments are highly dominant. The investment up to this limit is only permitted for a single issuer.

V. a) The Fund may not acquire shares carrying voting rights which should enable it to exercise significant influence over the management of an issuing body.

b) The Fund may acquire no more than:

10% of the non-voting shares of the same issuer;

10% of the debt securities of the same issuer;

10% of the money market instruments of the same issuer.

c) These limits under second and third indents may be disregarded at the time of acquisition, if at that time the gross amount of debt securities or of the money market instruments or the net amount of the instruments in issue cannot be calculated.

The provisions of paragraph V. shall not be applicable to transferable securities and money market instruments issued or guaranteed by a Member State 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 Fund 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 Fund 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 paragraph III., V. and VI. a), b) and c).

VI. a) The Fund may acquire units of the UCITS and/or other UCIs referred to in paragraph I. (1) e), provided that no more than 10% of the Sub-Fund's net assets be invested in the units of UCITS or other UCIs or in one single such UCITS or other UCI (including Target Sub-Funds as defined in Section VII below) unless otherwise provided in the investment objectives of the Sub-Fund.

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

c) If the Fund invests in shares or units of UCITS (including other sub-funds of the Fund) and/or other UCIs that are managed directly or indirectly by the Management Company of the Fund 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 Fund and the UCITS and/or other UCIs into which the Fund invests.

If the Sub-Fund's investments in UCITS and other UCIs constitute a substantial proportion of the Sub-Fund's assets, the total management fee (excluding any performance fee, if any) charged both to the Sub-Fund itself and the other UCITS and/or other UCIs concerned shall not exceed 3.00 % of the relevant assets. The Fund will indicate in its annual report the total management fees charged both to the Sub-Fund and to the UCITS and other UCIs in which the Sub-Fund has invested during the relevant period.

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

e) To the extent that, pursuant to the investment objectives of the Sub-Fund, the Sub-Fund may invest more than 10% of its net assets in the units of UCITS or other UCIs or in one single such UCITS or other UCIs (including Target Sub-Funds), the following will apply:

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

  For the purpose of the application of the investment limit, each compartment of a UCITS and/or UCI with multiple compartments is to be considered as a separate issuer provided that the principle of segregation of the obligations of the various compartments vis-à-vis third parties is ensured.

- Investments made in units of other UCIs may not in aggregate exceed 30% of the net assets of the Sub-Fund.

VII. The Sub-Fund (the "Investing Sub-Fund") may subscribe, acquire and/or hold securities to be issued or issued by one or more sub-funds of the Fund (each a "Target Sub-Fund") without the Fund 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 Sub-Fund may not invest more than 10% of its net asset value in a single Target Sub-Fund, this limit being increased to 20% if the Investing Sub-Fund is permitted, pursuant to the investment objectives of the Sub-Fund, to invest more than 10% of its net assets in the units of UCITS or other UCIs or in one single such UCITS or other UCIs; and

- The Target Sub-Fund(s) do(es) not, in turn, invest in the Investing Sub-Fund invested in this (these) Target Sub-Fund(s); and

- The investment policy(ies) of the Target Sub-Fund(s) whose acquisition is contemplated does not allow such Target Sub-Fund(s) to invest more than 10% of its(their) net asset value in UCITS and other UCIs; and

- Voting rights, if any, attaching to the Shares of the Target Sub-Fund(s) held by the Investing Sub-Fund are suspended for as long as they are held by the Investing Sub-Fund concerned and without prejudice to the appropriate processing in the accounts and the periodic reports; and

- In any event, for as long as these securities are held by the Investing Sub-Fund, their value will not be taken into consideration for the calculation of the net assets of the Fund for the purposes of verifying the minimum threshold of the net assets imposed by the 2010 Law; and

- There is no duplication of management/subscription or repurchase fees between those at the level of the Investing Sub-Fund(s).

VIII. The Fund shall ensure for the Sub-Fund that the global exposure relating to derivative instruments does not exceed the net assets of the Sub-Fund.

The exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, foreseeable market movements and the time available to liquidate the positions. This shall also apply to the following sub-paragraphs.

If the Fund invests in financial derivative instruments, the exposure to the underlying assets may not exceed in aggregate the investment limits laid down in paragraph III. above. When the Fund invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in paragraph III.

When a transferable security or money market instrument embeds a derivative, the latter must be taken into account when complying with the requirements of this paragraph VIII.

IX. a) The Fund may not borrow for the account of the Sub-Fund amounts in excess of 10% of the net assets of the Sub-Fund, any such borrowings to be from banks and to be effected only on a temporary basis, provided that the Fund may acquire foreign currencies by means of back-to-back loans.

b) The Fund may not grant loans to or act as guarantor on behalf of third parties.

This restriction shall not prevent the Fund from (i) acquiring transferable securities, money market instruments or other financial instruments referred to in I. (1) e), g) and h) which are not fully paid, and (ii) performing permitted securities lending activities, that shall not be deemed to constitute the making of a loan.

c) The Fund may not carry out uncovered sales of transferable securities, money market instruments or other financial instruments.

d) The Fund may not acquire movable or immovable property.

e) The Fund may not acquire either precious metals or certificates representing them.

X. a) The Fund needs not comply with the limits laid down in the above investment restrictions when exercising subscription rights attaching to transferable securities or money market instruments which form part of its assets. While ensuring observance of the principle of risk spreading, the Sub-Fund may derogate from paragraphs III., IV. and VI. a), b) and c) for a period of six months following the date of its creation.

b) If the limits referred to in paragraph a) are exceeded for reasons beyond the control of the Fund or as a result of the exercise of subscription rights, it must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interest of its shareholders.

Additional restrictions

Although the Fund is now authorised in Luxembourg as a UCITS under the 2010 Law and the Fund's offering document has been updated to incorporate new investment restrictions, for as long as the Fund and the sub-funds remain authorised by the SFC in Hong Kong and unless otherwise approved by the SFC, the Management Company of the Fund confirms its intention to operate the sub-funds authorised in Hong Kong (other than the sub-funds exercising wider derivatives powers as indicated in the relevant investment objective of such sub-funds) in accordance with the investment principles of Chapter 7 of the Hong Kong Code on Unit Trusts and Mutual Funds and to comply with any other requirements or conditions imposed by the SFC in respect of the relevant sub-funds. Should the Fund intend to change the investment objectives, policy and/or restrictions to utilize other expanded investment power and new investment restrictions under the newly implemented directive 2001/108/EC (i.e. UCITS III regulations) in future, prior approval will be sought from the SFC and investors will receive at least one month's prior written notification of such intention.

For as long as the Fund and the Sub-Fund remain authorised by the SFC, the Management Company may not obtain a rebate on any fees or charges levied by an underlying scheme or its management company.

Unless otherwise indicated in the investment objective of the Sub-Fund in the section headed "Investment objectives and risk factors" above, investments in China A-shares and B-shares dealt in on the stock exchanges in China

(excluding Hong Kong) shall not exceed 10% of the net asset value of the Sub-Fund (including indirect exposure.) At least one months' prior notice will be given to relevant shareholders before any increase in exposure to China A-shares and B-shares can be made.

Risk-management process

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

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

(1) Responsibility of the risk management team of the Investment Adviser

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

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

(2) Value-at-Risk approach

The Sub-Fund applies a relative Value-at-Risk (VaR) approach to measure market risk.

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

The risk management methodology for the Sub-Fund and the expected level of leverage, the approach used (i.e. relative VaR) and the reference portfolio or benchmark used to express the relative VaR is specified under the section headed "Investment objectives and risk factors".

(3) Risk monitoring systems

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

(4) Procedure for counterparty approval

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

(5) Investment Breach reporting

In case of any investment breach, an "escalation process" up to the Management Company will be triggered to inform relevant parties in order for necessary actions to be taken. The compliance team of the Investment Adviser will provide investment breach report to the Management Company for review.

A copy of the risk management policy of the Management Company will be available for inspection by investors upon request from HSBC Investment Funds (Hong Kong) Limited, at Level 22, HSBC Main Building, 1 Queen's Road Central, Hong Kong (telephone number: (852) 2284 1118).

Restrictions on the use of techniques and instruments

Financial derivative instruments may be used for investment, hedging and efficient portfolio management purposes. Securities lending and repurchase agreements under a) and b) below may be used for efficient portfolio management purposes. Additional restrictions or derogations for the Sub-Fund will be disclosed in the investment objective and policy of the Sub-Fund.

The overall risk exposure of the Sub-Fund (including those relating to derivative instruments and those relating to other investments but excluding temporary borrowing) may not exceed 200% of the net assets of the Sub-Fund. The overall

risk exposure of the Sub-Fund (including those relating to derivative instruments and those relating to other investments, and comprising the use of temporary borrowing) may not exceed 210% of the net assets of the Sub-Fund). For the Sub-Fund which uses VaR approach to monitor risk, the VaR of the Sub-Fund's portfolio shall be less than twice that of the reference portfolio (relative approach) or less than 20% (absolute approach).

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 Fund invests in financial derivative instruments, the exposure to the underlying assets may not exceed in aggregate the investment limits laid down in item III. a) to e) of the "General Investment Restrictions" section above. When the Fund invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in item III. a) to e) of the "General Investment Restrictions" section above.

When a transferable security or money market instrument embeds a derivative, the latter must be taken into account when complying with the requirements set out in the preceding subparagraph.

To the maximum extent allowed by, and within the limits set forth in, the regulations, in particular the provisions of (i) article 11 of the Grand-Ducal regulation of 8 February 2008 relating to certain definitions of the law of 20 December 2002 relating to undertakings for collective investment, as amended and of (ii) CSSF Circular 08/356 relating to the rules applicable to undertakings for collective investment when they use certain techniques and instruments relating to transferable securities and money market instruments (as these pieces of regulations may be amended, supplemented or replaced from time to time), the Sub-Fund may for the purpose of generating additional capital or income or for reducing costs or risks and subject to the relevant laws and regulations

(a) enter, either as purchaser or seller, into optional as well as non optional repurchase transactions (it is not currently the intention of the Board of Directors of the Fund to engage the Sub-Fund in such transaction); and

(b) engage in securities lending transactions up to 100% of the net asset value of the Sub-Fund.

The Fund may enter into a securities lending transaction only if the counterparty meets the following criteria:

- it is subject to prudential supervision rules, considered by the CSSF as equivalent to those laid down in European Community Law;

- if the counterparty is a related party to the Management Company of the Fund, attention must be paid to conflicts of interest which might result therefrom to ensure that such transactions are to be effected on normal commercial terms negotiated at arm's length; and

- it is an intermediary (such as banks, broker-dealers and so on) acting on his own account.

The securities lending agent of the Fund will limit the securities lending counterparties to highly rated, well capitalized global banks and broker-dealers. A comprehensive annual review and supplementary quarterly reviews are performed on each counterparty, based upon financial and strategic business analysis. Additionally, daily monitoring of market events, financial positions and company exposures are performed. Finally, communication with credit analysts and management of the counterparties occurs on a continual basis. In addition, the borrowers will have a minimum credit rating of A2 as defined by Standard and Poor's Rating Agency or an equivalent as decided by other recognised rating agencies.

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

As the case may be, cash collateral received by the Sub-Fund in relation to any of these transactions may be reinvested in a manner consistent with the investment objectives of the Sub-Fund in (i) shares or units issued by money market undertakings for collective investment calculating a daily net asset value and being assigned a rating of AAA or its equivalent by a recognised rating agency, (ii) short-term bank deposits, (iii) money market instruments as defined in the above referred Grand-Ducal regulation, (iv) short-term bonds issued or guaranteed by an EU member state, Switzerland, Canada, Japan or the United States or by their local authorities or by supranational institutions and undertakings with EU, regional or world-wide scope, (v) bonds issued or guaranteed by first class issuers offering an adequate liquidity, and (vi) reverse repurchase agreement transactions according to the provisions described under section I.C.a) of the above referred CSSF Circular. It is the current intention of the Management Company of the Fund that such cash collateral

will only be reinvested in instruments which fall within items (i) and (ii) of this paragraph above. The Management Company of the Fund may delegate authority to the securities lending agent to invest cash collateral into qualifying HSBC products. Such reinvestment of cash collateral referred to above will be taken into account for the calculation of the Sub-Fund's global exposure, in particular if it creates a leverage effect.

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

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

It is expected that the implementation of the above-mentioned securities lending programme will have no impact on the risk profile of the Sub-Fund.

The Management Company of the Fund is entitled to collect a fee of up to 10% of the stock lending gross fees payable to the Fund as a result of any stock lending programme, to cover the administration work the Management Company of the Fund has to undertake in the monitoring and oversight of the stock lending activity.

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 UCITS IV directive 2009/65/EC into the Luxembourg law.
Administration Agent	RBC Dexia Investor Services Bank S.A.
Articles of Incorporation	The articles of incorporation of the Fund, as amended from time to time.
AUD	Australian Dollar.
Base Currency	Means the currency of account of the Fund or a sub-fund, as the case may be.
Board of Directors	The board of directors of the Fund.
China or PRC	The People's Republic of China, but for the purposes of the Sub-Fund's investment objective and investment approach only, excludes Hong Kong, Macau Special Administrative Region and Taiwan.
CSSF	Commission de Surveillance du Secteur Financier, the Luxembourg supervisory authority.
Custodian	RBC Dexia Investor Services Bank S.A.
Dealing Currency(ies)	The currency(ies) in which shares are bought or sold.
Dealing Day	In Hong Kong, Dealing Day is any day (other than Saturday and other than days during a period of suspension of dealing in shares) on which banks are open for normal banking business in both Luxembourg and Hong Kong and where stock exchanges and Regulated Markets in countries where the Sub-Fund is materially invested are open for normal trading.
Eligible State	Any Member State of the EU or any other state in Eastern and Western Europe, Asia, Africa, Australia, North America, South America and Oceania.
Emerging Markets	Emerging Markets are those markets in countries that are not amongst the following groups of industrialised countries: United States and Canada, Switzerland and Members of the European Economic Area, Japan, Australia and New Zealand, and may include those countries in the preceding groups that do not have fully developed financial markets.

EU	European Union.
EUR	Euro.
Fund	HSBC Global Investment Funds.
HKD	Hong Kong Dollar.
Hong Kong	Hong Kong Special Administrative Region.
Investment Grade	Fixed income securities that are at least rated Baa3/BBB- by Moody's, Standard & Poor's, or another recognised credit rating agency.
Management Company	HSBC Investment Funds (Luxembourg) S.A.
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.
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.
OTC derivatives	Financial derivative instruments dealt in over-the-counter.
Registrar and Transfer Agent	RBC Dexia Investor Services Bank S.A. acting as registrar and transfer agent of the Fund.
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.
SFC	Securities and Futures Commission in Hong Kong.
Sub-Fund	HSBC Global Investment Funds - Global High Yield Bond.
transferable securities	Shall mean: - shares and other securities equivalent to shares, - bonds and other debt instruments, - any other negotiable securities which carry the right to acquire any such transferable securities by subscription or exchange, excluding techniques and instruments relating to transferable securities and money market instruments.
UCITS	An Undertaking for Collective Investment in Transferable Securities authorised pursuant to directive 2009/65/EC, as amended.
other UCI	An Undertaking for Collective Investment within the meaning of the first and second indents of Article 1(2) (a) and (b) of directive 2009/65/EC, as amended.
USD	United States Dollar.

Terms and conditions of application

General terms and conditions

Dealings in the Fund take place through HSBC Investment Funds (Hong Kong) Limited (referred to as "we" or "us" below). We are registered with the Securities and Futures Commission in Hong Kong to carry on 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). Investors or shareholders are bound by and should follow the following terms and conditions:

Application and payment

We reserve the right to refuse any application. Any application monies not accepted will be returned to you at your own 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.

For lump sum investments, payment must be made in cleared funds at the time of application. Unless otherwise provided above, if payment has not cleared within 4 business days (days during which the banks in the principal financial centre for the Settlement Currency of the relevant share class are open for business) of receipt of the application, we reserve the right to cancel the transaction at any time thereafter. In such circumstances, we may require you to pay us the difference between the subscription price and the redemption price of the shares concerned.

Joint holders

If you are one of the joint account holders, your obligation shall be joint and several.

Investors from the United States and Canada

You declare that you are not a "United States Person" or Canadian resident. A "United States Person" has the meaning ascribed to it in Regulation S of the United States Securities Act. A "United States Person" includes any person who is a resident in the United States. You must inform us immediately when you become a "United States Person" or a 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 own 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 fax 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 Customer Service Hotline on 2284 1118 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 Customer Service Hotline, 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 ourselves.

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.

Nominee service

All shares purchased in the Fund and all shares purchased under the Monthly Investment Plan 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 sub-fund (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.

(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.

For further details of the Nominee Service investors should contact us on our Customer Service Hotline on 2284 1118.

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 your personal data not to be used for direct marketing purposes.

Alteration

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

Applicable law

These terms and conditions shall be governed by the laws of Hong Kong.

Additional terms and conditions for the Monthly Investment Plan

Monthly investment

You will make monthly contribution, with a minimum of HKD1,000 per month per sub-fund. 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 sub-fund 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 your account balance can cover the contribution one Hong Kong Business Day before the Debit Day. We will not issue shares until the contributions have been credited to 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 according to the minimum investment requirement of the relevant sub-fund.

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 instruction form.

Increasing or decreasing monthly contributions

You can increase or decrease the amount of your monthly contribution, on 5 Hong Kong Business Days' notice (starting from the date we receive the relevant form), by sending us an instruction form. Your new monthly contribution must not fall below HKD1,000 per month per sub-fund.

Redirecting contributions

You may redirect your contributions to the sub-fund(s) different from 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 instruction form. The minimum contribution for each sub-fund is HKD1,000 per month. You may retain the holding already accumulated in the original sub-fund(s).

Switching between sub-funds

You may switch your accumulated shares from one sub-fund into shares of another sub-fund by sending us an instruction form. A switching fee will apply. If there is no new monthly contribution instruction stated on the instruction 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 redemption of amounts greater than USD1,000 or HKD10,000 are permitted providing the value of the remaining balance of shares in the relevant sub-fund is not less than the minimum investment requirement of such sub-fund.

Discount

Once you have made at least 12 successful consecutive monthly contributions and your total investment amounts to HKD65,000 (including monthly and irregular investments) 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 and retain shares accumulated, on 5 Hong Kong Business Days' notice (starting from the date we receive the relevant form), by sending us an instruction form.

Summary of main features

The following table summaries the main features of the Sub-Fund:

Name	HSBC Global Investment Funds – Global High Yield Bond
Base Currency	US Dollar
Initial Offer Period	3 July 2012 to 20 July 2012 (both days inclusive)
Class of Shares	Class AM shares Class AMHKD shares Class AMHAUD shares Class AMHEUR shares
Dividend Distribution	Monthly Distribution Class AM shares Class AMHKD shares Class AMHAUD shares Class AMHEUR shares
Initial Offer Price	Class AM: USD10.554 Class AMHKD: HKD10.554 Class AMHAUD: AUD10.554 Class AMHEUR: EUR10.554
	Includes a sales charge of 5.25% of the Initial Offer Price (1)
Minimum Initial Investment	Class AM: USD1,000 Class AMHKD: HKD10,000 Class AMHAUD: AUD1,500 Class AMHEUR: EUR850
Minimum Holding	
Minimum Subsequent Investment	
Investment Objectives	The Sub-Fund invests for total return primarily in a diversified portfolio of Non-Investment Grade and unrated fixed income securities issued by companies, agencies or governments from any country, in both developed and Emerging Markets and denominated in or hedged into United States Dollars (USD). On an ancillary basis, the Sub-Fund may invest in asset backed securities (limited to a maximum of 10%) and Investment Grade fixed income securities, and have exposure to non-USD currencies including Emerging Markets local currencies (up to a maximum of 20%) to enhance return. Normally, a minimum of 90% of the Sub-Fund will be invested in Non-Investment Grade and other higher yielding bonds (including unrated bonds). However, for liquidity management purposes, the Sub-Fund may also invest up to 30% in Investment Grade fixed income securities. The Sub-Fund will not invest more than 10% of its net assets in securities issued by or guaranteed by any single sovereign issuer with a credit rating below Investment Grade. The Sub-Fund may gain exposure to higher yielding bonds by investing up to 10% of its net assets in units or shares of UCITS and/or other UCIs (including other sub-funds of HSBC Global Investment Funds) with similar debt securities as that of the Sub-Fund. The Sub-Fund does not intend to use financial derivative instruments extensively for investment purposes. However, the Sub-Fund may invest in financial derivative instruments such as futures, options, swaps (including, but not limited to, credit default swaps and total return swaps), forward currency contracts and other credit derivatives for, inter alia, the purposes of managing interest rate risks and credit risks, currency positioning as well as for investment purposes to enhance return at times when the Investment Adviser believes the investment in financial derivative instruments will assist the Sub-Fund in achieving its investment objectives. The Sub-Fund may be leveraged through the use of financial derivative instruments.

Summary of Risk Factors	The Sub-Fund will invest in Non-Investment Grade and unrated fixed income securities issued by companies, agencies or governments in both developed and Emerging Markets. The Sub-Fund is subject to risks of investing in Emerging Markets, Non-Investment Grade and unrated securities are subject to higher risk than Investment Grade securities. The Sub-Fund may invest in futures, options, swaps (such as credit default swaps and total return swaps), forward currency contracts and other financial derivative instruments which may involve higher risk. Investors should also note the risks relating to investing in fixed income securities, including but not limited to interest rate risk, credit risk and liquidity risk. Please refer to the section headed "Risk factors" for more information on these and other risks.
Dealing Day	In Hong Kong, Dealing Day is any day (other than Saturday and other than days during a period of suspension of dealing in shares) on which banks are open for normal banking business in both Luxembourg and Hong Kong and where stock exchanges and Regulated Markets in countries where the Sub-Fund is materially invested are open for normal trading. The latest list of business days which are not Dealing Days will be listed in the annual and semi-annual reports of the HSBC Global Investment Funds, and is also available at the office of HSBC Investment Funds (Hong Kong) Limited (the Hong Kong Representative). Any amendments to such lists are also available at the office of the Hong Kong Representative.
Subsequent Subscription Dealing Deadline	4:00 p.m. Hong Kong time on a Dealing Day.
Redemption Dealing Deadline	4:00 p.m. Hong Kong time on a Dealing Day.
Sales Charge	Up to 5.25% (1)
Switching Fee	1.00%
Management Fee (per annum)	1.10%(1)
Operating, Administrative and Servicing Expenses (per annum)	0.25% (1)

1. Fees and expenses for the Sub-Fund

Sales Charge

Shares in the Sub-Fund are purchased at their quoted offer prices. Included in the offer price is a sales charge of up to 5.25% of the offer price.

Management Fee

The management fee of the Sub-Fund is set out in the table above. The Management Company is responsible for discharging, out of such fee, the fee of the Investment Adviser.

For so long as the Sub-Fund is authorised by the SFC, any increase in the maximum permitted rate is subject to the prior approval of affected shareholders of the relevant Class of Shares.

Operating, Administrative and Servicing Expenses

In addition to management fee, the Sub-Fund pays to the Management Company a fee to cover certain Operating, Administrative and Servicing Expenses of the Sub-Fund. The Management Company is responsible for discharging out of this fee, the expenses described below, inter alia, payable to the Custodian, the Administration Agent and the Registrar and Transfer Agent. This amount does not include the fees of the Administration Agent relating to the execution of the currency hedging policy, which will be borne by the relevant currency hedged class.

This fee is set at a fixed percentage of the net asset value of the relevant share class at the rate specified in the table above. The fee may be increased up to a maximum of 1.0% per annum on one month prior written notice.

Operating, Administrative and Servicing Expenses cover the ongoing custody fees and safekeeping charges payable

to the Custodian and its correspondent banks, fees for fund accounting and administration services (including domiciliary services) payable to the Administration Agent and transfer agency fees for registrar and transfer agency services payable to the Registrar and Transfer Agent.

Operating, Administrative and Servicing Expenses also cover expenses relating to the creation of the Sub-Fund; the Luxembourg asset-based taxe d'abonnement (currently up to 0.05% per annum); attendance fees and reasonable out-of-pocket expenses incurred by the Fund's Board of Directors; legal and auditing fees and expenses; ongoing registration and listing fees, including translation expenses; the costs and expenses of preparing, printing, and distributing the offering documents, financial reports, statements and other documents made available to investors.

Other Expenses

The Sub-Fund also bears the following expenses in addition to the fees and expenses mentioned above.

The Sub-Fund bears the costs and expenses of buying and selling portfolio securities and financial instruments, brokerage fees and commissions, interest or taxes payable, and other transaction-related expenses.

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

The Fund will pay brokerage at normal market rates. Transactions of the Fund may be entered into through associates of the Management Company. The Management Company and its associates will not receive cash or other rebates from brokers or dealers but may enter into soft commission arrangements for provision of goods and services which are of demonstrable benefits to the investors or to the Fund.

Administration

REGISTERED OFFICE OF THE FUND

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

DIRECTORS OF THE FUND

Michael Boehm
James Boucher
Thies Clemenz
Didier Deleage
George Efthimiou
Edgar K M Ng
David Silvester
Sylvie Vigneaux

MANAGEMENT COMPANY

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Grand Duchy of Luxembourg

DIRECTORS OF THE MANAGEMENT COMPANY

Marie-Hélène Boulanger
Tony Corfield
Didier Deleage
Richard Long
Edgar K M Ng
Stephen Thatcher

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SUB-INVESTMENT ADVISER

HSBC Global Asset Management (France)
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CUSTODIAN AND ADMINISTRATION AGENT

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14, Porte de France
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Grand Duchy of Luxembourg

REGISTRAR AND TRANSFER AGENT

RBC Dexia Investor Services Bank S.A.
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DOMICILIARY AGENT

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