Unit Trusts

Notices dated 26 May 2015, 13 April 2015, 16 March 2015, 23 February 2015, 11 February 2015, 12 January 2015, 9 January 2015,19 December 2014 and 13 October 2014

Summary of the Explanatory Memoranda dated February 2015

HSBC
Global Asset Management

HSBC

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

Investment company with variable share capital
(Société d'investissement à capital variable or SICAV*)*
16, boulevard d'Avranches
L-1160 Luxembourg
Grand-Duchy of Luxembourg
R.C.S. Luxembourg No B 25 087

HSBC GLOBAL INVESTMENT FUNDS – ECONOMIC SCALE INDEX US EQUITY

Luxembourg, 26 May 2015

Dear Shareholder,

We are writing to inform you of some important changes to HSBC Global Investment Funds – Economic Scale Index US Equity (the "**Receiving Fund**"), a sub-fund of HSBC Global Investment Funds ("**HSBC GIF**"), a *société d'investissement à capital variable* qualified as an undertaking for collective investment in transferable securities pursuant to Part I of the amended Luxembourg law of 17 December 2010 (the "**2010 Law**").

The board of directors of HSBC GIF (the "**Board**") hereby informs the shareholders of the Receiving Fund (the "**Shareholders**") that the Board has decided to proceed with a merger of **HSBC INTERNATIONAL SELECT FUND – MultiAlpha North America Equity** (the "**Merging Fund**"), a sub-fund of **HSBC INTERNATIONAL SELECT FUND** ("**HSBC ISF**"), a *société d'investissement à capital variable*, incorporated and existing under the laws of the Grand-Duchy of Luxembourg, subject to Part I of the 2010 Law into the Receiving Fund.

The merger will be carried out in accordance with the procedure set-out in Article 1, item 20), a) of the 2010 Law.

The merger will be operated by the contribution in kind of all assets and liabilities of the Merging Fund into the Receiving Fund and will become effective on 10 July 2015 ("**Merger Date**").

We recommend Shareholders to carefully read this notice in order to be aware of the implications of the merger.

1. BACKGROUND AND RATIONALE OF THE PROPOSED MERGER

The Board is of the view that the merger is in the interests of the Shareholders as the Receiving Fund will benefit from the economies of scale due to the additional assets under management following the merger.

2. KEY INFORMATION REGARDING THE MERGER

2.1 Possible impact of the merger on the Receiving Fund's portfolio

The merger will have no material impact on the Receiving Fund's portfolio. No rebalancing of the Receiving Fund's portfolio will be undertaken before or after the Merger Date. The investment strategy and the characteristics of the Receiving Fund as described in HSBC GIF's current prospectus will not change as a result of the merger. In addition, the merger will not result in any changes regarding the fees, costs or any other charges charged by the Receiving Fund.

2.2 Costs of the merger

There will be no additional costs as a result of this merger to the Shareholders.

3. **SHAREHOLDER RIGHTS IN RELATION TO THE MERGER**

3.1 Terms of the merger

Any Shareholders not agreeing with the merger will be entitled to request, free of charge*, the redemption or the conversion of their shares into shares of another sub-fund of HSBC GIF, until 9 July 2015.

4. **AVAILABILITY OF DOCUMENTS**

Copies of the report of the Merging Fund's approved statutory auditor relating to the merger may be obtained free of charge upon request from HSBC GIF's registered office.

5. **CONTACT INFORMATION**

Please contact your local agent or HSBC office if you have any questions.

The Board accepts responsibility for the accuracy of the information contained in this circular as at the date of the mailing.

Yours faithfully,

On behalf of the Board
HSBC GLOBAL INVESTMENT FUNDS

Additional note for Hong Kong investors:

*Please note that some distributors, paying agents, correspondent banks or intermediaries might charge switching and/or transaction fees or expenses at their own discretion.

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

HSBC

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

Capitalised terms in this document have the same meaning as in the Explanatory Memorandum of the Funds dated June 2014 ("Explanatory Memorandum") unless otherwise specified.

HSBC MANAGED FUNDS SERIES

HSBC Managed Stable Fund
HSBC Managed Stable Growth Fund
HSBC Managed Balanced Fund
HSBC Managed Growth Fund
(collectively the "Funds")

13 April 2015

Dear Unitholder,

Changes to the Funds

We, as the Manager of the Funds, would like to inform you of the following changes to the Funds.

I) Calculation of Issue Price and Redemption Price – Swing Pricing

The Manager proposes to amend the Trust Deeds of the Funds to allow bid and offer prices to be adjusted in accordance to a "swing pricing" mechanism.

When subscriptions and redemptions in a Fund do not balance each other, trading costs may be incurred in order to buy or sell the underlying securities to accommodate dealing requests. The price at which investors subscribe or redeem a Fund's units only reflects the value of the relevant Fund's assets and does not take into account such trading costs. Accordingly, the costs incurred will fall on the relevant Fund and may result in some dilution in the value of the holdings of existing unitholders in the relevant Fund.

Swing pricing seeks to protect the unitholders from dilution and mitigate the effects of transaction costs, in particular but not limited to, bid-offer spreads, brokerage, taxes and government charges. This is achieved by adjusting the bid and offer prices up or down (taking into account the bid and offer prices of the underlying investments and dealing costs as further explained below) depending on the direction of net subscription/redemption amount for a particular Fund. Significant net subscriptions will cause an upward swing in the bid and offer prices, and vice versa. Accordingly, investors subscribing or redeeming at a volume that would materially impact the existing unitholders in the relevant Fund, will bear the associated trading cost (as reflected in the adjusted bid or offer prices) and such cost will not fall on the relevant Fund and affect the non-dealing unitholders.

Swing pricing is implemented when the net subscription or redemption amount exceeds a threshold determined by the Manager, beyond which the Manager believes the amount of dilution caused by transaction costs could be material to the Funds.

The effective date on which swing pricing is implemented for the Funds is 12 May 2015. As from this date, the Manager will use swing pricing in place of fiscal charges (which is currently in place) in calculating the bid and offer prices of units of the Funds. Adjustment of bid and offer prices of units will be made if the Manager considers it in the interest of unitholders. The extent of such adjustment is based on a swing factor set by the Manager after considering various factors, including but not limited to, the cost of trading and slippage (i.e. the difference between the expected price of a trade and the actual price of execution, which may occur during periods of higher volatility), net broker commissions paid by a Fund, fiscal charges and exchange fees. The adjustment rate may be significantly higher in special circumstances, for example, when a tax or levy is imposed on a large proportion of the assets of the relevant Fund by a regulator or tax authority or where market spreads widen due to a financial crisis. However, the adjustment rate is capped at 2% of the net asset value of a Fund in any event.

II) Change in definition of "Dealing Day"

To standardize the definition of Dealing Day across the funds that are managed by HSBC Global Asset Management (Hong Kong) Limited, the Investment Adviser of the Funds, with effect from 12 May 2015, the definition of Dealing Day for the Funds will be amended as bold and underlined below:

"Dealings in units will take place on each Dealing Day being every day (other than a Saturday) on which banks in Hong Kong are open for normal banking business (a "Business Day") **and which is also, for the Fund, a day where stock exchanges and regulated markets in countries where the Fund is materially invested are open for normal trading,** or such other day or days as may be notified by the Manager to the unitholders[1]."

The change of the definition of Dealing Day will not result in any increment in the current fees payable by the Funds and will not result in any change in the way in which the Funds are being managed.

III) New "Z" Class Units

As from 13 April 2015, "Z" Class Units shall be created in respect of the Funds. "Z" Class Units are offered to investors making investment through a discretionary management agreement entered into with an HSBC group entity and to investors selected by the Manager at its discretion.

The new "Z" Class Units will be available for subscription on each Dealing Day or such other day(s) as determined by the Manager. Please refer to the dealing procedures set out in the Explanatory Memorandum, as amended or supplemented from time to time.

IV) Updated list of directors of the Manager

With immediate effect, the list of directors of the Manager shall be updated as follows:

BERRY, Stuart Glenn
BOTELHO BASTOS, Pedro Augusto
CONXICOEUR, Patrice Pierre Henri
MALDONADO-CODINA, Guillermo Eduardo
NG, Kai Man Edgar
TAM, Chun Pong, Stephen

Amendments to Trust Deed (in connection with changes in sections (I) and (III) above)

The Trust Deed of each Fund will be amended by way of a supplemental deed in connection with the changes set out in sections (I) and (III) above. In summary, in relation to each Trust Deed:

1. A new rule for the valuation of units will be added to Schedule 1 of the Trust Deed to provide for the power to adjust the bid and offer prices of units to mitigate effects of transaction costs in situations set out in section (I) above. This rule will be applied where in the opinion of the Manager in good faith it is in the interest of unitholders to do so, having regard to the amount of subscription and realisation requests in respect of the relevant class of units received in relation to a Dealing Day.

2. Various parts of the Trust Deed will be amended to introduce "Z" Class Units as set out in section (III) above, including provisions concerning the initial issue price, valuation and the level of fees applicable to such units.

Enquiries

The Trust Deeds (including the supplemental deeds), the Explanatory Memorandum and the Product Key Facts Statements containing information of the Funds are available for inspection, free of charge, at the registered office of the Manager. If you have any questions on any of the above matters, please direct them to your financial adviser or usual HSBC contact or alternatively you should contact the Manager at Level 22, HSBC Main Building, 1 Queen's Road Central, Hong Kong (telephone number: (852) 2284 1229).

The directors of the Manager accept responsibility for the accuracy of the information contained in this letter as at the date of the mailing.

The Manager
HSBC Investment Funds (Hong Kong) Limited

[1] Such notification may also be sent by the Manager to distributors which will in turn notify relevant unitholders who have subscribed for units in the Funds through such distributors.

HSBC

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HSBC Global Investment Funds

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Grand-Duchy of Luxembourg
R.C.S. Luxembourg No B 25 087

HSBC GLOBAL INVESTMENT FUNDS – EUROPEAN EQUITY

Luxembourg, 13 April 2015

Dear Shareholder,

We are writing to inform you of some important changes to HSBC Global Investment Funds – European Equity (the **"Receiving Fund"**), a sub-fund of HSBC Global Investment Funds (**"HSBC GIF"**), a *société d'investissement à capital variable* qualified as an undertaking for collective investment in transferable securities pursuant to Part I of the amended Luxembourg law of 17 December 2010 (the **"2010 Law"**).

The board of directors of HSBC GIF (the **"Board"**) hereby informs the shareholders of the Receiving Fund (the **"Shareholders"**) that the Board has decided to proceed with a merger of **HSBC INTERNATIONAL SELECT FUND – MultiAlpha Europe Equity** (the **"Merging Fund"**), a sub-fund of **HSBC INTERNATIONAL SELECT FUND ("HSBC ISF")**, a *société d'investissement à capital variable*, incorporated and existing under the laws of the Grand-Duchy of Luxembourg, subject to Part I of the 2010 Law into the Receiving Fund.

The merger will be carried out in accordance with the procedure set-out in Article 1, item 20), a) of the 2010 Law.

The merger will be operated by the contribution in kind of all assets and liabilities of the Merging Fund into the Receiving Fund and will become effective on 29 May 2015 (**"Merger Date"**).

We recommend Shareholders to carefully read this notice in order to be aware of the implications of the merger.

1. BACKGROUND AND RATIONALE OF THE PROPOSED MERGER

The Board is of the view that the merger is in the interests of the Shareholders as the Receiving Fund will benefit from the economies of scale due to the additional assets under management following the merger.

2. KEY INFORMATION REGARDING THE MERGER

2.1 Possible impact of the merger on the Receiving Fund's portfolio

The merger will have no material impact on the Receiving Fund's portfolio. No rebalancing of the Receiving Fund's portfolio will be undertaken before or after the Merger Date. The investment strategy and the characteristics of the Receiving Fund as described in HSBC GIF's current prospectus will not change as a result of the merger. In addition, the merger will not result in any changes regarding the fees, costs or any other charges charged by the Receiving Fund.

2.2 Costs of the merger

There will be no additional costs as a result of this merger to the Shareholders.

3. SHAREHOLDER RIGHTS IN RELATION TO THE MERGER

3.1 Terms of the merger

Any Shareholders not agreeing with the merger will be entitled to request, free of charge*, the redemption or the conversion of their shares into shares of another sub-fund of HSBC GIF, until 10.00 a.m. Luxembourg time (or 4:00 p.m. Hong Kong time) on 28 May 2015.

4. AVAILABILITY OF DOCUMENTS

Copies of the report of the Merging Fund's approved statutory auditor relating to the merger may be obtained free of charge upon request from HSBC GIF's registered office.

5. CONTACT INFORMATION

Please contact your local agent or HSBC office if you have any questions.

The Board accepts responsibility for the accuracy of the information contained in this circular as at the date of the mailing.

Yours faithfully,

On behalf of the Board
HSBC GLOBAL INVESTMENT FUNDS

Additional note for Hong Kong investors:

*Please note that some distributors, paying agents, correspondent banks or intermediaries might charge switching and/or transaction fees or expenses at their own discretion.

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

HSBC

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16 March 2015

Dear Investors,

Re: HSBC Global Investment Funds (the "Fund") - European Equity (the "Sub-Fund")

With reference to the notice dated 11 February 2015 concerning the Sub-Fund, we are writing to inform you that class ADHUSD shares of the Sub-Fund will not be available for subscription from 16 March 2015. However, class AD shares will be available for subscription and we will not accept further new subscription for class PD shares of the Sub-Fund from 16 March 2015.

HSBC Investment Funds (Hong Kong) Limited, the Hong Kong Representative of the Fund, accepts responsibility for the accuracy of the information contained in this letter.

If you have any questions, please contact your financial adviser or the Hong Kong Representative at Level 22, HSBC Main Building, 1 Queen's Road Central, Hong Kong (telephone number: (852) 2284 1118).

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

HSBC

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HSBC Global Investment Funds

Investment company with variable share capital
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Grand-Duchy of Luxembourg
R.C.S. Luxembourg No B 25 087

HSBC GLOBAL INVESTMENT FUNDS – ECONOMIC SCALE INDEX JAPAN EQUITY

Luxembourg, 23 February 2015

Dear Shareholder,

We are writing to inform you of some important changes to HSBC Global Investment Funds – Economic Scale Index Japan Equity (the "**Receiving Fund**"), a sub-fund of HSBC Global Investment Funds ("**HSBC GIF**"), a *société d'investissement à capital variable* qualified as an undertaking for collective investment in transferable securities pursuant to Part I of the amended Luxembourg law of 17 December 2010 (the "**2010 Law**").

The board of directors of HSBC GIF (the "**Board**") hereby informs the shareholders of the Receiving Fund (the "**Shareholders**") that the Board has decided to proceed with a merger of **HSBC INTERNATIONAL SELECT FUND – MultiAlpha Japan Equity** (the "**Merging Fund**"), a sub-fund of **HSBC INTERNATIONAL SELECT FUND ("HSBC ISF")**, a *société d'investissement à capital variable*, incorporated and existing under the laws of the Grand-Duchy of Luxembourg, subject to Part I of the 2010 Law into the Receiving Fund.

The merger will be carried out in accordance with the procedure set-out in Article 1, item 20), a) of the 2010 Law.

The merger will be operated by the contribution in kind of all assets and liabilities of the Merging Fund into the Receiving Fund and will become effective on 10 April 2015 ("**Merger Date**").

We recommend Shareholders to carefully read this notice in order to be aware of the implications of the merger.

1. BACKGROUND AND RATIONALE OF THE PROPOSED MERGER

The Board is of the view that the merger is in the interests of the Shareholders as the Receiving Fund will benefit from the economies of scale due to the additional assets under management following the merger.

2. KEY INFORMATION REGARDING THE MERGER

2.1 Possible impact of the merger on the Receiving Fund's portfolio

The merger will have no material impact on the Receiving Fund's portfolio. No rebalancing of the Receiving Fund's portfolio will be undertaken before or after the Merger Date. The investment strategy and the characteristics of the Receiving Fund as described in HSBC GIF's current prospectus will not change as a result of the merger. In addition, the merger will not result in any changes regarding the fees, costs or any other charges charged by the Receiving Fund.

2.2 Costs of the merger

There will be no additional costs as a result of this merger to the Shareholders.

3. SHAREHOLDER RIGHTS IN RELATION TO THE MERGER

3.1 Terms of the merger

Any Shareholders not agreeing with the merger will be entitled to request, free of charge*, the redemption or the conversion of their shares into shares of another sub-fund of HSBC GIF, until 10.00 a.m. Luxembourg time (or 4:00 p.m. Hong Kong time) on 9 April 2015.

4. AVAILABILITY OF DOCUMENTS

Copies of the report of the Merging Fund's approved statutory auditor relating to the merger may be obtained free of charge upon request from HSBC GIF's registered office.

5. CONTACT INFORMATION

Please contact your local agent or HSBC office if you have any questions.

The Board accepts responsibility for the accuracy of the information contained in this circular as at the date of the mailing.

Yours faithfully,

On behalf of the Board
HSBC GLOBAL INVESTMENT FUNDS

Additional note for Hong Kong investors:

*Please note that some distributors, paying agents, correspondent banks or intermediaries might charge switching and/or transaction fees or expenses at their own discretion.

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

HSBC

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11 February 2015

Dear Investors,

HSBC Global Investment Funds – European Equity (the "Sub-Fund")
a sub-fund of HSBC Global Investment Funds (the "Fund")

We are writing to inform you that class AD and class ADHUSD shares of the Sub-Fund will be available for subscription in Hong Kong from 16 March 2015; and we will not accept further new subscription for class PD shares of the Sub-Fund.

The characteristics of the respective classes of the Sub-Fund are set out in the table below:

Class	AD	ADHUSD	PD[1]
Management Fee (% p.a.)	1.50%	1.50%	1.00%
Operating, Administrative and Servicing Expenses (% p.a.)	0.35%	0.35%	0.35%
Dividend policy	Annually[2]	Annually[2]	Annually[2]
Minimum initial and subsequent investment	US$1,000	US$1,000	US$1,000
Share class currency	EUR	USD	EUR

1. We will not accept further new subscription for class PD shares of the Sub-Fund from 16 March 2015.

2. Dividends are not guaranteed. Dividends may or may not be paid depending on the recommendation of the Board of Directors of the Fund.

Existing investors of the Sub-Fund can continue to hold their existing investments in class PD shares of the Sub-Fund. The redemption rights of the investors will not be affected by this change.

HSBC Investment Funds (Hong Kong) Limited, the Hong Kong Representative of the Fund, accepts responsibility for the accuracy of the information contained in this letter.

If you have any queries, please direct these to your bank or financial adviser or alternatively you should contact HSBC Investment Funds (Hong Kong) Limited at Level 22, HSBC Main Building, 1 Queen's Road Central, Hong Kong (telephone number: (852) 2284 1118).

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

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HSBC Global Investment Funds

An investment company with variable share capital
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L-1160 Luxembourg
Grand-Duchy of Luxembourg
R.C.S. Luxembourg B 25.087

HSBC GLOBAL INVESTMENT FUNDS – US EQUITY

Luxembourg, 11 February 2015

Dear Shareholder,

We are writing to inform you of some important changes to HSBC Global Investment Funds – US Equity (the "**Receiving Fund**"), a sub-fund of HSBC Global Investment Funds ("**HSBC GIF**").

The board of directors of HSBC GIF (the "**Board**") hereby informs the shareholders of the Receiving Fund (the "**Shareholders**") that the Board has decided to proceed with a merger of **HSBC MULTI INDEX FUNDS - US Equity** (the "**Merging Fund**"), a sub-fund of **HSBC MULTI INDEX FUNDS** ("**HSBC MIF**"),a *société d'investissement à capital variable*, incorporated and existing under the laws of the Grand-Duchy of Luxembourg, subject to Part I of the amended Luxembourg law dated 17 December 2010 on undertakings for collective investment (the "**2010 Law**"), into the Receiving Fund.

The merger will be carried out in accordance with the procedure set out in Article 1, item 20), a) of the 2010 Law.

The merger will be operated by the contribution in kind of all assets and liabilities of the Merging Fund into the Receiving Fund and will become effective on 13 March 2015 ("**Merger Date**").

We recommend Shareholders to read this notice carefully in order to be aware of the implications of the merger.

1. BACKGROUND AND RATIONALE OF THE PROPOSED MERGER

The Board is of the view that the merger is in the interests of the Receiving Fund's shareholders as the Receiving Fund will benefit from the economies of scale due to the additional assets under management following the merger.

2. KEY INFORMATION REGARDING THE MERGER

2.1 Possible impact of the merger on the Receiving Fund's portfolio

The merger will have no material impact on the Receiving Fund's portfolio. No rebalancing of the portfolio will be undertaken as a result of the merger.

In addition, the merger will not result in any changes regarding the fees, costs or any other charges charged by the Receiving Fund.

2.2 Costs of the merger

There will be no additional costs as a result of this merger to the shareholders of the Receiving Fund.

3. SHAREHOLDER RIGHTS IN RELATION TO THE MERGER

3.1 Terms of the merger

Any shareholders of the Receiving Fund not agreeing with the merger will be entitled to request, free of charge*, the redemption, or the conversion of their shares into shares of another sub-fund of HSBC GIF, until 10.00 a.m. Luxembourg time (or 4:00 p.m. Hong Kong time) on 13 March 2015.

4. AVAILABILITY OF DOCUMENTS

Copies of the report of the Merging Fund's approved statutory auditor relating to the merger may be obtained free of charge upon request from HSBC GIF's registered office.

5. CONTACT INFORMATION

Please contact your local agent or HSBC office if you have any questions.

The Board accepts responsibility for the accuracy of the information contained in this circular as at the date of the mailing.

Yours faithfully,

On behalf of the Board
HSBC GLOBAL INVESTMENT FUNDS

Additional note for Hong Kong investors:

*Please note that some distributors, paying agents, correspondent banks or intermediaries might charge switching and/or transaction fees or expenses at their own discretion.

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

HSBC

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HSBC Global Investment Funds

société d'investissement à capital variable
(the "Company" or "HSBC GIF")
16, Boulevard d'Avranches, L-1160 Luxembourg
Grand Duchy of Luxembourg
RCS Luxembourg B 25 087

11 February 2015

Dear Shareholder,

HSBC Global Investment Funds (the "Company" or "HSBC GIF")
- **HSBC GIF – US Equity (the "Sub-Fund")**

We are writing to inform you of some important proposed changes to the Company. The change of categorisation of the Sub-Fund from an equity fund to an index tracking fund, will result in the following changes summarised as follows (details of the changes are set out in the Appendix to this letter):

a) Additional risk factors applicable to the Sub-Fund
b) Change of name of the Sub-Fund and change of investment adviser
c) Change of investment objective
d) Change of fee structure: reduction of management fee
e) Details on the index methodology

The changes listed above will become effective from 16 March 2015.

Change of categorisation of the Sub-Fund from an equity fund to an index tracking fund

Following a review of the investment strategy and advice from the investment adviser (for details of the investment adviser of the Sub-Fund please refer to the attached Appendix), the Board has decided to modify the characteristics of the Sub-Fund, in order to apply the HSBC Economic Scale Indexation strategy to this Sub-Fund (the "**Change**"). The Sub-Fund will now track the HSBC Economic Scale Indices allowing the Sub-Fund to provide greater transparency and lower execution cost.

In line with this strategy, this Sub-Fund will seek to track a HSBC Economic Scale Index, by investing in securities included in the relevant index. The HSBC Economic Scale Indices are designed to provide investors with a series of indices based on weights that reflect the economic scale or "footprint" of companies and countries rather than their respective market capitalisations. Securities in the HSBC Economic Scale Indices are weighted in proportion of their value added, a measure of a company's economic scale, which is the difference between a company's output (sales) and its inputs (purchases of goods and services from other business).

The difference between a HSBC Economic Scale Index (summary of the index methodology for Sub-Fund is set out below) and a conventional index is in the weighting of companies it holds: a conventional index aims to hold each company in proportion to the financial markets' valuation of that company, while a HSBC Economic Scale Index aims to hold each company in proportion to an objective, economic measure of the company's size.

By weighting companies in proportion to their economic footprint, rather than market valuation, it is possible to avoid the performance drag associated with overweighting overpriced shares and underweighting underpriced shares by virtue of their position within a conventional index.

The Change does not require shareholders' approval pursuant to the constitutive documents and the constitutive documents do not need to be amended in respect of such change. The Change will not result in any change to your shareholdings. The Sub-Fund will continue to be subject to the risks as set out in the section headed "Risk Factors" in the Explanatory Memorandum dated July 2014 (the "**Explanatory Memorandum**"). Furthermore, the Sub-Fund will be subject to risk factors applicable to an index fund (set out in the Appendix below) or shareholders may refer to the relevant disclosures and warnings in the Explanatory Memorandum, in particular, the sub-section headed "(2) Sub-Fund specific risk considerations" in the section headed "Risk Factors" of the Explanatory Memorandum. You may also refer to the attached "Questions and Answers: Change to HSBC GIF – US Equity (the "Sub-Fund")" which sets out frequently asked questions and answers with regards to the Change.

The portfolio of the Sub-Fund will be transitioned on the transfer date, 16 March 2015 (the "**Transfer Date**"). On the Transfer Date, the investment adviser of the Sub-Fund will transition the portfolio into a passive strategy. There will be transaction costs associated with the adjustment of the investment portfolio of Sub-Fund as a result of the investment objective change. These transaction costs will be borne by the Sub-Fund on the Transfer Date. The estimated transaction cost for the Sub-Fund is 0.08% of the Net Asset Value of the Sub-Fund

As an existing Shareholder, due to the changes above you may take the opportunity to switch to any other sub-fund within the HSBC GIF range or fully redeem your investment from this Sub-Fund free of charge until 13 March 2015. Switches and redemptions will be carried out in accordance with the normal terms disclosed in the Explanatory Memorandum but without any redemption charges and switching fee. However, please note that some distributors, paying agents, correspondent banks or intermediaries might charge switching and/or transaction fees or expenses at their own discretion.

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

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

Appendix

1. Risk Factors applicable to the Index Sub-Fund

(i) Index replication risk

The Sub-Fund will seek to track (replicate) an index, by investing directly in the components of the index. Any fluctuation/volatility of the index may result in increases/decreases of the Sub-Fund's valuation. The Investment Adviser will not seek to select stocks or take defensive positions in declining markets. Therefore, should the index fall, the net asset values of the Sub-Fund tracking such index would also fall and investors may lose a significant part of their investments.

The Sub-Fund is not actively managed. Accordingly, the lack of discretion to adapt to market changes due to the inherent investment nature of the Sub-Fund means that falls in the related underlying index are expected to result in a corresponding fall in the value of the Sub-Fund.

(ii) Tracking error risk

There is no guarantee that the investment objective of the sub-fund will be achieved. In particular, no financial instrument enables the returns of any Index to be reproduced exactly. Changes in the investments of the sub-fund and re-weightings of the relevant Index may give rise to various transaction costs (including in relation to the settlement of foreign currency transactions), operating expenses, custody costs, taxes, corporate actions, cash flows into and out of the sub-fund from dividend/reinvestments or inefficiencies which may adversely impact the sub-fund's tracking of the performance of an Index. Furthermore, the total return on investment in the Shares of the sub-fund will be reduced by certain costs and expenses which are not taken into account in the calculation of the applicable Index. Moreover, in the event of the temporary suspension or interruption of trading in the Investments comprising the Index, or of market disruptions, rebalancing the sub-fund's investment portfolio may not be possible and may result in deviations from the returns of the Index.

Factors which may impact the ability of the Sub-Fund to track an index

- Transaction costs incurred as a result of an index rebalance: in order to maintain the proportion of each security aligned with the tracked index, the Sub-Fund will need to buy/sell securities whenever the tracked index re-balances/changes its components. These will include any transaction taxes.
- Custody costs: these are incurred by the Sub-Fund for holding the securities it invests in. Custody costs vary by market.
- Dividend/reinvestments: the Sub-Fund may receive dividends as a result of owning stocks. This will usually be paid in cash. The Sub-Fund will usually retain a proportion of cash to be able to deal with day-to-day Sub-Fund management operations to minimise the need to sell any securities. Dividends may sometimes be kept in cash until enough payments have accumulated in order to reinvest in the Sub-Fund's securities.
- Taxes: the Sub-Fund may be liable for taxes such as withholding tax or capital gains tax.
- Currency costs: foreign exchange transactions are generally executed against a determined index benchmark (e.g. Reuters). In some instances, the Sub-Fund may not be able to execute foreign exchange transactions at the same point due to specific currency restrictions by some markets (e.g. Emerging Markets countries).
- Corporate actions: in some instances, the treatment of specific corporate actions (e.g. dividend payments) by the index may differ from how the Sub-Fund treats such corporate action and calculates its Net Asset Value.
- The Sub-Fund will use a Full Replication strategy to track the relevant index, although the Investment Adviser may also decide to employ an Optimised Replication strategy in specific circumstances, including but not limited to, where the size of the Sub-Fund is too small or falls below a threshold and it is not cost effective to adopt a Full Replication strategy or where there are market disruption events (i.e. market access issues).
- The Sub-Fund aims to minimise the tracking error by employing a Full Replication strategy, aiming to hold all of the constituents (or equivalent instruments) of the index, generally in the same proportion in which they are included in the index.

(iii) Concentration risk

An index may be concentrated in companies operating in certain markets or securities listed in certain stock exchanges; therefore any situation impacting such markets or stock exchanges may also impact the index and the Sub-Fund's performance.

(iv) Index calculation risk

The Index Sponsor has entered into an agreement with Euromoney Indices (the Calculation Agent). Under such agreement the Calculation Agent will calculate the index on behalf of the Index Sponsor which will be used by the Investment Adviser to manage the Sub-Fund. The agreement is subject to an annual review.

The Sub-Fund may not be able to fulfil its objective and may be terminated if the index ceases to be compiled or published and there is no replacement index using the same or substantially similar formula for the method of calculation as used in calculating the relevant index.

The index is calculated by the Calculation Agent on behalf of the Index Sponsor without any consideration to the performance of the Sub-Fund. The Calculation Agent and the Index Sponsor make no representation or warranty or recommendation, express or implied, to investors in the Sub-Fund or other persons regarding the advisability of investing in the Sub-Fund. There is no assurance that the Calculation Agent will compile the index accurately, or that the index will be determined, composed or calculated accurately. In addition, the process and the basis of computing and compiling the index and any of its related formulae, constituent companies and factors may at any time be changed or altered without notice.

(v) Composition of the index risk

The composition of the index may change (e.g. stocks currently comprising the index may subsequently be delisted. Other stocks may also be added subsequently to become constituent stocks of the index). The Investment Adviser will seek to implement any change to the index composition (i.e. to re-balance the portfolio according to the changes of the index) but there is no guarantee the Sub-Fund will accurately reflect the composition of the index at any given time.

There is also no warranty, representation or guarantee given to the shareholders as to the accuracy or completeness of the relevant underlying index, its computation or any information related thereto.

(vi) Risk of withdrawal of authorization by the Securities and Futures Commission of Hong Kong ("SFC")

The Sub-Fund seeks to provide investment results that closely correspond with the performance of the underlying index. The Sub-Fund has been authorized as a collective investment scheme under the Code on Unit Trusts and Mutual Funds by the SFC pursuant to section 104 of the Securities and Futures Ordinance. However, the SFC reserves the right to withdraw the authorization of the Sub-Fund, for example, if the SFC considers the relevant underlying index is no longer acceptable to the SFC. Such acceptance does not imply official approval or endorsement of the index. The SFC's authorisation is not a recommendation or endorsement of the Sub-Fund nor does it guarantee the commercial merits of the Sub-Fund or its performance. This does not mean the Sub-Fund is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

(vii) Index Suitability Risk

In the event that the underlying index ceases to be operated or is not available, the Investment Adviser will in accordance with the Articles of Incorporation, subject to the prior approval of the SFC and by giving at least one month's notice, change the underlying index to a replacement index that is tradable and has similar objectives to the existing index.

(viii) Conflict of Interest Risk

The Investment Adviser, the Company, the Management Company and the Index Sponsor are part of the HSBC Group. The Investment Adviser, Index Sponsor, the Company, and the Management Company may in the due course of their business, have potential conflicts of interest with the Company 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 Company 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 and in compliance with applicable legal and regulatory requirements.

Since different entities under the same corporate group, the HSBC Group, act as the Investment Adviser, the Company, the Management Company and the Index Sponsor, insolvency and disruption in the operation of any of these entities may lead to suspension of dealing.

2. HSBC GIF – US Equity

A) Change of name of the Sub-Fund and change of Investment Adviser

The Board has decided to rename the sub-fund HSBC GIF- US Equity as HSBC GIF - Economic Scale Index US Equity and to replace the Investment Adviser of the Sub-Fund as described in the table below:

Sub-Fund	Investment adviser until 15 March 2015	Investment adviser from 16 March 2015
HSBC GIF - US Equity	HSBC Global Asset Management (France)	
HSBC GIF - Economic Scale Index US Equity		HSBC Global Asset Management (UK) Limited

B) Change of investment objective

The Board has also decided to amend the investment objective of the Sub-Fund as described in the table below:

Investment objective	
Until 15 March 2015 **HSBC GIF - US Equity**	The Sub-Fund seeks long term capital growth by investing primarily in a well diversified portfolio of investments in equity and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of the US as well as those companies which carry out a preponderant part of their business activities in the US. Whilst there are no capitalisation restrictions, it is anticipated that the Sub-Fund will seek to invest primarily in larger, established companies. The Sub-Fund may also invest in financial derivative instruments such as futures, equity swaps, options and forward currency contracts and in other currency and equity derivatives. The Sub-Fund intends to use such financial derivative instruments for, inter alia, the purposes of managing market exposure (up to a maximum of 110% of the Sub-Fund's net asset value) and currency positioning but also to enhance return when the Investment Adviser believes the investment in financial derivative instruments will assist the Sub-Fund in achieving its investment objectives. The Sub-Fund does not intend to use financial derivative instruments extensively for investment purpose.
From 16 March 2015 **HSBC GIF - Economic Scale Index US Equity**	The Sub-Fund aims to track the HSBC Economic Scale Index United States (the "US Index") by investing in securities that are included in the US Index. The Sub-Fund will use a Full Replication strategy to track the US Index. The Investment Adviser may also decide to employ a strategy of Optimised Replication in specific circumstances including but not limited to where the size of the Sub-Fund is too small or falls below a threshold and it is not cost effective to adopt a fully replicated strategy or where there are market disruption events (i.e. market access issues). The Optimised Replication strategy involves the acquisition of a subset of the component securities of the US Index and possibly of some securities that are not included in the US Index that are designed to help the sub-fund track the performance of the US Index. The Sub-Fund does not intend to enter into any securities lending, repurchase or reverse repurchase transactions or similar over the counter transactions. The Sub-Fund does not intend to use financial derivative instruments extensively for investment purpose. However, the Sub-Fund may also invest in financial derivative instruments for hedging purposes and cash flow management (i.e. Equitisation). Where the Sub-Fund may be restricted to invest in certain components securities of the US Index, due to HSBC Group and/or local regulator restrictions, the Sub-Fund may use financial derivative instruments (e.g. contracts for difference) to achieve exposure to such components.

On the Transfer Date, HSBC GIF - US Equity will be transferred to and managed by the new Investment Adviser, HSBC Global Asset Management (UK) Limited, who will transition the portfolio into a passive strategy.

C) Change of fee structure: reduction of management fee

The Board has decided to reduce the management fee of the Sub-Fund as detailed in the table below:

	Until 15 March 2015#						
Class of Shares	**A**	**B**	**E**	**I**	**X**	**P**	**Y****
Management Fee (%)	1.50	0.75	2.00	0.75	0.50	1.00	0.30

	From 16 March 2015#						
Class of Shares	**A**	**B**	**E**	**I**	**X**	**P**	**Y****
Management Fee (%)	0.60	0.30	0.90	0.30	0.30	0.40	0.15

** Class Y Shares are closed to new subscriptions since 7 December 2009 except for shareholders having an existing regular saving plan.
# The following classes are available to the public in Hong Kong: PD.

D) Details on the index methodology

The Sub-Fund will use the following methodology:

The US Index methodology uses a screening process to determine whether a security is eligible for inclusion in the index. Such process takes into consideration:

1. Minimum free floated market capitalisation: free float is defined as the number of shares outstanding and available for purchase multiplied by the share price.
2. Minimum liquidity: this is calculated using the average daily traded value for each security over a period of 6 months.
3. Minimum length of trading: this does not apply to securities resulting from a corporate action that were already part of the US Index.
4. Foreign ownership availability: the US Index includes only securities that are available to international investors (i.e. any security restricted to local investors only will be excluded from the index).

The US Index comprises securities of companies that have their registered office in, and/or with an official listing on a major stock exchange or other Regulated Market in the US. The US Index comprises more than 1900 constituents.

The HSBC Economic Scale Indices provide investors with a broad equity exposure by weighting firms based on the economic contribution that they make to the global economy. This approach differs to the more traditional market capitalisation indices. The constituent securities of the index are then weighted in proportion to the average annual Valued Added of the company that issued them. Value Added is the difference between a company's outputs and inputs, it is calculated using data in the company's annual financial statements and the averaging is performed over the most recent five years. Value Added is calculated in the similar manner for all sectors with the exception of financials. Lending and deposits are a key component of financial companies' activities therefore better representative measures are used to calculate Value Added for these companies.

Additionally, in the unlikely event that a company's financial statement data is not available, the value will be calculated based on the company's market capitalisation to ensure the Index is representative of its market/region.

The US Index is calculated and published by Euromoney Indices (the Calculation Agent) on behalf of HSBC Global Asset Management Limited (the Index Sponsor) on a daily basis by using the official closing price in the markets where constituents in the US Index are traded. The Calculation Agent is not part of the HSBC Group.

The US Index is available on Bloomberg (HESIYUSU) and on the following website (http://www.global.assetmanagement.hsbc.com/investment-capabilities/alternative-indexation). Further information on the US Index including a summary of the index methodology, index value, index description, top 10 largest constituents, index weights, sector breakdown, index characteristics, index performance and other important news are available on (http://www.global.assetmanagement.hsbc.com/investment-capabilities/alternative-indexation).

The Investment Adviser, the Company, the Management Company and the Index Sponsor are part of the HSBC Group. The Investment Adviser, the Index Sponsor, the Company and the Management Company are functionally independent of each other. The HSBC Global Asset Management Index Committee ("Index Committee") govern the use of any HSBC Asset Management proprietary indices including but not limited to Index development, Index calculation, and licensing. There are rigorous processes in place to manage any conflict of interests and segregation of duties to ensure that the interests of the Company and the shareholders are not prejudiced. For the avoidance of doubt Index methodology cannot be amended without Index Committee approval. The Investment Adviser, the Management Company and/or the Company are not involved in the calculation and publication of the US Index. For further details regarding conflicts of interests, please refer to the section headed "Conflicts of Interest" in the Explanatory Memorandum.

Questions and Answers

Change to HSBC GIF – US Equity (the "Sub-Fund")

What is the change taking place?

The Sub-Fund was previously managed according to an investment process where stock selection was based on a pre determined model aiming at outperforming a market capitalisation weighted index. It will now be managed in accordance with HSBC's Economic Scale Indexation strategy, a passive strategy tracking a non-market capitalisation weighted index.

What is the HSBC Economic Scale Indexation strategy?

The HSBC Economic Scale Indexation strategy is an investment strategy which tracks an index that looks to weight companies based on their economic contribution. HSBC's Economic Scale Indexation strategy (ESI) tracks one of HSBC's proprietary range of fundamental indices. These indices differ from traditional market capitalisation weighted indices as they weight constituents based on their economic 'footprint'.

What are the HSBC Economic Scale Indices?

These indices have been developed by HSBC Global Asset Management and were launched in 2012. They are calculated by Euromoney Institutional Investor Plc (Euromoney Indices team), a specialist index calculation unit based in Edinburgh. They are designed to provide investors with a series of indices based on weights which reflect the economic scale or 'footprint' of companies and countries using the notion of "Value Added" rather than their respective market capitalisation. Value Added** is the difference between a company's output (sales) and inputs (purchases of goods and services from other businesses). These indices aim at outperforming market capitalisation weighted indices.

** The Value Added (surplus) is calculated by summing the following disbursements: Net payments to shareholders, net payments to bondholders, gross salaries paid, net taxes paid by the firm and capital consumption (depreciation).

What is the reason for this change?

The investment advisers of the Sub-Fund review all of its products and capabilities regularly to ensure they continue to align with client needs and business objectives. Key criteria include ongoing client demand, assets under management, profitability, sales interest and commitment, and scalability.

Over the last couple of years, we have seen an increasing interest in equity products that offer an alternative to the traditional market capitalisation weighted strategies. As a result, we are offering our clients worldwide the opportunity to gain exposure to equity markets by investing in our ESI products, allowing the Sub-Fund to provide greater transparency and lower execution cost.

How will the change affect your investment?

The Sub-Fund will continue to be invested in US equities but in a different way as stocks will now be weighted based on their economic footprint. As a result, the universe of stocks and the weightings will differ from the current portfolios:

HSBC GIF - US Equity as at 30th November 2014		**HSBC ECONOMIC SCALE INDEX UNITED STATES as at 30th November 2014**	
Security Name	**Weight (%)**	**Security Name**	**Weight (%)**
Apple	4.3	Walmart	3.9
Exxon Mobil	2.6	General Electric	1.9
Verizon Communication	2.6	Exxon Mobil	1.8
Wells Fargo	2.4	AT&T	1.6
Home Depot	2.0	JPMorgan	1.4
Amgen	1.9	Wells Far	1.2

Oracle	1.8	Verizon Communication	1.0
United Health	1.7	HP	1.0
Gilead Sciences	1.7	Bank of America	1.0
AbbVie	1.7	United Parcel	1.0
Number of holdings: 87		**Number of holdings: 1942**	

How is the investment objective changing?

The investment objective of the Sub-Fund will remain focused on long-term capital growth, however this will now be achieved through a passive investment process rather than active stock selection.

How is the performance objective changing?

The change in investment strategy will see a change in performance objective. Funds managed in accordance with the HSBC Economic Scale Index strategy seek to match the performance of the Economic Scale index being tracked.

Is there going to be any change to the investment process?

Yes, currently the Sub-Fund adopts a model approach to select stocks. This, however, will change to an index tracking strategy which aims to track one of the HSBC Economic Scale indices mainly through a replication technique where the portfolio manager aims at holding every stock in the index (where practical). As illustrated above the number of holdings will increase as a result of this replication technique.

How is continuity of fund management being managed - are any members of the team transferring?

As the Sub-Fund is moving to a passive investment approach, it will be managed by a different team (see below) that specialises in indexation fund management. HSBC has been managing passive portfolios since 1988 and manages assets in excess of US Dollars 22 billion as at September 2014 in passive strategies. A working group containing the necessary departments has been set-up to manage the transition of the Sub-Fund. This working group contains members from both the existing and new management teams to ensure that there will be a smooth transition.

Who will be managing the Sub-Fund with the new strategy in place?

The Sub-Fund will be managed by Bijan Seghatchian who is part of the Equity Index and Exchange Traded Fund (ETF) team based in London (7 people) with effect from 16 March 2015. Bijan has been managing the index fund range since 2009 and has been with HSBC since 1995.

When will the transfer take effect?

16th March 2015.

Can shareholders opt out of the transfer?

As an existing Shareholder, due to the changes above you may take the opportunity to switch to any other sub-fund within the HSBC GIF range or fully redeem your investment from your sub-fund(s) free of charge until one business day prior to the Transfer Date. Switches and redemptions will be carried out in accordance with the normal terms disclosed in the Prospectus but without redemption charges and switching fees.

Will there be any costs associated with the transfer charged to shareholders?

Our dealing team has estimated the transition cost in current market conditions (as at November 2014); this includes commission, taxes, and assumes we trade Market on Close:

Fund	**Estimated transition costs (%)**
HGIF - US Equity	0.08

What are the total fees?

The total fees will change as a result of the lowering of the Management Fee (no change to the Operating, Administrative and Servicing Expenses):

Class of Shares[#]	A	B	E	I	X	P	Y**
HSBC GIF US Equity Management Fee (%) until 15 March 2015	1.5	0.75	2.00	0.75	0.50	1.00	0.30
HSBC GIF ESI US Equity Management Fee (%) from 16 March 2015	0.60	0.30	0.90	0.30	0.30	0.40	0.15

** Class Y Shares were closed to new subscriptions on 7 December 2009 except for shareholders having an existing regular saving plan.
[#] The following classes are available to the public in Hong Kong: PD.

Who should we contact if we want more information?

Please contact your local distributor for further information.

HSBC

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

An investment company with variable share capital
(*Société d'investissement à capital variable* or SICAV)
16, boulevard d'Avranches
L-1160 Luxembourg
Grand-Duchy of Luxembourg
R.C.S. Luxembourg B 25 087

HSBC GLOBAL INVESTMENT FUNDS – GLOBAL HIGH YIELD BOND

Luxembourg, 12 January 2015

Dear Shareholder,

We are writing to inform you of some important changes to HSBC Global Investment Funds – Global High Yield Bond (the "**Receiving Fund**"), a sub-fund of HSBC Global Investment Funds ("**HSBC GIF**").

The board of directors of HSBC GIF (the "**Board**") hereby informs the shareholders of the Receiving Fund (the "**Shareholders**") that the Board has decided to proceed with a merger of **HSBC INTERNATIONAL SELECT FUND – MultiAlpha Global High Yield Bond** (the "**Merging Fund**"), a sub-fund of **HSBC INTERNATIONAL SELECT FUND** ("**HSBC ISF**"), a *société d'investissement à capital variable*, incorporated and existing under the laws of the Grand-Duchy of Luxembourg, subject to Part I of the amended Luxembourg law dated 17 December 2010 on undertakings for collective investment (the "**2010 Law**"), into the Receiving Fund.

The merger will be carried out in accordance with the procedure set out in Article 1, item 20), a) of the 2010 Law.

The merger will be operated by the contribution in kind of all assets and liabilities of the Merging Fund into the Receiving Fund and will become effective on 6 March 2015 ("**Merger Date**").

We recommend Shareholders to read this notice carefully in order to be aware of the implications of the merger.

1. BACKGROUND AND RATIONALE OF THE PROPOSED MERGER

The Board is of the view that the merger is in the interests of the Receiving Fund's shareholders as the Receiving Fund will benefit from the economies of scale due to the additional assets under management following the merger.

2. KEY INFORMATION REGARDING THE MERGER

2.1 Possible impact of the merger on the Receiving Fund's portfolio

The merger will have no material impact on the Receiving Fund's portfolio.

No rebalancing of the Receiving Fund's portfolio will be undertaken before or after the Merger Date. The investment strategy and the characteristics of the Receiving Fund as described in HSBC GIF's current prospectus will not change as a result of the merger. In addition, the merger will not result in any changes regarding the fees, costs or any other charges charged by the Receiving Fund.

2.2 Costs of the merger

There will be no additional costs as a result of this merger to the shareholders of the Receiving Fund.

3. SHAREHOLDER RIGHTS IN RELATION TO THE MERGER

3.1 Terms of the merger

Any shareholders of the Receiving Fund not agreeing with the merger will be entitled to request, free of charge*, the redemption, or the conversion of their shares into shares of another sub-fund of HSBC GIF, until 5 March 2015.

4. AVAILABILITY OF DOCUMENTS

Copies of the report of the Merging Fund's approved statutory auditor relating to the merger may be obtained free of charge upon request from HSBC GIF's registered office.

5. CONTACT INFORMATION

Please contact your local agent or HSBC office if you have any questions.

The Board accepts responsibility for the accuracy of the information contained in this circular as at the date of the mailing.

Yours faithfully,

On behalf of the Board
HSBC GLOBAL INVESTMENT FUND

Additional note for Hong Kong investors:

*Please note that some distributors, paying agents, correspondent banks or intermediaries might charge switching and/or transaction fees or expenses at their own discretion.

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

HSBC

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 "HSBC GIF")
16, Boulevard d'Avranches, L-1160 Luxembourg
Grand Duchy of Luxembourg
RCS Luxembourg B 25 087

9 January 2015

Dear Shareholder,

HSBC Global Investment Funds (the "Company" or "HSBC GIF")

- **HSBC GIF – Global Equity**
- **HSBC GIF – Japanese Equity**

(each a "Sub-Fund" collectively the "Sub-Funds")

We are writing to inform you of some important proposed changes to the Company. The change of categorisation of the Sub-Funds from equity funds to index tracking funds will result in the following changes summarised as follows (details of the changes are set out in the Appendix to this letter):

a) Additional risk factors applicable to the Sub-Funds
b) Change of name of the Sub-Funds and change of investment adviser
c) Change of investment objective
d) Change of fee structure: reduction of management fee
e) Change of Net Asset Value (NAV) calculation
f) Details on the index methodology

The changes listed above will become effective from 17 February 2015.

<u>Change of categorisation of the Sub-Funds from equity funds to index tracking funds:</u>

Following a review of the investment strategy and advice from the investment advisers (for details of the investment advisers of the Sub-Funds please refer to the attached Appendix), the Board has decided to modify the characteristics of the Sub-Funds, in order to apply the HSBC Economic Scale Indexation strategy to these Sub-Funds (the "**Change**"). The Sub-Funds will now track the HSBC Economic Scale Indices allowing the Sub-Funds to provide greater transparency and lower execution cost.

In line with this strategy, each of these Sub-Funds will seek to track a HSBC Economic Scale Index, by investing in securities included in the relevant index. The HSBC Economic Scale Indices are designed to provide investors with a series of indices based on weights that reflect the economic scale or "footprint" of companies and countries rather than their respective market capitalisations. Securities in the HSBC Economic Scale Indices are weighted in proportion of their value added, a measure of a company's economic scale, which is the difference between a company's output (sales) and its inputs (purchases of goods and services from other business).

The difference between a HSBC Economic Scale Index (summary of the index methodology for each Sub-Fund is set out below) and a conventional index is in the weighting of companies it holds: a conventional index aims to hold each company in proportion to the financial markets' valuation of that company, while a HSBC Economic Scale Index aims to hold each company in proportion to an objective, economic measure of the company's size.

By weighting companies in proportion to their economic footprint, rather than market valuation, it is possible to avoid the performance drag associated with overweighting overpriced shares and underweighting underpriced shares by virtue of their position within a conventional index.

The Change does not require shareholders' approval pursuant to the constitutive documents and the constitutive documents do not need to be amended in respect of such change. The Change will not result in any change to your shareholdings. The Sub-Funds will continue to be subject to the risks as set out in the section headed "Risk Factors" in the Explanatory Memorandum dated July 2014 (the "**Explanatory Memorandum**"). Furthermore, the Sub-Funds will be subject to risk factors applicable to an index fund (set out in the Appendix below) or shareholders may refer to the relevant disclosures and warnings in the Explanatory Memorandum, in particular, the sub-section headed "(2) Sub-Fund specific risk considerations" in the section headed "Risk Factors" of the Explanatory Memorandum. You may also refer to the attached "Questions and Answers: Change to HSBC GIF – Global Equity and HSBC GIF – Japanese Equity (the "Sub-Funds")" which sets out frequently asked questions and answers with regards to the Change.

The portfolio of the Sub-Funds will be transitioned on the transfer date, 17 February 2015 (the "**Transfer Date**"). On the Transfer Date, the investment adviser of the Sub-Funds will transition the portfolio into a passive strategy. There will be transaction costs associated with the adjustment of the investment portfolio of each Sub-Fund as a result of the change of investment objective. These transaction costs will be borne by the relevant Sub-Fund on the Transfer Date. The estimated transaction cost for the Sub-Funds are as follows:

- HSBC GIF: Global Equity – 0.11% of the Sub-Fund's Net Asset Value
- HSBC GIF: Japan Equity – 0.13% of the Sub-Fund's Net Asset Value

As an existing Shareholder, due to the changes above you may take the opportunity to switch to any other sub-fund within the HSBC GIF range or fully redeem your investment from your Sub-Fund(s) free of charge until 16 February 2015. Switches and redemptions will be carried out in accordance with the normal terms disclosed in the Explanatory Memorandum but without any redemption charges and switching fee. However, please note that some distributors, paying agents, correspondent banks or intermediaries might charge switching and/or transaction fees or expenses at their own discretion.

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

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

Appendix

1. Risk Factors applicable to Index Sub-Funds

(i) Index replication risk

Each of the Sub-Funds will seek to track (replicate) an index, by investing directly in the components of the index, any fluctuation/volatility of the index may result in increases/decreases of the Sub-Fund's valuation. The Investment Adviser will not seek to select stocks or take defensive positions in declining markets. Therefore, should the index fall, the net asset values of the Sub-Funds tracking such index would also fall and investors may lose a significant part of their investments.

The Sub-Funds are not actively managed. Accordingly, the lack of discretion to adapt to market changes due to the inherent investment nature of each Sub-Fund means that falls in the related underlying index are expected to result in a corresponding fall in the value of the relevant Sub-Fund.

(ii) Tracking error risk

There is no guarantee that the investment objective of any sub-fund will be achieved. In particular, no financial instrument enables the returns of any Index to be reproduced exactly. Changes in the investments of any sub-fund and re-weightings of the relevant Index may give rise to various transaction costs (including in relation to the settlement of foreign currency transactions), operating expenses, custody costs, taxes, corporate actions, cash flows into and out of a sub-fund from dividend/reinvestments or inefficiencies which may adversely impact a sub-fund's tracking of the performance of an Index. Furthermore, the total return on investment in the Shares of a sub-fund will be reduced by certain costs and expenses which are not taken into account in the calculation of the applicable Index. Moreover, in the event of the temporary suspension or interruption of trading in the Investments comprising the Index, or of market disruptions, rebalancing a sub-fund's investment portfolio may not be possible and may result in deviations from the returns of the Index.

Factors which may impact the ability of a Sub-Fund to track an index

- Transaction costs incurred as a result of an index rebalance: in order to maintain the proportion of each security aligned with the tracked index, a Sub-Fund will need to buy/sell securities whenever the tracked index re-balances/changes its components. These will include any transaction taxes.
- Custody costs: these are incurred by a Sub-Fund for holding the securities it invests in. Custody costs vary by market.
- Dividend/reinvestments: a Sub-Fund may receive dividends as a result of owning stocks. This will usually be paid in cash. A Sub-Fund will usually retain a proportion of cash to be able to deal with day-to-day Sub-Fund management operations to minimise the need to sell any securities. Dividends may sometimes be kept in cash until enough payments have accumulated in order to reinvest in the Sub-Fund's securities.
- Taxes: a Sub-Fund may be liable for taxes such as withholding tax or capital gains tax.
- Currency costs: foreign exchange transactions are generally executed against a determined index benchmark (e.g. Reuters). In some instances, a Sub-Fund may not be able to execute foreign exchange transactions at the same point due to specific currency restrictions by some markets (e.g. Emerging Markets countries).
- Corporate actions: in some instances, the treatment of specific corporate actions (e.g. dividend payments) by the index may differ from how the Sub-Fund treats such corporate action and calculates its Net Asset Value.
- The Sub-Fund will use a Full Replication strategy to track the relevant index, although the Investment Adviser may also decide to employ an Optimised Replication strategy in specific circumstances, including but not limited to, where the size of the Sub-Fund is too small or falls below a threshold and it is not cost effective to adopt a Full Replication strategy or where there are market disruption events (i.e. market access issues).
- The Sub-Fund aims to minimise the tracking error by employing a Full Replication strategy, aiming to hold all of the constituents (or equivalent instruments) of the index, generally in the same proportion in which they are included in the index.

(iii) Concentration risk

An index may be concentrated in companies operating in certain markets or securities listed in certain stock exchanges; therefore any situation impacting such markets or stock exchanges may also impact the index and the Sub-Fund's performance.

(iv) Index calculation risk

The Index Sponsor has entered into an agreement with Euromoney Indices (the Calculation Agent). Under such agreement the Calculation Agent will calculate the indices on behalf of the Index Sponsor which will be used by the

Investment Adviser to manage the Sub-Funds. The agreement is subject to an annual review.

The relevant Sub-Fund may not be able to fulfil its objective and may be terminated if the relevant index ceases to be compiled or published and there is no replacement index using the same or substantially similar formula for the method of calculation as used in calculating the relevant index.

The indices are calculated by the Calculation Agent on behalf of the Index Sponsor without any consideration to the performance of the Sub-Funds. The Calculation Agent and the Index Sponsor make no representation or warranty or recommendation, express or implied, to investors in the Sub-Funds or other persons regarding the advisability of investing in the Sub-Funds. There is no assurance that the Calculation Agent will compile the indices accurately, or that the indices will be determined, composed or calculated accurately. In addition, the process and the basis of computing and compiling the indices and any of its related formulae, constituent companies and factors may at any time be changed or altered without notice.

(v) Composition of the index risk

The composition of the indices may change (e.g. stocks currently comprising the indices may subsequently be delisted. Other stocks may also be added subsequently to become constituent stocks of the indices). The Investment Adviser will seek to implement any change to the indices composition (i.e. to re-balance the portfolio according to the changes of the index) but there is no guarantee the Sub-Funds will accurately reflect the composition of the indices at any given time.

There is also no warranty, representation or guarantee given to the shareholders as to the accuracy or completeness of the relevant underlying indices, their computation or any information related thereto.

(vi) Risk of withdrawal of authorization by the Securities and Futures Commission of Hong Kong ("SFC")

Each Sub-Fund seeks to provide investment results that closely correspond with the performance of the relevant underlying index. The Sub-Funds have been authorized as a collective investment scheme under the Code on Unit Trusts and Mutual Funds by the SFC pursuant to section 104 of the Securities and Futures Ordinance. However, the SFC reserves the right to withdraw the authorization of a Sub-Fund, for example, if the SFC considers the relevant underlying index is no longer acceptable to the SFC. Such acceptance does not imply official approval or endorsement of the index. The SFC's authorisation is not a recommendation or endorsement of a Sub-Fund nor does it guarantee the commercial merits of a Sub-Fund or its performance. This does not mean the Sub-Fund is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

(vii) Index Suitability Risk

In the event that the underlying index ceases to be operated or is not available, the Investment Adviser will in accordance with the Articles of Incorporation, subject to the prior approval of the SFC and by giving at least one month's notice, change the underlying index to a replacement index that is tradable and has similar objectives to the existing index.

(viii) Conflict of Interest Risk

The Investment Adviser, the Company, the Management Company and the Index Sponsor are part of the HSBC Group. The Investment Adviser, Index Sponsor, the Company, and the Management Company may in the due course of their business, have potential conflicts of interest with the Company or any Sub-Fund. In such event, each will at all times have regard to its obligations under any agreements to which it is party or by which it is bound in relation to the Company or any Sub-Fund. In particular, but without limitation to its obligations to act in the best interests of the shareholders when undertaking any dealings or investments where conflicts of interest may arise, each will respectively endeavour to ensure that such conflicts are resolved fairly and in compliance with applicable legal and regulatory requirements.

Since different entities under the same corporate group, the HSBC Group, act as the Investment Adviser, the Company, the Management Company and the Index Sponsor, insolvency and disruption in the operation of any of these entities may lead to suspension of dealing.

2. HSBC GIF – Global Equity

A) Change of name of the Sub-Fund and change of Investment Adviser

The Board has decided to rename the sub-fund HSBC GIF-Global Equity as HSBC GIF-Economic Scale Index Global Equity and to replace the Investment Adviser of the Sub-Fund as described in the table below:

Sub-Fund	Investment adviser until 16 February 2015	Investment adviser from 17 February 2015
HSBC GIF-Global Equity	HSBC Global Asset Management (France)	
HSBC GIF - Economic Scale Index Global Equity		HSBC Global Asset Management (UK) Limited

B) Change of investment objective

The Board has also decided to amend the investment objective of the Sub-Fund as described in the table below:

Investment objective	
Until 16 February 2015 **HSBC GIF - Global Equity**	The Sub-Fund seeks long term capital growth by investing primarily in a well diversified portfolio of investments in equity and equity equivalent securities of companies which have their registered office in, and/or with an official listing on a major stock exchange or other Regulated Market of any country. The Sub-Fund will seek to invest in companies with their registered office in, and/or with an official listing in, developed markets such as OECD countries, and also those in Emerging Markets. Whilst there are no capitalisation restrictions, it is anticipated that the Sub-Fund will invest primarily in larger, established companies. The Sub-Fund may use financial derivative instruments to a limited extent for investment purpose.
From 17 February 2015 **HSBC GIF - Economic Scale Index Global Equity**	The Sub-Fund aims to track the HSBC Economic Scale Index World (the "Global Index") by investing in securities that are included in the Global Index. The Sub-Fund will use a Full Replication strategy to track the Global Index. The Investment Adviser may also decide to employ a strategy of Optimised Replication in specific circumstances including but not limited to where the size of the Sub-Fund is too small or falls below a threshold and it is not cost effective to adopt a fully replicated strategy or where there are market disruption events (i.e. market access issues). The Optimised Replication strategy involves the acquisition of a subset of the component securities of the Global Index and possibly of some securities that are not included in the Global Index that are designed to help the sub-fund track the performance of the Global Index. The Sub-Fund does not intend to enter into any securities lending, repurchase or reverse repurchase transactions or similar over the counter transactions. The Sub-Fund does not intend to use financial derivative instruments extensively for investment purpose. However, the Sub-Fund may also invest in financial derivative instruments for hedging purposes and cash flow management (i.e. Equitisation). Where the Sub-Fund may be restricted to invest in certain components securities of the Global Index, due to HSBC Group and/or local regulator restrictions, the Sub-Fund may use financial derivative instruments (e.g. contracts for difference) to achieve exposure to such components.

On the Transfer Date, HSBC GIF - Global Equity will be transferred to and managed by the new Investment Adviser, HSBC Global Asset Management (UK) Limited, who will transition the portfolio into a passive strategy.

C) Change of fee structure: reduction of management fee

The Board has decided to reduce the management fee of the Sub-Fund as detailed in the table below:

	Until 16 February 2015#						**From 17 February 2015#**					
Class of Shares	**A**	**B**	**E**	**I**	**X**	**J**	**A**	**B**	**E**	**I**	**X**	**J**
Management Fee (%)	1.50	0.75	2.00	0.75	0.60	0.60	0.60	0.30	0.90	0.30	0.30	0.30

The following share classes are available to the public in Hong Kong: AD.

D) Change of NAV calculation

As a result of the Change, the Net Asset Value calculation will be amended as detailed in the table below:

NAV calculation until 16 February 2015	NAV calculation from 17 February 2015
On each Dealing Day.	Requests for the purchase, conversion and redemption of Shares received prior to the dealing cut-off time on a Dealing Day will, if accepted, normally be based on the Net Asset Value per Share which is calculated on the Business Day after the relevant Dealing Day.

The change of NAV calculation is as a result of the Sub-Fund's change of investment strategy to an index tracking strategy, which will allow the Investment Adviser to implement portfolio trades closer to the Index and Sub-Fund valuation point which should minimise the performance difference between the Sub-Fund and the Index. There will be no material impact to the Sub-Fund or its shareholders.

E) Details on the index methodology

The Sub-Fund will use the following methodology:

The Global Index methodology uses a screening process to determine whether a security is eligible for inclusion in the index. Such process takes into consideration:

1. Minimum free floated market capitalisation: free float is defined as the number of shares outstanding and available for purchase multiplied by the share price.
2. Minimum liquidity: this is calculated using the average daily traded value for each security over a period of 6 months.
3. Minimum length of trading: this does not apply to securities resulting from a corporate action that were already part of the Global Index.
4. Foreign ownership availability: the Global Index includes only securities that are available to international investors (i.e. any security restricted to local investors only will be excluded from the index).

The Global Index comprises securities of companies that have their registered office in, and/or with an official listing on a major stock exchange or other Regulated Market in a developed market anywhere in the world. The Global Index comprises more than 1600 constituents in 25 markets.

The HSBC Economic Scale Indices provide investors with a broad equity exposure by weighting firms based on the economic contribution that they make to the global economy. This approach differs to the more traditional market capitalisation indices. The constituent securities of the index are then weighted in proportion to the average annual Valued Added of the company that issued them. Value Added is the difference between a company's outputs and inputs, it is calculated using data in the company's annual financial statements and the averaging is performed over the most recent five years. Value Added is calculated in the similar manner for all sectors with the exception of financials. Lending and deposits are a key component of financial companies' activities therefore better representative measures are used to calculate Value Added for these companies.

Additionally, in the unlikely event that a company's financial statement data is not available, the value will be calculated based on the company's market capitalisation to ensure the Index is representative of its market/region.

The Global Index is calculated and published by Euromoney Indices (the Calculation Agent) on behalf of HSBC Global Asset Management Limited (the Index Sponsor) on a daily basis by using the official closing price in the markets where constituents in the Global Index are traded. The Calculation Agent is not part of the HSBC Group.

The Global Index is available on Bloomberg (HESIYWDU) and on the following website (http://www.global.assetmanagement.hsbc.com/investment-capabilities/alternative-indexation). Further information on the Global Index including a summary of the index methodology, index value, index description, top 10 largest constituents, index weights, sector breakdown, index characteristics, index performance and other important news are available on (http://www.global.assetmanagement.hsbc.com/investment-capabilities/alternative-indexation).

The Investment Adviser, the Company, the Management Company and the Index Sponsor are part of the HSBC Group. The Investment Adviser, the Index Sponsor, the Company and the Management Company are functionally independent of each other. The HSBC Global Asset Management Index Committee ("Index Committee") govern the use of any HSBC Asset Management proprietary indices including but not limited to Index development, Index calculation, and licensing. There are rigorous processes in place to manage any conflict of interests and segregation of duties to ensure that the interests of the Company and the shareholders are not prejudiced. For the avoidance of doubt Index methodology cannot be amended without Index Committee approval. The Investment Adviser, the

Management Company and/or the Company are not involved in the calculation and publication of the Global Index. For further details regarding conflicts of interests, please refer to the section headed "Conflicts of Interest" in the Explanatory Memorandum.

3. HSBC GIF – Japanese Equity

A) Change of name of the Sub-Fund and change of investment objective

The Board has decided to rename the sub-fund HSBC GIF-Japanese Equity as HSBC GIF-Economic Scale Index Japan Equity and to amend the investment objective of the Sub-Fund as describe in the table below:

Investment objective	
Until 16 February 2015 HSBC GIF - Japanese Equity	The Sub-Fund seeks long term capital growth by investing primarily in a well diversified portfolio of investments in equity and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of Japan as well as those companies which carry out a preponderant part of their business activities in Japan. Whilst there are no capitalisation restrictions, it is anticipated that the Sub-Fund will seek to invest primarily in larger, established companies. The Sub-Fund may also invest in financial derivative instruments such as futures, equity swaps options and forward currency contracts and in other currency and equity derivatives. The Sub-Fund intends to use such financial derivative instruments for, inter alia, the purposes of managing market exposure (up to a maximum of 110% of the Sub-Fund's net asset value) and currency positioning but also to enhance return when the Investment Adviser believes the investment in financial derivative instruments will assist the Sub-Fund in achieving its investment objectives. The Sub-Fund does not intend to use financial derivative instruments extensively for investment purpose.
From 17 February 2015 HSBC GIF - Economic Scale Index Japan Equity	The Sub-Fund aims to track the HSBC Economic Scale Index Japan (the "Japan Index") by investing in securities that are included in the Japan Index. The Sub-Fund will use a Full Replication strategy to track the Japan Index. The Investment Adviser may also decide to employ a strategy of Optimised Replication in specific circumstances including but not limited to where the size of the Sub-Fund is too small or falls below a threshold and it is not cost effective to adopt a fully replicated strategy or where there are market disruption events (i.e. market access issues). The Optimised Replication strategy involves the acquisition of a subset of the component securities of the Japan Index and possibly of some securities that are not included in the Japan Index that are designed to help the sub-fund track the performance of the Japan Index. The Sub-Fund does not intend to enter into any securities lending, repurchase or reverse repurchase transactions or similar over the counter transactions. The Sub-Fund does not intend to use financial derivative instruments extensively for investment purpose. However, the Sub-Fund may also invest in financial derivative instruments for hedging purposes and cash flow management (i.e. Equitisation). Where the Sub-Fund may be restricted to invest in certain components securities of the Japan Index, due to HSBC Group and/or local regulator restrictions, the Sub-Fund may use financial derivative instruments (e.g. contracts for difference) to achieve exposure to such components.

On the Transfer Date, the Investment Adviser will transition the portfolio into a passive strategy.

B) Change of fee structure: reduction of management fee

The Board has decided to reduce the management fee of the Sub-Fund as detailed in the table below:

	Until 16 February 2015#						From 17 February 2015#					
Class of Shares	**A**	**B**	**E**	**I**	**X**	**P**	**A**	**B**	**E**	**I**	**X**	**P**
Management Fee (%)	1.50	0.75	2.00	0.75	0.60	1.00	0.60	0.30	0.90	0.30	0.30	0.40

The following share classes are available to the public in Hong Kong: PD.

C) Change of NAV calculation

As a result of the Change, the Net Asset Value calculation will be amended as detailed in the table below:

NAV calculation until 16 February 2015	NAV calculation from 17 February 2015
On each Dealing Day.	Requests for the purchase, conversion and redemption of Shares received prior to the dealing cut-off time on a Dealing Day will, if accepted, normally be based on the Net Asset Value per Share which is calculated on the Business Day after the relevant Dealing Day.

The change of NAV calculation is as a result of the Sub-Fund's change of investment strategy to an index tracking strategy, which will allow the Investment Adviser to implement portfolio trades closer to the Index and Sub-Fund valuation point which should minimise the performance difference between the Sub-Fund and the Index. There will be no material impact to the Sub-Fund or its shareholders.

D) Details on the index methodology

The Sub-Fund will use the following methodology:

The Japan Index methodology uses a screening process to determine whether a security is eligible for inclusion in the index. Such process takes into consideration:

1. Minimum free floated market capitalisation: free float is defined as the number of shares outstanding and available for purchase multiplied by the share price.
2. Minimum liquidity: this is calculated using the average daily traded value for each security over a period of 6 months.
3. Minimum length of trading: this does not apply to securities resulting from a corporate action that were already part of the Japan Index.
4. Foreign ownership availability: the Japan Index includes only securities that are available to international investors (i.e. any security restricted to local investors only will be excluded from the index).

The Japan Index comprises securities of companies that have their registered office in, and/or with an official listing on a major stock exchange or other Regulated Market in Japan. The Japan Index comprises more than 400 constituents.

The HSBC Economic Scale Indices provide investors with a broad equity exposure by weighting firms based on the economic contribution that they make to the global economy. This approach differs to the more traditional market capitalisation indices. The constituent securities of the index are then weighted in proportion to the average annual Valued Added of the company that issued them. Value Added is the difference between a company's outputs and inputs, it is calculated using data in the company's annual financial statements and the averaging is performed over the most recent five years. Value Added is calculated in the similar manner for all sectors with the exception of financials. Lending and deposits are a key component of financial companies' activities therefore better representative measures are used to calculate Value Added for these companies.

Additionally, in the unlikely event that a company's financial statement data is not available, the value will be calculated based on the company's market capitalisation to ensure the Index is representative of its market/region.

The Japan Index is calculated and published by Euromoney Indices (the Calculation Agent) on behalf of HSBC Global Asset Management Limited (the Index Sponsor) on a daily basis by using the official closing price in the markets where constituents in the Japan Index are traded. The Calculation Agent is not part of the HSBC Group.

The Japan Index is available on Bloomberg (HESIYJPU) and on the following website (http://www.global.assetmanagement.hsbc.com/investment-capabilities/alternative-indexation). Further information on the Japan Index including a summary of the index methodology, index value, index description, top 10 largest constituents, index weights, sector breakdown, index characteristics, index performance and other important news are available on (http://www.global.assetmanagement.hsbc.com/investment-capabilities/alternative-indexation).

The Investment Adviser, the Company, the Management Company and the Index Sponsor are part of the HSBC Group. The Investment Adviser, the Index Sponsor, the Company and the Management Company are functionally independent of each other. The HSBC Global Asset Management Index Committee ("Index Committee") govern the use of any HSBC Asset Management proprietary indices including but not limited to Index development, Index calculation, and licensing. There are rigorous processes in place to manage any conflict of interests and segregation of duties to ensure that the interests of the Company and the shareholders are not prejudiced. For the avoidance of doubt Index methodology cannot be amended without Index Committee approval. The Investment Adviser, the Management Company and/or the Company are not involved in the calculation and publication of the Japan Index. For further details regarding conflicts of interests, please refer to the section headed "Conflicts of Interest" in the Explanatory Memorandum.

Questions and Answers

Change to HSBC GIF – Global Equity and HSBC GIF – Japanese Equity (the "Sub-Funds")

What is the change taking place?

The Sub-Funds were previously managed according to an investment process where stock selection was based on a pre determined model aiming at outperforming a market capitalisation weighted index. They will now be managed in accordance with HSBC's Economic Scale Indexation strategy, a passive strategy tracking a non-market capitalisation weighted index.

What is the HSBC Economic Scale Indexation strategy?

The HSBC Economic Scale Indexation strategy is an investment strategy which tracks an index that looks to weight companies based on their economic contribution. HSBC's Economic Scale Indexation strategy (ESI) tracks one of HSBC's proprietary range of fundamental indices. These indices differ from traditional market capitalisation weighted indices as they weight constituents based on their economic 'footprint'.

What are the HSBC Economic Scale Indices?

These indices have been developed by HSBC Global Asset Management and were launched in 2012. They are calculated by Euromoney Institutional Investor Plc (Euromoney Indices team), a specialist index calculation unit based in Edinburgh. They are designed to provide investors with a series of indices based on weights which reflect the economic scale or 'footprint' of companies and countries using the notion of "Value Added" rather than their respective market capitalisation. Value Added** is the difference between a company's output (sales) and inputs (purchases of goods and services from other businesses). These indices aim at outperforming market capitalisation weighted indices.

** The Value Added (surplus) is calculated by summing the following disbursements: Net payments to shareholders, net payments to bondholders, gross salaries paid, net taxes paid by the firm and capital consumption (depreciation).

What is the reason for this change?

The investment advisers of the Sub-Funds review all of its products and capabilities regularly to ensure they continue to align with client needs and business objectives. Key criteria include ongoing client demand, assets under management, profitability, sales interest and commitment, and scalability.

Over the last couple of years, we have seen an increasing interest in equity products that offer an alternative to the traditional market capitalisation weighted strategies. As a result, we are offering our clients worldwide the opportunity to gain exposure to equity markets by investing in our ESI products, allowing the Sub-Funds to provide greater transparency and lower execution cost.

How will the change affect your investment?

The Sub-Funds will continue to be invested in Global/Japanese equities but in a different way as stocks will now be weighted based on their economic footprint. As a result, the universe of stocks and the weightings will differ from the current portfolios:

HSBC GIF - Global Equity as at 30th November 2014		**HSBC Economic Scale Index World as at 30th November 2014**	
Security Name	**Weight (%)**	**Security Name**	**Weight (%)**
Apple	3.5	Walmart	2.3
Amgen	2.0	General Electric	1.2
Verizon Communication	2.0	Exxon Mobil	1.1
AbbVie	1.9	AT&T	1.0
Home Depot	1.9	JPMorgan	0.8
Microsoft	1.9	Wells Far	0.7

Union Pacific Group	1.8	United Parcel	0.6
Commonwealth Bank of Australia	1.7	Bank of America	0.6
Boeing	1.7	Shell	0.6
American Express	1.7	HP	0.6
Number of holdings: 115		**Number of holdings: 1628**	

HSBC GIF - Japanese Equity as at 30th November 2014		**HSBC Economic Scale Index Japan as at 30th November 2014**	
Security Name	**Weight (%)**	**Security Name**	**Weight (%)**
Toyota	6.0	Toyota	4.2
Mitsubishi	2.7	NTT	4.2
Softbank	2.2	Panasonic	3.8
Honda	1.6	Hitachi	3.5
Sumitomo Mitsui Financial Group	1.9	Sony	2.6
Canon	1.5	Canon	1.9
Japan Tobacco	1.4	Honda	1.8
KDDI CORP	1.3	Nissan	1.6
Hitachi	1.3	Toshiba	1.6
Mizuho Financial Group	1.3	NTT Docomo	1.5
Number of holdings: 209		**Number of holdings: 412**	

How is the investment objective changing?

The investment objective of the Sub-Funds will remain focused on long-term capital growth, however this will now be achieved through a passive investment process rather than active stock selection.

How is the performance objective changing?

The change in investment strategy will see a change in performance objective. Funds managed in accordance with the HSBC Economic Scale Index strategy seek to match the performance of the Economic Scale index being tracked.

Is there going to be any change to the investment process?

Yes, currently the Sub-Funds adopt a model approach to select stocks. This, however, will change to an index tracking strategy which aims to track one of the HSBC Economic Scale indices mainly through a replication technique where the portfolio manager aims at holding every stock in the index (where practical). As illustrated above the number of holdings will increase as a result of this replication technique.

How is continuity of fund management being managed - are any members of the team transferring?

As the Sub-Funds are moving to a passive investment approach, they will be managed by a different team (see below) that specialises in indexation fund management. HSBC has been managing passive portfolios since 1988 and manages assets in excess of US Dollars 22 billion as at September 2014 in passive strategies. A working group containing the necessary departments has been set-up to manage the transition of the Sub-Funds. This working group contains members from both the existing and new management teams to ensure that there will be a smooth transition.

Who will be managing the Sub-Funds with the new strategy in place?

The Sub-Funds will be managed by Bijan Seghatchian who is part of the Equity Index and Exchange Traded Fund (ETF) team based in London (7 people) with effect from 17 February 2015. Bijan has been managing the index fund range since 2009 and has been with HSBC since 1995.

When will the transfer take effect?

17th February 2015.

Can shareholders opt out of the transfer?

As an existing Shareholder, due to the changes above you may take the opportunity to switch to any other sub-fund within the HSBC GIF range or fully redeem your investment from your sub-fund(s) free of charge until one business day prior to the Transfer Date. Switches and redemptions will be carried out in accordance with the normal terms disclosed in the Prospectus but without redemption charges and switching fees.

Will there be any costs associated with the transfer charged to shareholders?

Our dealing team has estimated the transition cost in current market conditions (as at October 2014); this includes commission, taxes, and assumes we trade Market on Close:

Fund	**Estimated transition costs (%)**
HSBC GIF - Global Equity	0.11
HSBC GIF - Japanese Equity	0.13

What are the total fees?

The total fees will change as a result of the lowering of the Management Fee (no change to the Operating, Administrative and Servicing Expenses):

Class of Shares#	**A**	**B**	**E**	**I**	**X**	**J**
HSBC GIF Global Equity Management Fee (%) until 16 February 2015	1.50	0.75	2.00	0.75	0.60	0.60
HSBC GIF ESI Global Equity Management Fee (%) from 17 February 2015	0.60	0.30	0.90	0.30	0.30	0.30

The following classes are available to the public in Hong Kong: AD.

Class of Shares#	**A**	**B**	**E**	**I**	**X**	**P**
HSBC GIF Japanese Equity Management Fee (%) until 16 February 2015	1.50	0.75	2.00	0.75	0.60	1.00
HSBC GIF ESI Japan Equity Management Fee (%) from 17 February 2015	0.60	0.30	0.90	0.30	0.30	0.40

The following classes are available to the public in Hong Kong: PD.

Who should we contact if we want more information?

Please contact your local distributor for further information.

HSBC

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 "HSBC GIF")
16, Boulevard d'Avranches, L-1160 Luxembourg
Grand Duchy of Luxembourg
RCS Luxembourg B 25 087

19 December 2014

Dear Shareholder,

HSBC Global Investment Funds – BRIC Markets Equity

We are writing to inform you of some important changes being made to the HSBC Global Investment Funds – BRIC Markets Equity (the "Sub-Fund"). The changes which will be effective from 26 January 2015 (the "Effective Date"), are summarised below.

1) Change of Investment Objective

The board of directors of HSBC GIF (the "Board") has decided to amend the investment objective of the Sub-Fund as described in the table below.

There will be no change to the existing risk profile of the Sub-Fund and to the Profile of the Typical Investor applicable to the Sub-Fund.

Sub-Fund	**Investment Objective until 25 January 2015**	**Investment Objective from 26 January 2015**
HGIF- BRIC Markets Equity	*The sub-fund will invest primarily in equity and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market in Brazil, Russia, India and China (including Hong Kong SAR) ("BRIC") as well as those companies with significant operations or carrying out a preponderant part of their business activities in these countries. The sub-fund will strategically allocate between the BRIC countries and the Investment Adviser may over or underallocate between the BRIC countries as considered appropriate. Within each BRIC country, the sub-fund will seek to outperform the total return performance of indices. The indices will typically be dominated by large company stocks in terms of their aggregate weight in the relevant index.*	*The sub-fund aims to provide long term total return by investing in a portfolio of equities from Brazil, Russia, India and China (including Hong Kong SAR) (BRIC).* *The sub-fund invests (normally a minimum of 90% of its net assets) in equities and equity equivalent securities of companies which are based in Brazil, Russia, India and China (including Hong Kong SAR) (BRIC) as well as those companies which carry out the larger part of their business activities in these countries.* *The sub-fund normally invests across a range of market capitalisations.* *The sub-fund may achieve its investment policy by investing up to 10% of its net assets in units or shares of UCITS and/or other Eligible UCIs (excluding other sub-funds of HSBC Global Investment Funds).*

Sub-Fund	Investment Objective until 25 January 2015	Investment Objective from 26 January 2015
HGIF- BRIC Markets Equity	*The sub-fund may acquire local currencies by means of back-to-back loans with highly rated credit institutions. The sub-fund may also invest in financial derivative instruments such as futures, equity swaps, options and forward currency contracts and in other currency and equity derivatives. The sub-fund intends to use such financial derivative instruments for, inter alia, the purposes of managing market exposure (up to a maximum of 110% of the sub-fund's net asset value) and currency positioning but also to enhance return when the Investment Adviser believes the investment in financial derivative instruments will assist the sub-fund in achieving its investment objectives.*	*The sub-fund may achieve its investment objective by investing in financial derivative instruments. However, the sub-fund does not intend to invest in financial derivative instruments extensively for investment purposes and their primary use will be for hedging and efficient portfolio management, including purposes such as cash flow management.* *Financial derivative instruments that the sub-fund may use include, but are not limited to, foreign exchange forwards (including non-deliverable forwards) and on-exchange traded index futures. Financial derivative instruments may also be embedded in other instruments used by the fund (for example, participation notes and convertibles).*

With the amendments to the investment objective the Board would like to describe the market capitalization of the stocks that the Sub-Fund's portfolio will hold and how financial derivative instruments can be used. The Sub-Fund will also be allowed to invest up to 10% of its assets in UCITS and/or other Eligible UCIs (excluding other sub-funds of HSBC GIF).

The investment benchmark for the Sub-Fund for comparison purposes has been MSCI BRIC Net (a market capitalisation index). From the Effective Date, the investment benchmark for the Sub-Fund will be changed to an equally weighted country benchmark comprised of 25% MSCI Brazil Net, 25% MSCI China Net, 25% MSCI Russia Net and 25% MSCI India Net. Investors should therefore expect a more equally weighted country allocation in the Sub-Fund.

Approximately two Business Days prior to the Effective Date the Investment Adviser is expected to commence a repositioning of the Sub-Fund's portfolio. All transaction costs of buying and selling securities associated with the implementation of the portfolio repositioning will be covered by the Sub-Fund. The Investment Adviser expects to change approximately 50% of the stocks of the Sub-Fund's portfolio, as a result of the repositioning of the portfolio required to align the Sub-Fund with the new investment benchmark. However the investment universe of the Sub-Fund will not change and the Sub-Fund will continue to be invested in a portfolio of equities from the four BRIC countries. The Investment Adviser will seek to ensure these expenses, which should not exceed 0.5% of the Sub-Fund's total net assets, are minimised.

2) Change of Investment Adviser

The Board has decided to change the Investment Adviser of the Sub-Fund as described in the table below:

Sub-Fund	Investment Adviser until 25 January 2015	Investment Adviser from 26 January 2015
HSBC GIF- BRIC Markets Equity	HSBC Global Asset Management (France)	HSBC Global Asset Management (UK) Limited

The change of Investment Adviser is due to an internal restructure aimed at optimising a consistent investment process through the global emerging markets equity strategies pursued by the Company. This change will have no impact on the investment objective of the Sub-Fund or the way the Sub-Fund is managed and the level of fees charged to the Shareholders.

As an existing Shareholder, due to the changes under item 1 above, you may take the opportunity to switch to any other sub-fund within the HSBC GIF range or fully redeem your investment from the Sub-Fund free of charge until 23 January 2015. Switches and redemptions will be carried out in accordance with the normal terms disclosed in the Explanatory Memorandum. However, please note that some distributors, paying agents, correspondent banks or intermediaries might charge switching and/or transaction fees or expenses at their own discretion.

The Board would like to reassure Shareholders that they will not incur any additional costs such as regulatory, legal and administrative costs associated with the implementation of these changes and that the terms and conditions regulating their investments will remain the same.

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

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
For and on behalf of the Board

HSBC

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 "HSBC GIF")
16, Boulevard d'Avranches, L-1160 Luxembourg
Grand Duchy of Luxembourg
RCS Luxembourg B 25 087

19 December 2014

Dear Shareholder,

HSBC Global Investment Funds – Euro High Yield Bond

We are writing to inform you of some important changes being made to the HSBC Global Investment Funds – Euro High Yield Bond (the "Sub-Fund"). The changes are summarised below.

HSBC Global Investment Funds – Euro High Yield Bond: Change of Investment Objective

The board of directors of HSBC GIF (the "Board") has decided to amend the investment objective of the Sub-Fund which will read as follows as from 30 January 2015.

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

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

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

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

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

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

The amendments to the Sub-Fund's investment objective are due to a change of target investments. Currently the Sub-Fund may invest in fixed income securities in other European currencies, including Sterling; from 30 January 2015 the Sub-Fund will be allowed to invest in fixed income securities denominated in Euro and on an ancillary basis (normally up to 10% of the its net assets) in other developed market currencies. The Sub-Fund will normally hedge the exposure to non-Euro denominated securities into Euro. The Sub-Fund will also be allowed to invest up to 10% of its assets in UCITS and/or other Eligible UCI (including other sub-funds of HSBC GIF).There is no change to the existing risk profile of the Sub-Fund.

As an existing Shareholder, due to the above-mentioned changes you may take the opportunity to switch to any other sub-fund within the HSBC GIF range or fully redeem your investment from your sub-fund free of charge until 29 January 2015. Switches and redemptions will be carried out in accordance with the normal terms disclosed in the Explanatory Memorandum. However, please note that some distributors, paying agents, correspondent banks or intermediaries might charge switching and/or transaction fees or expenses at their own discretion.

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

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

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
For and on behalf of the Board

HSBC

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
("HSBC GIF")
16, Boulevard d'Avranches, L-1160 Luxembourg
Grand Duchy of Luxembourg
RCS Luxembourg B 25 087

19 December 2014

Dear Shareholder,

HSBC Global Investment Funds – Global Bond

We are writing to inform you of a clarification being made to the investment objective of HSBC Global Investment Funds – Global Bond (the "Sub-Fund"). The clarification is summarised below.

HSBC Global Investment Funds – Global Bond: Clarification of Investment Objective

The board of directors of HSBC GIF (the "Board") would like to clarify the investment objective of the Sub-Fund, to ensure that Shareholders are fully aware that the Sub-Fund has always invested in Asset Backed Securities and Mortgage Backed Securities among the investments of the Sub-Fund. The Sub-Fund's investment objective will be amended to read as follows:

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

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

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

The Sub-Fund's exposure to ABS and MBS in the past has been between 10% and 30% of its net assets and it is expected to remain within this range in the future.

The Board would like to reassure Shareholders that there is no change to the existing investment strategy of the Sub-Fund and its portfolio and that this clarification has no impact on the existing risk profile of the Sub-Fund. Shareholders will not incur any costs associated with the implementation of this clarification and the terms and conditions regulating their investments will remain the same.

Shareholders should note the risks associated with the investments in ABS and MBS as follows:-

Asset Backed Securities and Mortgage Backed Securities

ABS and MBS securities are subject to risks including but not limited to (i) prepayment risk – the frequency at which prepayments occur on loans underlying ABS will be affected by a variety of factors including interest rates as well as economic, demographic, tax, social, legal and other factors; (ii) subordinated risk - investments in subordinated ABS involve greater risk of default and loss than the senior classes of the issue or series; (iii) capital value risk - if borrowers are not able or willing to refinance or dispose of encumbered property to pay the principal and interest owed on mortgage loans, payments on the subordinated classes of the related MBS are likely to be adversely affected;

(iv) economic risk - Any decrease in income or value of the commercial real estate underlying an issue of Commercial Mortgage Backed Securities (CMBS) could result in cash flow delays and losses on the related issue of CMBS; and (v) re-financing risk – unavailability of real estate financing for mortgage loans on commercial and residential properties may lead to default.

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

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
For and on behalf of the Board

HSBC

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
("HSBC GIF")
16, Boulevard d'Avranches, L-1160 Luxembourg
Grand Duchy of Luxembourg
RCS Luxembourg B 25 087

19 December 2014

Dear Shareholder,

HSBC Global Investment Funds – US Dollar Bond

We are writing to inform you of a clarification being made to the investment objective of HSBC Global Investment Funds – US Dollar Bond (the "Sub-Fund"). The clarification is summarised below.

<u>HSBC Global Investment Funds – US Dollar Bond: Clarification of Investment Objective</u>

The board of directors of HSBC GIF (the "Board") would like to clarify the investment objective of the Sub-Fund, to ensure that Shareholders are fully aware that the Sub-Fund has always invested in Asset Backed Securities and Mortgage Backed Securities among the investments of the Sub-Fund. The Sub-Fund's investment objective will be amended to read as follows:

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

The sub-fund may invest significantly (up to 50% of its net assets) in Asset Backed Securities ("ABS") and Mortgage Backed Securities ("MBS"), including those backed by the government of the United States of America.

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

The Sub-Fund's exposure to ABS and MBS in the past has been between 30% and 50% of its net assets and it is expected to remain within this range in the future.

The Board would like to reassure Shareholders that there is no change to the existing investment strategy of the Sub-Fund and its portfolio and that this clarification has no impact on the existing risk profile of the Sub-Fund. Shareholders will not incur any costs associated with the implementation of this clarification and the terms and conditions regulating their investments will remain the same.

Shareholders should note the risks associated with the investments in ABS and MBS as follows:-

Asset Backed Securities and Mortgage Backed Securities

ABS and MBS securities are subject to risks including but not limited to (i) prepayment risk – the frequency at which prepayments occur on loans underlying ABS will be affected by a variety of factors including interest rates as well as economic, demographic, tax, social, legal and other factors; (ii) subordinated risk - investments in subordinated ABS involve greater risk of default and loss than the senior classes of the issue or series; (iii) capital value risk - if borrowers are not able or willing to refinance or dispose of encumbered property to pay the principal and interest owed on mortgage loans, payments on the subordinated classes of the related MBS are likely to be adversely affected; (iv) economic risk - Any decrease in income or value of the commercial real estate underlying an issue of Commercial

Mortgage Backed Securities (CMBS) could result in cash flow delays and losses on the related issue of CMBS; and (v) re-financing risk – unavailability of real estate financing for mortgage loans on commercial and residential properties may lead to default.

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

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

HSBC

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 "Fund" or "HGIF")
16, Boulevard d'Avranches, L-1160 Luxembourg
Grand Duchy of Luxembourg
RCS Luxembourg B 25 087

13 October 2014

Dear Shareholder,

HSBC Global Investment Funds
- **HSBC Global Investment Funds - Asia ex Japan Equity**
- **HSBC Global Investment Funds - Asia ex Japan Equity Smaller Companies**
- **HSBC Global Investment Funds - Asia Pacific ex Japan Equity High Dividend**
- **HSBC Global Investment Funds - Brazil Equity**
- **HSBC Global Investment Funds - BRIC Equity**
- **HSBC Global Investment Funds - BRIC Markets**
- **HSBC Global Investment Funds - BRIC Markets Equity**
- **HSBC Global Investment Funds - China Consumer Opportunities**
- **HSBC Global Investment Funds - Chinese Equity**
- **HSBC Global Investment Funds - Emerging Wealth**
- **HSBC Global Investment Funds - Euro High Yield Bond**
- **HSBC Global Investment Funds - Euroland Equity**
- **HSBC Global Investment Funds - Euroland Equity Smaller Companies**
- **HSBC Global Investment Funds - European Equity**
- **HSBC Global Investment Funds - Global Bond**
- **HSBC Global Investment Funds - Global Emerging Markets Bond**
- **HSBC Global Investment Funds - Global Emerging Markets Equity**
- **HSBC Global Investment Funds - Global Equity**
- **HSBC Global Investment Funds - Global Equity Climate Change**
- **HSBC Global Investment Funds - Global Equity Volatility Focused**
- **HSBC Global Investment Funds - Global High Income Bond**
- **HSBC Global Investment Funds - Global High Yield Bond**
- **HSBC Global Investment Funds - Hong Kong Equity**
- **HSBC Global Investment Funds - Indian Equity**
- **HSBC Global Investment Funds - Japanese Equity**
- **HSBC Global Investment Funds - Korean Equity**
- **HSBC Global Investment Funds - Latin American Equity**
- **HSBC Global Investment Funds - Managed Solutions – Asia Focused Conservative**
- **HSBC Global Investment Funds - Managed Solutions – Asia Focused Growth**
- **HSBC Global Investment Funds - Managed Solutions – Asia Focused Income**
- **HSBC Global Investment Funds - Russia Equity**
- **HSBC Global Investment Funds - Singapore Equity**
- **HSBC Global Investment Funds - Taiwan Equity**
- **HSBC Global Investment Funds - Thai Equity**
- **HSBC Global Investment Funds - UK Equity**
- **HSBC Global Investment Funds - US Dollar Bond**
- **HSBC Global Investment Funds - US Equity**

(each a "Sub-Fund", collectively the "Sub-Funds")

Re Transfer of activities from HSBC Securities Services (Luxembourg) S.A. to HSBC Bank plc, Luxembourg Branch

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

Capitalised terms used within this letter are defined in the Explanatory Memorandum.

The board of directors of the Fund and the board of directors of the Management Company (HSBC Investment Funds (Luxembourg) S.A.) have been informed by HSBC Securities Services (Luxembourg) S.A. ("HSSL") that HSSL has decided to transfer all of its activities to HSBC Bank plc, Luxembourg Branch with effect from the close of business on Friday 14 November 2014 (the "Effective date"). The activities will be transferred in a manner to ensure there is no break in continuity of services. This transfer is subject to regulatory approval and should the transfer not take place we will write to you again in due course.

The transfer is aligned with the HSBC Group's strategic objective of streamlining and simplifying its structure across its global operations and is supported by HSBC's Group senior management. The transfer will also allow a better alignment with the Corporate Banking/Payment & Cash Management activities of HSBC in Luxembourg as all HSBC Global Banking & Markets customers will be served by one entity in Luxembourg.

The activities will be transferred in a manner to ensure there is no break in continuity of services and the level of service will be consistent with what the Fund currently receives.

This change will allow HSBC in Luxembourg to continue to deliver an excellent level of service to its clients, who will be now working with a direct branch of HSBC Bank plc. The client benefits related to the transfer include improved counterparty risk and working with a larger capitalised entity. HSSL client accounts will continue to be serviced from Luxembourg in accordance with client requirements.

As a consequence of this transfer, HSBC Bank plc, Luxembourg Branch will become the Administration Agent, Domiciliary Agent, Depositary Bank (i.e. custodian of the assets), Registrar and Transfer Agent of the Fund and the Sub-Funds.

This transfer does not affect the way in which the Fund and the Sub-Funds are managed. The board of directors of the Fund and the board of directors of the Management Company have reviewed the proposal and concluded that there will not be any negative impact on the Fund or its shareholders. There will be no changes to fees and charges following this transfer and there will be no additional costs incurred by you as a shareholder as a result of the transfer.

This change does not require any action by the shareholder.

As a Shareholder, you may take the opportunity to redeem your investment free of charge from the Fund until 14 November 2014, in accordance with the terms disclosed in the Explanatory Memorandum.

The Hong Kong Representative accepts responsibility for the accuracy of the information contained in this letter.

Should you have any questions or concerns about this transfer, please contact 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

For and on behalf of HSBC Investment Funds (Hong Kong) Limited
Hong Kong Representative of HSBC Global Investment Funds

This Summary has been written and authorised for distribution in the Hong Kong Special Administrative Region ("Hong Kong") only. It does not constitute a distribution of information or an offer in any other jurisdiction.

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

Level 22, HSBC Main Building
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

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

All HSBC funds are established either as mutual funds in Luxembourg, or as unit trusts in the Cayman Islands (in this booklet the terms “unit trusts” and “funds” are used to describe all funds). Details of the administrators for each fund are set out on page 70.

Please also refer to “Glossary for HSBC Global Investment Funds” on page 47 for the defined terms of HSBC Global Investment Funds.

Selling restrictions

Selling restrictions for HSBC Global Investment Funds

United States

The shares in the fund have not been and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”) or under the securities laws of any state and the fund has not been and will not be registered under the Investment Company Act of 1940, as amended (the “Investment Company Act”). This Explanatory Memorandum may not be distributed, and the shares in the fund may not be offered or sold within the United States or to United States Persons, except in a transaction not subject to, or pursuant to an exemption from, the registration requirements of the Securities Act and any applicable state securities laws and which would not require the fund to register under the Investment Company Act. The fund reserves the right to compulsorily redeem shares owned directly or beneficially by any United States Person. The term “United States Person” or “U.S. Person” shall mean a natural person, citizen or resident of the United States of America, a partnership organised or existing under the laws of any state, territory or possession of the United States of America, or a corporation organised under the laws of the United States of America or of any state, territory or possession thereof, or any estate or trust, other than an estate or trust the income of which from sources outside the United States of America is not includable in gross income for purpose of computing United States income tax payable by it. If a shareholder subsequently becomes a “United States Person” and such fact comes to the attention of the fund, shares owned by that person may be compulsorily repurchased by the fund. For the purposes of this restriction, a United States Person shall also be considered as an entity organized principally for passive investment (such as a commodity pool, investment company, or other similar entity, other than an employee benefit plan or a pension plan for the employees, officers, or principals of an entity organized and with its principal place of business outside the United States and which is established and administered in accordance with the laws of a country other than the United States and customary practices and documentation of such country) in which U.S. Persons hold units of participation, or which has as a principal purpose the facilitating of investment by U.S. Persons in a sub-fund; or a partnership, corporation, or other entity created, organized, or incorporated under the laws of a country other than the United States, not having its principal place of business in the United States, and formed by a U.S. Person principally for the purpose of facilitating investment in securities not registered under the US Securities Act of 1933 as amended; or an estate or trust of which any executor, administrator, or trustee is a U.S. Person; or an agency or branch of a non-US entity located in the United States; a non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. Person; or a discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if a natural person) resident in the United States.

Any shareholders or beneficial owner of shares identified as U.S. Persons under the above definition will be prevented from switching between sub-funds/share classes within a sub-fund and making additional investments. Any switch shall be treated as redemption followed by a subscription. The subscription shall be refused. Appropriate information shall be provided the relevant person.

Canada

Shares in the fund may not be directly or indirectly offered or sold in Canada or in its territories or possessions or to any resident in Canada. The fund reserves the right to compulsorily redeem shares owned directly or beneficially by any Canadian resident.

Selling restrictions for HSBC Global Money Funds, HSBC Investment Funds Trust, HSBC Managed Balanced Fund, HSBC Managed Growth Fund and HSBC Managed Stable Fund

United States

Units have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") or under the securities laws of any state and the funds have not been and will not be registered under the Investment Company Act of 1940, as amended (the "Investment Company Act").

Units of the funds may not be offered or sold to any "U.S. Person" (a "USP"). For the purposes of this restriction, the term USP shall mean the following:

1. An individual who is deemed a resident of the U.S. under any U.S. law or regulation

2. An entity:

   i. that is a corporation, partnership, limited liability company or other business entity:

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

   ii. that is a trust created or organized under U.S. federal or state law or regardless of the place of creation or organization;
      a. where one or more USPs has the authority to control all substantial decisions of the trust; or
      b. where the administration of the trust or its formation documents are subject to the supervision of one or more U.S. courts: or
      c. where any settlor, founder, trustee, or other person responsible for decisions related to the trust is a USP; or

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

3. An employee benefit plan established and administered in accordance with the laws of the U.S.

4. A discretionary or non-discretionary investment account or similar account (other than an estate or trust) held by a non-U.S. or U.S. dealer or other fiduciary for the benefit or account of a USP (as defined above).

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

   If, subsequent to a unitholder's investment in the funds, the unitholder becomes a USP, such unitholder (i) will be restricted from making any additional investments in the funds and (ii) as soon as practicable have its units compulsorily redeemed by the funds (subject to the requirements of applicable law).

   The Manager may, from time to time, waive or modify the above restrictions, subject to the provisions of the Trust Deed.

Canada

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

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

Cayman Islands

No offer or invitation to subscribe for units may be made to the public in the Cayman Islands.

Dealings in HSBC unit trusts

Dealings in HSBC unit trusts take place through HSBC Investment Funds (Hong Kong) Limited (called "we" or "us" in this booklet), which acts as either the Manager or the Hong Kong Representative of the funds. Dealings take place on each Dealing Day.

The Dealing Days of the funds are:

Sub-funds of HSBC Global Investment Funds	Every day (other than Saturday) on which banks in both Luxembourg and Hong Kong are open for normal banking business, and which is also for the relevant sub-fund a day on which stock exchanges and Regulated Markets in countries where the sub-fund is materially invested are open for normal trading. Exceptions to the above-mentioned definition are disclosed in the chapter headed "Fund details" under the section headed "Net asset value calculation" in relation to the relevant sub-fund on page 79 to 106. The latest list of business days which are not Dealing Days will be listed in the annual and semi-annual reports of HSBC Global Investment Funds.

HSBC Asian Bond Fund, HSBC Asian High Yield Bond Fund, HSBC Managed Balanced Fund, HSBC Managed Growth Fund, HSBC Managed Stable Fund and sub-funds of HSBC Global Money Funds	Every day (other than a Saturday) on which banks in Hong Kong are open for normal banking business.
HSBC China Growth Fund	Every day (other than a Saturday) on which stock exchanges in Hong Kong, Shenzhen and Shanghai are open for normal business.
HSBC China Momentum Fund	Every day (other than a Saturday). If such day is not a day on which stock exchanges in Hong Kong, Shenzhen and Shanghai are open for normal business, then the Dealing Day will be the immediate following day on which stock exchanges in those areas are open for normal business, excluding Saturday.

Lists of 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 in the funds may be suspended or deferred.

Requests for issue and redemption of units or shares of the relevant fund received before the applicable dealing deadline on a Dealing Day will be dealt with on the same Dealing Day (please note the additional requirements for the sub-funds of HSBC Global Money Funds mentioned below). Payment of subscription monies must be made at the time of application. Requests for the issue and redemption of units or shares received on a day which is not a Dealing Day or requests which are received after the dealing deadline will be dealt with on the next Dealing Day. Details of the dealing deadline for each fund can be found on page 54. For applications to subscribe or to switch into the sub-funds of HSBC Global Money Funds, we will only deal with the applications and issue units of the funds upon receipt of the subscription proceeds (or in the case of switching, the redemption proceeds of the fund switched out by the investors) in cleared fund.

Application for units or shares

To apply for units or shares in any 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 units or shares. Please refer to page 54 for the minimum investment of each fund (for both initial and each subsequent investment unless otherwise specified). Payment can be telegraphically transferred to our bank accounts (the details of which are shown on the application form) in Hong Kong dollars, US dollars, Pounds Sterling, Australian dollars, Canadian dollars or Euro. Alternatively, payment can be made by cheque in Hong Kong dollars. Please note that bank charges may be deducted by the remitting bank. Such charges will be borne by the investor. No third party payment will be accepted.

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 from the dealing currency of the relevant class of the relevant fund will be converted into the dealing currency of the relevant class of the relevant fund before being used to purchase units or shares. The cost of currency conversion and other expenses will be borne by investor.

Units or shares will be issued at the offer price (i.e. subscription price) of the relevant fund which includes a sales charge of up to 5.5% of the offer price.

Units or shares will be issued in registered form and normally no certificate will be issued. If certificates are issued on request of an investor, they will be sent by post to the investor upon acceptance of the investor's application and the receipt of cleared funds, at the investor's risk. No certificates will be issued to investors who use our nominee service, or who invest in our HSBC Monthly Investment Plan. A contract note will normally be issued within 2 business days after the unit or share price is available and will be sent by post.

The Manager or Management Company of a fund has the discretion to accept or reject any application for units or shares. You declare that you are not a "United States Person", a "U.S. Person", or a Canadian resident or such other persons to whom shares or units of the funds may not be offered (as defined under "Selling restrictions" on page 1 of this Summary). You must inform us immediately when you become a "United States Person", a "U.S. Person", or a Canadian resident, in which circumstances you may be obliged to redeem your shares or units. The funds established in Cayman Islands also will not accept applications from Cayman Islands residents.

Certain classes of units or shares are only available to investors and intermediaries selected by the Manager or Management Company of the relevant fund at its discretion. Please refer to page 54 for further details. Applicants should contact the relevant intermediary or the Manager or Hong Kong Representative of the relevant fund before making an application. When dealing through an intermediary, investors also need to follow the terms of the intermediary.

Realisation of units or shares

Investors may redeem their units or shares in any fund on any Dealing Day except when dealings are suspended (please see page 8). Partial redemption is permitted of amounts greater than USD1,000 / HKD10,000 (we have the discretion to accept partial redemption of smaller amounts), provided that the remaining holding is not less than the minimum investment (please see page 54).

Units or shares will be redeemed at the bid price (i.e. redemption price) of the relevant 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 shareholders protection mechanism in relation to HSBC Global Investment Funds" on page 66. Written redemption requests are required for redemption. Redemption requests must be received by us before the dealing deadline applicable to the relevant fund. Certificates issued must be received by us before redemption proceeds can be released.

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 of redemption, and not more than 28 days. Please note that any bank charges imposed will be borne by the investor.

Certain classes of units or shares are only available to investors and intermediaries selected by the Manager or Management Company of the relevant fund at its discretion. Please refer to page 54 for further details. Applicants should contact the relevant intermediary or the Manager or Hong Kong Representative of the relevant fund before making an application. When dealing through an intermediary, investors also need to follow the terms of the intermediary.

Switching between funds

Subject to any suspension of dealings, investors can switch all or part of their units or shares in any fund into units or shares in any other HSBC funds (subject to any restrictions applicable to any unit or share class). Substantial discounts are available on sales charge of new units or shares, provided that investors who initially invest in the funds where no or low sales charges are payable and subsequently switch into funds with higher sales charges may be subject to the sales charges normally payable on direct investments into the new units or 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 shareholders protection mechanism in relation to HSBC Global Investment Funds" on page 66. Details can be obtained from us. There is no sales charge for switching into the sub-funds of HSBC Global Money Funds.

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

Certain classes of units or shares are only available to investors and intermediaries selected by the Manager or Management Company of the relevant fund at its discretion. Please refer to page 54 for further details. Applicants should contact the relevant intermediary or the Manager or Hong Kong Representative of the relevant fund before making an application. When dealing through an intermediary, investors also need to follow the terms of the intermediary

Prevention of Money Laundering

The funds, their service providers and other members of the HSBC Group (including but not limited to the Management Company, Manager and Trustee of the relevant funds (as the case may be) and their respective delegates) 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 funds, any of their 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 funds, any service provider of the funds 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 funds, their 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:

(i) any delay or failure of the funds, any of their 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 funds, any of their 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

(ii) the exercise of any of the rights of the funds, their service providers and other members of the HSBC Group under this section.

In certain circumstances, the action which the funds, any of their 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 funds, their 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.

Additional prevention of money laundering policy in relation to HSBC Global Investment Funds:

In Luxembourg, pursuant to the laws of 19 February 1973 (as amended) to combat drug addiction, of 5 April 1993 (as amended), relating to the financial sector and of 12 November 2004 (as amended) on the fight against money laundering and terrorist financing and to the relevant circulars of the Luxembourg supervisory authority, obligations have been imposed on professionals of the financial sector to prevent the use of undertakings for collective investment such as HSBC Global Investment Funds for money laundering and terrorist financing purposes ("AML & KYC"). As a result of such provisions, the registrar agent of a Luxembourg undertaking for collective investment shall in principle ascertain the identity of the subscriber in accordance with Luxembourg laws and regulations. The registrar agent may require subscribers to provide any document it deems necessary to effect such identification.

In case of delay or failure by an applicant to provide the documents required, the application for subscription (or, if applicable, for redemption) will not be accepted. Neither the undertakings for collective investment nor the registrar agent have any liability for delays or failure to process deals as a result of the investor providing no or only incomplete documentation.

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

An application form will be completed by each new investor. The list of identification documents to be provided by each investor will be based on the AML & KYC requirements as stipulated in the CSSF's circulars and regulations as amended from time to time and based on the AML & KYC Guidelines of the Registrar and Transfer Agent. These requirements may be amended, from time to time, upon the introduction of new Luxembourg regulations.

Measures aimed towards the prevention of money laundering may require a detailed verification of an investor's identity in accordance with the applicable laws and regulations in Luxembourg and/or other places.

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

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

Additional prevention of money laundering policy in relation to HSBC Global Money Funds, HSBC Investment Funds Trust, HSBC Managed Balanced Fund, HSBC Managed Growth Fund and HSBC Managed Stable Fund:

In relation to each of HSBC Global Money Funds, HSBC Investment Funds Trust, HSBC Managed Balanced Fund, HSBC Managed Growth Fund and HSBC Managed Stable Fund, in order to comply with regulations aimed at the prevention of money laundering in any applicable jurisdictions, the Manager and the Trustee of the relevant funds and their respective delegates may require prospective investors to provide evidence to verify their identity and the source of payment of subscription monies. Accordingly, each of the Manager, the Trustee and their respective delegates reserves the right to request such information as it considers necessary to verify the identity of a prospective investor and the source of payment of subscription monies. The Manager, the Trustee and/or their respective delegates may refuse to accept any subscription application if a prospective investor delays in producing or fails to produce any information required by the Manager, the Trustee and/or their respective delegates, for the purpose of verification and, in that event, any funds received will be returned without interest to the account from which the monies were originally debited. Each of the Manager, the Trustee and their respective delegates may also refuse to process any redemption request or delay payment of redemption proceeds if a unitholder requesting for redemption delays in producing or fails to produce any information required by the Manager, the Trustee and/or their respective delegates. Neither the Manager, the Trustee, nor their respective delegates shall be liable to any prospective investor or unitholder (as the case may be) for any loss suffered by the prospective investor or unitholder (as the case may be) as a result of the rejection of any subscription or redemption request or delay of subscription or payment of redemption proceeds.

If any person resident in the Cayman Islands knows or suspects or has reasonable grounds for knowing or suspecting that another person is engaged in criminal conduct or is involved with terrorism or terrorist property and the information for that knowledge or suspicion came to their attention in the course of business in the regulated sector (as such term is defined in the Proceeds of Crime Law, 2008 of the Cayman Islands and the Terrorism Law (2011 Revision) of the Cayman Islands), the person will be required to report such knowledge or suspicion to (i) the Financial Reporting Authority of the Cayman Islands, pursuant to the Proceeds of Crime Law, 2008 if the disclosure relates to criminal conduct or money laundering, or (ii) a police officer of the rank of constable or higher pursuant to the Terrorism Law (2011 Revision) if the disclosure relates to involvement with terrorism or terrorist financing and property. Such a report shall not be treated as a breach of confidence or of any restriction upon the disclosure of information imposed by any enactment or otherwise.

Valuation

Bid and offer prices of the funds are calculated for each Dealing Day (normally after the dealing deadline), and the prices calculated will apply to all applications / redemptions / switchings processed on that Dealing Day. In other words, the unit or share prices are not yet available at the time application, redemption or switching instructions are received by us, and investors deal at an unknown unit or share price.

Type of units or shares

Under the constitutive documents of the funds, the funds can issue more than one class of units or shares. Different classes of units or shares may have different rights and characteristics, such as fee structure and dividend policy. Certain classes of units or shares are only available to investors and intermediaries selected by the Manager or Management Company of the relevant fund at its discretion. Please refer to page 54 for further details.

Charges

A sales charge of up to 5.5% of the offer price will be imposed by the Manager or Management Company of a fund. In addition, the relevant Manager or Management Company currently charge a management fee of up to 1.75% per annum, calculated daily and based on the net asset value of the relevant fund. Certain classes of units or shares also need to pay performance fee and / or annual distribution charge. The relevant Manager or Management Company may pay the whole or a part of these charges to any intermediary. Details of these charges and other expenses are set out on page 54.

Publication of prices

Our funds are valued for every Dealing Day. The prices of units or shares are quoted in The South China Morning Post, The Hong Kong Economic Journal and The Hong Kong Economic Times. Investors can also obtain information on our fund prices by calling our Customer Service Hotline on 2284 1118.

Reports and accounts

Audited annual accounts for each 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 each fund's financial mid-year. The annual report and half yearly reports will also be available on the website of HSBC Global Asset Management at www.assetmanagement.hsbc.com/hk[1].

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[1] The website has not been reviewed by the SFC.

Such annual and half yearly reports will only be provided in English.

For HSBC Global Investment Funds, 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 holders when and where such reports are available (in printed and electronic forms) within the above periods. Printed copies of the annual reports and half-yearly reports will be provided to holders upon their request and will be available at the office of HSBC Investment Funds (Hong Kong) Limited.

The funds' financial year-end dates are set out in the table below.

Name of the Fund / Umbrella Fund	Financial year-end date
HSBC Global Investment Funds	31 March
HSBC Global Money Funds	31 July
HSBC Investment Funds Trust	31 July
HSBC Managed Balanced Fund	31 July
HSBC Managed Growth Fund	31 July
HSBC Managed Stable Fund	31 July

Inspection of documents

The constitutive documents establishing the various funds can be inspected free of charge at our office during normal business hours. Copies can be obtained and a reasonable charge may be charged. Copies of the full Explanatory Memoranda of various funds are 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

The funds are not expected to be subject to Hong Kong profits tax in respect of any of their authorised activities. No tax will be payable by investors in Hong Kong in respect of dividends or other income distributions of any fund or in respect of capital gains arising on a sale, redemption or other disposal of units or shares, except that Hong Kong profits tax may arise where such transactions form part of a trade or business carried on in Hong Kong. Stamp duty is payable in Hong Kong by investors on a transfer of units of the sub-funds of HSBC Global Money Funds.

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. In particular, in view of the Foreign Account Tax Compliance Act (FATCA) in United States, in cases where investors invest in a 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 circumstances in which issue and redemption of units or shares in any fund may be suspended and the payment of redemption proceeds delayed include:

(a) there is a closure, restriction or suspension of trading on any market on which a substantial part of the fund's investments are normally traded or quoted, or a breakdown in any of the means normally employed in establishing the prices of investments of that fund or the current prices on any market or stock exchange; or

(b) for any reason the prices of the fund's investments or the amount of any significant liability cannot be established or ascertained; or

(c) circumstances exist as a result of which it is not reasonably practicable to realise any investments of that fund; or

(d) the remittance of funds cannot be carried out promptly at normal rates of exchange; or

(e) the fund is being or commenced to be wound up, or notice is given to the relevant investors to attend a meeting of the fund at which a resolution to wind up the fund is to be proposed; or

(f) there exist unusual circumstances outside the control of the fund where it would be impracticable or unfair towards the investors to continue dealing in the units or shares of the fund; or

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

A fund shall not be bound to redeem on any Dealing Day a number of units or shares representing 10% or more of the net asset value of such fund or of the relevant class of such sub-fund (as the case may be). If a fund receives requests on any Dealing Day for redemption of a greater number of units or shares, it may defer such redemption applications exceeding the 10% limit in accordance with the provisions of its constitutive documents.

Termination of funds

The circumstances in which each fund can be terminated are listed in the relevant Trust Deed or Articles of Association. However, in general, the following circumstances may lead to termination of a fund:

(a) if the Manager of the fund goes into forced liquidation or becomes incapable of performing its duties properly; or

(b) if the fund ceases to be authorised under the relevant regulations in Hong Kong or any law is passed which makes it illegal, impracticable or inadvisable to continue the fund; or

(c) if the Manager of the fund retires and the Trustee / Depositary Bank fails to appoint a successor manager within a period of 30 days; or

(d) if the net asset value of the fund falls below a certain value, below which it would not be economically feasible to operate. This minimum net asset value varies from fund to fund, in the range of USD0.5 - 50 million; or

(e) if a change in the economical or political situation relating to the fund concerned would justify the termination of the fund or if the interests of the holders would justify it; or

(f) if the termination is approved by the relevant investors in a general meeting of the fund.

Enquiries and complaints

Enquiries and complaints concerning the 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.

Investment involves risk. There can be no assurance that a 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 a fund. Investors should refer to the full Explanatory Memorandum and the constitutive documents of each fund for further details. Unit trusts should be regarded as a medium to long-term investment. Please refer to the chapter headed "Risk factors" for further information.

The funds have been authorised for marketing purposes by the Securities and Futures Commission (SFC) in Hong Kong. SFC authorisation is not a recommendation or endorsement of the funds nor does it guarantee the commercial merits of the funds or their performance. It does not mean the funds are suitable for all investors nor is it an endorsement of their suitability for any particular investor or class of investor.

The Manager of HSBC Global Money Funds, HSBC Investment Funds Trust, HSBC Managed Balanced Fund, HSBC Managed Growth Fund and HSBC Managed Stable Fund, and the board of directors and Management Company of HSBC Global Investment Funds accept, in relation to their respective funds, full responsibility for the accuracy of the information contained in this document and confirm in respect of their respective funds, 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 in relation to their respective funds misleading at the date of publication.

February 2015

Terms and conditions of application

General terms and conditions

HSBC Investment Funds (Hong Kong) Limited of Level 22, HSBC Main Building, 1 Queen's Road Central, Hong Kong is 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). Dealings in HSBC unit trusts take place through us and investors are bound by and should follow the following terms and conditions in relation to the services provided by us:

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 are contractually bound to purchase the units or 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 at the time of application. If payment is not cleared within 4 business days (during which banks in the principal financial centre for the dealing currency of the relevant class of the relevant fund are open for business) of receipt of the application, we reserve the right to cancel the transaction at any time thereafter. Under such circumstances, we may require you to pay us the difference between the subscription price and the redemption price of the units or shares concerned. For the sub-funds of HSBC Global Money Funds, we will not issue units until the application proceeds in cleared funds are received.

Joint holders

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

United States and Canada investors

You declare that you are not a "United States Person", a "U.S. Person", or a Canadian resident or such other persons to whom shares or units of the relevant fund may not be offered (as defined under "Selling restrictions" on page 1 of this Summary). You must inform us immediately when you become a "United States Person", a "U.S. Person" or a Canadian resident, in which circumstances you may be obliged to redeem your units or 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 Investor Hotline or Financial Consultants, although we may, in our absolute discretion, process such faxed instruction without telephone confirmation and any deal so processed will be binding on the investor.

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

Recording

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

Notification of errors

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

Indemnity and Set Off

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

Dividends and distributions

With the exception of Class AM shares of HSBC Global Investment Funds, all dividends and distributions declared on the funds will be automatically reinvested. However, if the dividends or distributions payable to you are more than USD50 (or its equivalent in other currencies), you can instruct us to pay the proceeds to you, in which case all payment will be made in the dealing currency of the relevant class of the relevant fund. We reserve the right to waive any minimum distribution payment requirement. We reserve the right of not to reinvest the dividends and distributions for you and the relevant proceeds will be paid to you accordingly.

For Class AM shares of HSBC Global Investment Funds, all dividends and distributions declared will be paid to you automatically and will not be reinvested.

Nominee Service

All shares purchased in the sub-funds of HSBC Global Investment Funds (an umbrella fund domiciled in Luxembourg) and all units or 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 units or shares into units or shares of any other fund (subject to the minimum investment requirement); (ii) redeem your units or shares and pay the redemption proceeds to you; (iii) subject to (b) below, transfer the units or shares into your own name or as directed by you; (iv) exercise powers of voting conferred by the units or 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 unitholders or shareholders.

(d) As the beneficial owner of the units or 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 units or 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 units or 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 or Confidential Information

(1) Information (including personal data, confidential information and information necessary to assess tax status) provided by you on the application form, and details of transactions or dealings between you and the Management Company or the Manager of the relevant fund will be used, shared, stored, processed, transferred and disclosed (in and outside Hong Kong) so that the Management Company / Manager or a member of the HSBC Group can carry out its obligations in respect of the fund or for other purposes including but not limited to (a) providing services to you as a shareholder or unitholder, (b) fulfilling or complying with any applicable statute, law, regulation, ordinance, rule, judgment, decree, voluntary code, directive, sanctions regime, court order, agreement with authorities ("Laws"); any demands from authorities or obligations under Laws; and Laws requiring any member of the HSBC Group to verify your identity ("Compliance Obligations"), (c) detecting,

investigating and preventing fraud, money laundering, corruption, tax evasion and any other crime or attempts to violate laws and fulfilling related Compliance Obligations, (d) enforcing or defending HSBC Group's, or a member of the HSBC Group's rights, (e) fulfilling internal operational requirements of the HSBC Group, (f) maintaining HSBC Group's overall relationship with the shareholder or unitholder.

(2) Failure to provide information may result in the Management Company / Manager being unable to provide services to you or taking appropriate action or reporting to tax authorities. Information may be shared with other parties including but not limited to entities within the HSBC Group (provided that such information will be protected by HSBC Group's data protection policy).

(3) You have the right to request access to and correction of any personal data or to request the personal data not to be used for direct marketing purposes.

(4) Collection and use of personal data will be subject to the requirements under the Personal Data (Privacy) Ordinance of Hong Kong.

Alteration

We reserve the right to amend these Terms and Conditions of Application (including the additional terms and conditions for the Monthly Investment Plan) 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 for each 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 units or shares will be issued within five 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 units or 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 at a minimum of USD1,000 or HKD10,000 per fund (please refer to page 54 for minimum investment amount of each 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 for each fund.

Redirecting contributions

You may redirect your contributions to 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 fund is HKD1,000 per month. You may retain the holding already accumulated in the original fund(s).

Switching between funds

You may switch your accumulated units or shares from one fund into another HSBC fund by sending us an instruction form (provided that such units or shares are available). 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.

* Monthly Investment Plan is not currently available for sub-funds of HSBC Global Money Funds.

Redeeming units or shares

You may redeem your units or shares at any time by sending us a redemption form. Partial redemptions of amounts greater than USD1,000 or HKD10,000 are permitted providing the value of remaining balance of units or shares in the relevant fund is not less than the minimum investment requirement of the fund.

Discount

Once you have made at least 12 successful 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 units or shares purchased with future monthly contributions.

Cancelling the plan

You may stop contributing to the plan and retain units or shares accumulated, on 5 Hong Kong Business Days' notice (starting from the date we receive the relevant form), by sending us an instruction form.

Constitution of the funds

HSBC Global Investment Funds

HSBC Global Investment Funds is an 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 Luxembourg law of 17 December 2010 on undertakings for collective investment, implementing UCITS IV directive 2009/65/EC into Luxembourg law.

The sub-funds covered under this Summary are:

- Bond funds:
  - Euro High Yield Bond
  - Global Bond
  - Global Emerging Markets Bond
  - Global High Income Bond
  - Global High Yield Bond
  - US Dollar Bond
- International and regional equity funds:
  - Asia ex Japan Equity
  - Asia ex Japan Equity Smaller Companies
  - Asia Pacific ex Japan Equity High Dividend
  - BRIC Equity
  - BRIC Markets Equity
  - China Consumer Opportunities
  - Emerging Wealth
  - Euroland Equity
  - Euroland Equity Smaller Companies
  - European Equity
  - Global Emerging Markets Equity
  - Global Equity
  - Global Equity Climate Change
  - Global Equity Volatility Focused
  - Latin American Equity
- Market specific equity funds:
  - Brazil Equity
  - Chinese Equity
  - Hong Kong Equity
  - Indian Equity
  - Japanese Equity
  - Korean Equity
  - Russia Equity
  - Singapore Equity
  - Taiwan Equity
  - Thai Equity
  - UK Equity
  - US Equity
- Other funds:
  - Managed Solutions – Asia Focused Conservative
  - Managed Solutions – Asia Focused Growth
  - Managed Solutions – Asia Focused Income

HSBC Global Money Funds

HSBC Global Money Funds is an open-ended unit trust with multiple sub-funds established under a Trust Deed dated 12 February 1991, as amended, and is governed by the laws of the Cayman Islands. Pursuant to a deed of retirement and appointment dated 5 November 2009 between HSBC Investment Funds (Hong Kong) Limited (the Manager), Bank of Bermuda (Cayman) Limited (the retiring trustee) and HSBC Trustee (Cayman) Limited (the new trustee), Bank of Bermuda (Cayman) Limited has retired as Trustee of HSBC Global Money Funds with effect from 1 June 2010 and in its stead HSBC Trustee (Cayman) Limited has been appointed. HSBC Global Money Funds is also registered under the Mutual Funds Law of the Cayman Islands.

The sub-funds covered under this Summary are:

- Money funds:
  - Hong Kong Dollar
  - US Dollar

HSBC Investment Funds Trust

HSBC Investment Funds Trust is an open-ended unit trust with multiple sub-funds established under a Trust Deed dated 13 November 1995, as amended, and is governed by the laws of the Cayman Islands. HSBC Investment Funds Trust is also registered under the Mutual Funds Law of the Cayman Islands.

The sub-fund covered under this Summary is:

- Bond fund:
  - HSBC Asian Bond Fund
  - HSBC Asian High Yield Bond Fund
- Market specific equity funds:
  - HSBC China Growth Fund
  - HSBC China Momentum Fund

HSBC Managed Balanced Fund

The fund is an open-ended unit trust established under a Trust Deed dated 18 January 1990, as amended, and is governed by the laws of the Cayman Islands. The fund is also registered under the Mutual Funds Law of the Cayman Islands.

HSBC Managed Growth Fund

The fund is an open-ended unit trust established under a Trust Deed dated 14 March 1997, as amended, and is governed by the laws of the Cayman Islands. The fund is also registered under the Mutual Funds Law of the Cayman Islands.

HSBC Managed Stable Fund

The fund is an open-ended unit trust established under a Trust Deed dated 14 March 1997, as amended, and is governed by the laws of the Cayman Islands. The fund is also registered under the Mutual Funds Law of the Cayman Islands.

Risk factors

The following risk factors do not purport to be a complete explanation of the risks involved in investing in the funds. Prospective investors should read the entire offering document and consult with their legal, tax and financial advisors before making any decision to invest in any fund. To the best knowledge of the respective Management Company and board of directors of the relevant funds, or the respective Manager of the relevant funds (as the case may be) this document sets out all the risks that it is aware of pertaining to the relevant funds and all the risks that an investor should be aware of in assessing the relevant funds.

Risk factors for the sub-funds of HSBC Global Investment Funds

Please also refer to "Glossary for HSBC Global Investment Funds" on page 47 for the defined terms of HSBC Global Investment Funds.

(1) General risk considerations for the sub-funds of HSBC Global Investment Funds

Investment in any sub-fund of HSBC Global Investment Funds carries with it a degree of risk, including, but not limited to those referred to below. Potential investors should review this Summary of the Explanatory Memoranda 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-funds of HSBC Global Investment Funds will achieve their investment objectives and past performance should not be seen as a guide to future returns. An investment may also be affected by any changes in exchange control regulation, tax laws, withholding taxes and economic or monetary policies. Investment in the sub-funds may decline in value and investors should be prepared to sustain a substantial or total loss of their investment. Deterioration in the liquidity of a 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.

Different sub-funds invest in different investments, including but not limited to equity securities and fixed income securities. 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 investments of the sub-funds may go down and it is possible that investors will not recover their initial investment. 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 a sub-fund is invested defaults or its credit quality deteriorates, the performance of the sub-fund will be adversely affected. The sub-funds may, subject to their respective 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-funds. Single country and single sector sub-funds may be subject to higher concentration risk relative to regional and global sub-funds and sub-funds investing in a diversified portfolio of different sectors. Dividends, interests and capital gains received or earned by the sub-funds on their investments may be subject to non-recoverable withholding taxes in the countries of origin.

Certain sub-funds make more extensive use of financial derivative instruments and structured products for investment purposes as well as for hedging and efficient portfolio management. Investors should refer to the section headed "Investment objective and policy" of the respective sub-funds under the chapter headed "Fund details" for information on which of the sub-funds of HSBC Global Investment Funds may have more extensive use of financial derivative instruments and structured products.

The financial derivative instruments and structured products that may be used by the sub-funds of HSBC Global Investment Funds include but are not limited to futures, options, forwards, swaps (such as credit default swaps and Total Return Swaps), and forward currency contracts. Due to the inherent nature of financial derivative instruments and structured products, those sub-funds that use such instruments as part of their investment strategies 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 and structured products 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 such instruments. In addition, financial derivative instruments and structured products are subject to a variety of other risks, including liquidity risk (e.g. when such instruments become difficult to purchase or sell), credit risk (e.g. when an issuer or counterparty fails to honour its obligations under a particular instrument, 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-funds. While the sub-funds 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. A 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 relevant 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 and structured products.

(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 HSBC Global Investment Funds. In particular, the value of investments may be affected by uncertainties such as international, political and economic developments or changes in government policies. There is no guarantee in respect of repayment of principal. There is no guarantee on regular payment of distributions and, if distribution is made, the rate of such distributions is not guaranteed.

(b) Emerging Markets (including but not limited to Brazil, Russia, India and China (including Hong Kong SAR) ("BRIC" countries) and Latin America (consists of South America, Central America, Mexico and parts of the Caribbean))

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

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

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

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

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

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

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

(c) *Interest rate risk*

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

(d) *Credit risk*

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

Sub-funds investing in lower quality debt securities are more susceptible to these problems and their value may be more volatile.

(e) *Foreign exchange risk*

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

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

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

(f) *Counterparty risk*

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

For example, HSBC Global Investment Funds 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 HSBC Global Investment Funds 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 HSBC Global Investment Funds on behalf of a sub-fund on the advice of the Investment Adviser involve credit risk that could result in a loss of the sub-fund's entire investment as the sub-fund may be fully exposed to the credit worthiness of a single Approved Counterparty where such an exposure will be collateralised.

(g) *Sovereign risk*

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

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

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

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

(h) Non-Investment Grade debt / unrated debt

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

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

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

Non-Investment Grade fixed-income securities are subject to greater liquidity risks as the market for these securities may be less active and their prices may be more volatile. The market liquidity for Non-Investment Grade fixed-income securities can be low and there may be circumstances in which there is no liquidity of for these securities, making it more difficult to value and/or sell these securities. As a result of significant redemption applications received over a limited period in a sub-fund invested in Non-Investment Grade fixed-income securities, the Board of Directors of HSBC Global Investment Funds may invoke the procedure permitting the deferral of shareholder redemptions (please refer to the section headed "Suspension and deferral of dealings" on page 8).

Unrated securities may be subject to risks similar to Non-Investment Grade bonds. Unrated securities may also be less liquid than comparable rated securities and may be subject to a higher chance of default and experience greater fluctuations in value.

(i) High Yield Debt

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

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

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

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

The market liquidity for high yield securities can be low and there may be circumstances in which there is no liquidity for these securities, making it more difficult to value and/or sell these securities. As a result of significant redemption applications received over a limited period in a sub-fund invested in high yield fixed-income securities, the Board of Directors of HSBC Global Investment Funds may invoke the procedure permitting the deferral of shareholder redemptions (please refer to the section headed "Suspension and deferral of dealings" on page 8).

(j) *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.

(k) *Futures and options*

Under certain conditions, HSBC Global Investment Funds may use options and futures on securities, indices and interest rates, as described under the chapter headed "Investment restrictions" (in the section headed "Restrictions on the use of techniques and instruments") and the section headed "Investment objective and policy" of the respective sub-funds under the chapter headed "Fund details" for the purpose of investment, hedging and efficient portfolio management. In addition, where appropriate, HSBC Global Investment Funds 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.

(l) *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.

(m) *Total Return Swaps*

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

(n) *OTC financial derivative transactions and structured products*

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, structured products 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 and structured products. Therefore, a sub-fund entering into OTC transactions will be subject to the risk that its direct counterparty will not perform its obligations under the transactions and that a sub-fund will sustain losses. HSBC Global Investment Funds will only enter into transactions with counterparties which it believes to be creditworthy, and may reduce the exposure incurred in connection with such transactions through the receipt of letters of credit or collateral from certain counterparties. Regardless of these measures HSBC Global Investment Funds may seek to implement to reduce counterparty credit risk, however, there can be no assurance that a counterparty will not default or that a sub-fund will not sustain losses as a result.

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

(o) *Securities lending and repurchase or reverse repurchase transactions*

Use of the techniques and instruments set out in the section headed "Restrictions on the use of techniques and instruments" on page 45 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 or reverse repurchase transactions, investors must notably be aware that (a) in the event of the failure of the counterparty with which cash of a sub-fund has been placed there is the risk that collateral received may yield less than the cash placed out, whether because of inaccurate pricing of the collateral, adverse market movements, a deterioration in the credit rating of issuers of the collateral, or the illiquidity of the market in which the collateral is traded; that (b) (i) locking cash in transactions of excessive size or excessive long 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 or reverse repurchase transactions will, as the case may be, further expose a sub-fund to risks similar to those associated with optional or forward derivative financial instruments, which risks are further described in other paragraphs of this chapter headed "Risk factors".

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

(p) *Liquidity risk*

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

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

(q) *Early termination risk*

HSBC Global Investment Funds and/or a sub-fund may be liquidated on the occurrence of certain events as set out in the section headed "Termination of funds" under the chapter headed "General information" in this document.

Upon the liquidation of HSBC Global Investment Funds or a sub-fund, all the assets of HSBC Global Investment Funds 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. Investors should note that the amount distributed to them may be less than the amount of their initial investment.

(r) *Risks associated with performance fees*

The Management Company is also entitled to a performance fee for certain classes of shares in certain sub-funds. A sub-fund's valuation may include both realised and unrealised gains and a performance fee may be paid on unrealised gains which may not subsequently be realised. Due to the way in which the performance fee is calculated, a shareholder may incur a performance fee even though ultimately such shareholder does not receive a positive return.

(s) *Risks associated with distribution out of capital*

For certain classes of shares, the Board of Directors of HSBC Global Investment Funds may determine if, and to what extent, dividends may be paid out of capital or effectively out of capital. Investors should note that the payment of dividends out of capital or effectively out of capital represents a return or withdrawal of part of the amount they originally invested or from any capital gains attributable to the original investment. Any distributions involving payment of dividends out of the sub-fund's capital or effectively out of the sub-fund's capital will result in an immediate reduction in the net asset value per share of the relevant sub-fund.

(t) *Taxation*

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

As a matter of example, the Brazilian Government introduced 'Tax Over Financial Transactions' ("IOF") from 20 October 2009 on all foreign capital inflows. The IOF charge affected inflow of foreign exchange transactions across all asset classes into the Brazilian currency the Brazilian Real. In October 2010, the IOF tax for foreign investments was increased from 2% to 6% for investment into Brazilian domestic fixed-income securities and certain other investment categories including debentures and Brazilian-domiciled investment funds. Effective from 1 December 2011 the Brazilian government reduced the IOF tax rate from 2 per cent to 0 per cent on foreign exchange inflows relating to all variable income instruments traded at the exchange. Shareholders should note that subscriptions into sub-funds investing in Brazil may be subject to a pricing adjustment as detailed in the section headed "Pricing adjustment mechanism in relation to HSBC Global Investment Funds" under the chapter "Summary of principal features, fees and expenses" which may include an amount to cover any anticipated IOF tax.

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

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

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

Investors and potential investors should note the paragraph concerning Emerging Markets in the "General risk considerations for the sub-funds of HSBC Global Investment Funds" section on page 14. Please also refer to the FATCA comments in the section headed "Foreign Account Tax Compliance Act (FATCA) and similar measures" on page 63.

(u) Concentration risk

A sub-fund may have greater exposure of its assets in bonds issued by and/or guaranteed by Non-Investment Grade sovereign issuers which may result in higher concentration risk. Therefore the sub-fund may be subject to greater volatility than portfolios which comprise broad-based global investments.

(2) Sub-fund specific risk considerations for the sub-funds of HSBC Global Investment Funds

(a) Chinese equity

Investors should be aware of a number of special risk factors attendant on investment in Emerging Markets generally and the markets in China in particular.

(i) Emerging Markets can be significantly more volatile than developed markets, so that the price of shares may be subject to large fluctuations; the sub-fund's investments are subject to changes in regulations and tax policies going forward as China has now joined the WTO and engages in continuing market liberalisation.

(ii) The Chinese currency, the Renminbi, is not a freely convertible currency. The State Council's securities regulation body - the China Securities Regulatory Commission ("CSRC") also supervises the two official stock exchanges in China (the Shanghai Stock Exchange and the Shenzhen Securities Exchange) on which shares of Chinese issuers are listed in two categories, of which the "B" shares are quoted and traded in foreign currencies (currently Hong Kong dollars and US dollars) and are available to foreign investors.

(iii) The China "B" shares market is relatively illiquid so that the choice of investments will be limited by comparison with that of major international stock exchanges.

(iv) The sub-fund will invest directly in securities quoted on the regulated stock exchanges in China and also in securities of companies listed on other stock exchanges which have substantial business or investment links in China. For this purpose, the Chinese Equity will generally only invest in companies listed outside China where those companies are owned or controlled by Chinese interests, or where at least 40% of the earnings, production facilities, turnover, assets or investments of such companies are based in or derived from China.

The sub-funds may invest in equity markets in China other than the Shanghai and Shenzhen exchanges once such markets have been established and approved by the authorities in China.

(b) China

(i) Chinese markets risk

Investing in Emerging Markets such as the PRC subjects the sub-fund to a higher level of market risk than investments in a developed country. This is due to, among other things, greater market volatility, lower trading volume, political and economic instability, settlement risk, greater risk of market shut down and more governmental limitations on foreign investment than those typically found in developed markets.

Investors should be aware that for more than 50 years, the Chinese government has adopted a planned economic system. Since 1978, the Chinese government has implemented economic reform measures which emphasise decentralisation and the utilisation of market forces in the development of the Chinese economy. Such reforms have resulted in significant economic growth and social progress.

On 21 July 2005, the PRC government introduced a managed floating exchange rate system to allow the value of RMB to fluctuate within a regulated band based on market supply and demand and by reference to a basket of currencies. There can be no assurance that such exchange rate will not fluctuate widely against the United States dollars, Hong Kong dollars or any other foreign currency in the future. Any appreciation of RMB will increase the value of any dividends that the sub-fund may receive from its PRC investments and the value of investments, which will be reported in currency, and vice versa.

Many of the economic reforms in China are unprecedented or experimental and are subject to adjustment and modification, and such adjustment and modification may not always have a positive effect on investment in the companies in China.

The national regulatory and legal framework for capital markets and joint stock companies in China is not well developed when compared with those of developed countries.

Both the Shanghai and Shenzhen securities markets are in the process of development and change. This may lead to trading volatility, difficulty in the settlement and recording of transactions and difficulty in interpreting and applying the relevant regulations.

Under the prevailing tax policy in China, there are certain tax incentives available to foreign investment. There can be no assurance, however, that the aforesaid tax incentives will not be abolished in the future.

Investments in China will be sensitive to any significant change in political, social or economic policy in China. Such sensitivity may, for the reasons specified above, adversely affect the capital growth and thus the performance of these investments.

The Chinese government's control of currency conversion and future movements in exchange rates may adversely affect the operations and financial results of the companies invested in by the sub-funds, and the abilities of such companies to make payment of dividends declared in respect of the shares in the China companies.

(ii) Accounting and reporting standards

PRC companies are required to follow PRC accounting standards and practice which, to a certain extent, follow international accounting standards to certain extent. However, the accounting, auditing and financial reporting standards and practices applicable to PRC companies may be less rigorous, and there may be significant differences between financial statements prepared by accountants following the PRC accounting standards and practice and those prepared in accordance with international accounting standards. For example, there are differences in the valuation methods of properties and assets and in the requirements for disclosure of information to investors which may result in non-disclosure of certain material information of the investee entities the Investment Adviser invest in for the account of the sub-fund.

As the disclosure and regulatory standards in China are less stringent than in more developed markets, there might be substantially less publicly available information about Chinese issuers. Therefore, disclosure of certain material information may not be made, and less information may be available to the Investment Adviser and other investors.

(iii) Taxation in the PRC

The Investment Adviser, after seeking appropriate professional advice, may decide to make or not to make any tax provisions in respect of the sub-fund. Even if tax provisions are made, such provisions may be more than or less than the sub-fund's actual PRC tax liabilities and it is possible that such tax provisions made by the Investment Adviser may be insufficient. In case of a difference between the sub-fund's provision for taxes and its actual PRC tax liabilities, the relevant amounts shall be credited to or debited from the sub-fund's assets (as the case may be). As a result, the income from, and/or the performance of, the sub-fund may/may not be adversely affected and the impact/degree of impact on individual shareholders of the sub-fund may vary, depending on factors such as the level of the sub-fund's provision for taxes (if any) and the amount of the difference at the relevant time and when the relevant shareholders subscribed for and/or redeemed their shares in the sub-fund.

Any tax provision, if made by the Investment adviser, will be reflected in the net asset value of the relevant sub-fund at the time of debit or refund and thus will only impact on shares which remain in such sub-fund at that time. Shares which are redeemed prior to such time will not be affected by any debit of insufficient tax provisions. Likewise, such shares will not benefit from any refund of excess tax provisions. Investors should note that no shareholders who have redeemed their shares in the sub-fund before the distribution of any excess provision shall be entitled to claim in whatsoever form any part of the withholding amounts distributed to the sub-fund, which amount would be reflected in the value of shares in the sub-fund. In the event the Investment Adviser considers it necessary to adopt any tax provision (whether in respect of the PRC Enterprise Income Tax Law or any other applicable tax regulation/laws in the PRC) on a retrospective basis, the prevailing and/or future net asset value of the sub-fund may be negatively impacted. The magnitude of such potential negative impact on the performance of the sub-fund may not correspond to an investor's profit or loss arising out of such investor's holding in the sub-fund as a result of the potential retroactive effect of any change in PRC tax.

The Investment Adviser will review and make adjustments to its tax provision policy as and when it considers necessary from time to time and as soon as practicable upon issuance of further notices or clarification issued by the PRC tax authority in respect of the application of the PRC Enterprise Income Tax and/or any other applicable tax regulations/laws and the respective implementation rules.

There is a possibility that the current tax laws, rules, regulations and practice in mainland China and/or the current interpretation or understanding thereof may change in the future and such change(s) may have retrospective effect. The sub-fund could become subject to additional taxation that is not anticipated as at the date hereof or when the relevant investments are made, valued or disposed of. Any of those changes may reduce the income from, and/or the value of, the relevant investments in the sub-fund.

(iv) RMB currency and exchange risk

Investors should be aware of the fact that the Chinese Renminbi (RMB) is subject to a managed floating exchange rate based on market supply and demand with reference to a basket of currencies. Currently, the RMB is traded in two markets: one in Mainland China, and one outside Mainland China (primarily in Hong Kong). The RMB traded in Mainland China is not freely convertible and is subject to exchange controls and certain requirements by the government of Mainland China. The RMB traded outside Mainland China, on the other hand, is freely accessible to any person or entity for any purpose.

In calculating the value of the investments denominated in RMB, the investment adviser will normally apply the exchange rate for RMB traded outside Mainland China. This rate may be at a premium or discount to the exchange rate for RMB traded in Mainland China and there may be significant bid and offer spreads.

In addition, there may be liquidity risk associated with RMB products, especially if such investments may not have an active secondary market and their prices subject to significant bid and offer spread.

(v) Risk of investing in CAAPs (means China A-share Access Products, which is a security (such as a P-Note, warrant, option, participation certificate) linked to A-share or portfolios of A-share which aim to synthetically replicate the economic benefit of the relevant A-share or portfolios of A-share)

The sub-fund may invest in CAAP linked to A-shares in the PRC. Issuers of CAAP may deduct various charges, expenses or potential liabilities from the prices of the CAAP (including but not limited to any actual or potential tax liabilities determined by the CAAP issuer at its discretion) and such deduction is not refundable.

CAAPs may not be listed and is subject to the terms and conditions imposed by its issuer. These terms may lead to delays in implementing the Investment Adviser's investment strategy. Investment in CAAPs can be illiquid as there may not be an active market in the CAAPs. In order to liquidate investments, the sub-fund relies upon the counterparty issuing the CAAPs to quote a price to unwind any part of the CAAPs.

An investment in a CAAP is not an investment directly in the underlying investments (such as shares) themselves. An investment in the CAAP does not entitle the holder of such instrument to the beneficial interest in the shares nor to make any claim against the company issuing the shares.

The sub-fund will be subject to credit risk of the issuers of the CAAPs invested by the sub-fund. The sub-fund may suffer a loss if the issuers of the CAAPs invested by the sub-fund becomes bankrupt or otherwise fails to perform its obligations due to financial difficulties.

(c) Sector risk

The portfolios of BRIC Equity, BRIC Markets Equity and Russia Equity may have a high concentration in the natural resources sector. The portfolio of Global Equity Climate Change may have a high concentration in companies that aim to be the market-leaders in their respective sectors at managing their businesses in the face of climate change to maintain or enhance their competitive advantage.

The portfolio of Emerging Wealth may have a high concentration in companies that seek to benefit from growing consumer economy in Emerging Markets. The portfolio of China Consumer Opportunities may have a high concentration in companies with growing revenues in the luxury and consumer sectors that have appeal to consumers in China; a decrease in purchasing power of the consumers in China may negatively impact the value of the assets of the sub-fund.

Because these investments are limited to a relatively narrow segment of the economy, the sub-funds' investments are not as diversified as most mutual funds. This means that these sub-funds tend to be more volatile than other mutual funds and their portfolio values can increase or decrease more rapidly. The performance of each sub-fund may differ in direction and degree from that of the overall stock market.

(d) Small capitalisation

Investing in smaller companies may involve greater risk than investing in larger, more established companies. For example, small capitalisation companies may have limited product lines, markets and financial or managerial resources. As a result, price movements in securities of smaller capitalisation companies may be more volatile.

Transaction costs in securities of smaller capitalisation companies can be higher than those of larger capitalisation companies and there may be less liquidity.

(e) 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, a sub-fund's investment value in such security may be adversely affected. The Management Company or the relevant Investment Adviser of HSBC Global Investment Funds 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 headed "Non-Investment Grade Debt / unrated debt" will apply.

(f) Mauritius subsidiary

By investing through the Mauritius subsidiary, the relevant sub-funds to date has benefited from the double tax treaty concluded between Mauritius and India, as described more fully below. The Indian Budget announced on 16 March 2012 introduced provisions for a General Anti-Avoidance Rule ("GAAR") to be effective from 1 April 2012. The implementation of the GAAR has now been deferred until 1 April 2016. A GAAR gives considerable discretion to the tax authorities and may be used to seek to deny treaty benefits to foreign investors. Such actions could result in a significant financial cost for investors, as short term gains (those held for less than 1 year) will become taxable in India.

In addition, applicable law in Mauritius asserts the total separation between a subsidiary and the relevant sub-fund in cases involving the subsidiary's commitments toward third parties. In exceptional cases, however, there is a risk that the relevant sub-fund could be held responsible for such commitments.

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

On the basis that they are Mauritian tax residents, the subsidiaries will benefit from the tax advantages available to them under the India-Mauritius double taxation treaty, which became effective on 1 July 1983. Each subsidiary will file, through its custodian, a declaration of Mauritian residency with the registrar of each Indian company in which it invests. Until 31 March 2016 capital gains resulting from the purchase and sale by the subsidiaries of stocks on the Indian stock exchanges will be exempt from Indian tax on the basis that the subsidiaries are able to benefit from the provisions of the India-Mauritius double taxation treaty.

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

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

The Indian Central Board of Direct Taxes has previously confirmed the availability of the treaty benefits to companies holding a certificate of Mauritian tax residence. The Supreme Court of India confirmed on 7 October 2003 the validity of this position. However, it is possible that the proposed GAAR will remove treaty benefits from 1 April 2015 (see below).

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

The Indian Budget announced on 16 March 2012 introduced provisions for a GAAR to be effective from 1 April 2012. The implementation of the GAAR has now been deferred until 1 April 2015. A GAAR gives considerable discretion to the tax authorities and may be used to seek to deny treaty benefits to foreign investors. Such actions could result in a significant financial cost for investors, as short term gains (those held for less than 1 year) will become taxable in India.

(g) Asset Backed Securities and Mortgage Backed Securities

The Global High Income Bond may invest up to 20% in Asset Backed Securities (ABS) and Mortgage Backed Securities (MBS). The Global High Yield Bond may invest up to 10% in ABS. ABS and MBS are debt securities with interest and capital payments backed by a pool of financial assets such as mortgages and loans, with collateral backing often provided by physical assets such as residential or commercial property. Some ABS is supported by unsecured loan cash flows without physical asset backing. ABS and MBS securities are therefore subject to risks detailed in the section headed "General risk considerations for the sub-funds of HSBC Global Investment Funds", including market risk, interest rate risk, credit risk, Non-Investment Grade credit risk and liquidity risk, in addition to the further risks detailed below. MBS generally refers to mortgage securities issued by US government-sponsored enterprises such as the Federal Mortgage Association (Fannie Mae) or the Federal Home Loan Mortgage Corporation (Freddie Mac).

ABS usually refers to privately sponsored asset backed securities. The main categories are Residential Mortgage Backed Securities (RMBS), Commercial Mortgage Backed Securities (CMBS), Collateralised Loan Obligations (CLO) and Consumer ABS (for example credit cards, auto loans and student debt). In a typical ABS deal, the securities are separated into tranches which have different rights. The senior tranches usually receive the loan repayments first and the junior tranches absorb the first losses. To compensate for the higher capital risk, the junior holders are paid a higher rate of interest than the senior note holders.

RMBS represent interests in pools of residential mortgage loans secured by the underlying residential property. Some loans may be prepaid at any time. The collateral underlying CMBS generally consists of mortgage loans secured by income-producing property, such as shopping centres, office buildings, industrial or warehouse properties, hotels, rental apartments, nursing homes, senior living centres and self storage properties.

The investment characteristics of MBS and ABS differ from traditional debt securities. The major difference is that the principal is often paid in stages and may be fully repaid at any time because of the terms of the underlying loans. This variability in timing of cash flows makes estimates of future asset yield and weighted average life uncertain.

(i) Prepayment risk

The frequency at which prepayments occur on loans underlying ABS will be affected by a variety of factors including interest rates as well as economic, demographic, tax, social, legal and other factors. Generally, fixed rate mortgage obligors often prepay their mortgage loans when prevailing mortgage rates fall below the interest rates on their mortgage loans subject to mortgage finance availability and no material change in the value of the property or the borrowers credit worthiness.

(ii) Subordinated risk

Investments in subordinated ABS involve greater risk of default and loss than the senior classes of the issue or series. ABS deals are structured into tranches such that holders of the most junior securities absorb losses before more senior tranches. When losses have been absorbed by the most junior tranche, the next most junior tranche will absorb subsequent losses. Investors in junior tranches can carry high capital risk and may face a complete loss.

(iii) Capital Value risk

The rate of defaults and losses on residential mortgage loans will be affected by a number of factors, including general economic conditions and those arising in the property location, the borrower's equity in the mortgaged property and the financial circumstances of the borrower. If a residential mortgage loan is in default, foreclosure of such residential mortgage loan may be a lengthy and difficult process, and may involve significant expenses. Furthermore, the market for defaulted residential mortgage loans or foreclosed properties may be very limited.

Most commercial mortgage loans underlying MBS are full recourse obligations of the borrower which is usually a Special Purpose Vehicle (SPV). If borrowers are not able or willing to refinance or dispose of encumbered property to pay the principal and interest owed on such mortgage loans, payments on the subordinated classes of the related MBS are likely to be adversely affected. The ultimate extent of the loss, if any, to the subordinated classes of MBS may only be determined after a negotiated discounted settlement, restructuring or sale of the mortgage note, or the foreclosure (or deed in lieu of foreclosure) of the mortgage encumbering the property and subsequent liquidation of the property. Foreclosure can be costly and delayed by litigation and/or bankruptcy. Factors such as the property's location, the legal status of title to the property, its physical condition and financial performance, environmental risks, and governmental disclosure requirements with respect to the condition of the property may make a third party unwilling to purchase the property at a foreclosure sale or to pay a price sufficient to satisfy the obligations with respect to the related MBS. Revenues from the assets underlying such MBS may be retained by the borrower and the return on investment may be used to make payments to others, maintain insurance coverage, pay taxes or pay maintenance costs. Such diverted revenue is generally not recoverable without a court appointed receiver to control collateral cash flow.

Where a loan originator has assigned specific loans to an ABS structure and the originator has faced financial difficulties, creditors of the originator have sometimes challenged the validity of the assigned loans. Such challenges can weaken the asset backing for ABS securities.

(iv) Economic risk

Performance of a commercial mortgage loan depends primarily on the net income generated by the underlying mortgaged property. The market value of a commercial property similarly depends on its income-generating ability. As a result, income generation will affect both the likelihood of default and the severity of losses with respect to a commercial mortgage loan. Any decrease in income or value of the commercial real estate underlying an issue of CMBS could result in cash flow delays and losses on the related issue of CMBS.

The value of the real estate which underlies mortgage loans is subject to market conditions. Changes in the real estate market may adversely affect the value of the collateral and thereby lower the value to be derived from a liquidation. In addition, adverse changes in the real estate market increase the probability of default, as the incentive of the borrower to retain equity in the property declines.

(v) Re-financing risk

Mortgage loans on commercial and residential properties often are structured so that a substantial portion of the loan principal is not amortised over the loan term but is payable at maturity and repayment of the loan principal thus often depends upon the future availability of real estate financing from the existing or an alternative lender and/or upon the current value and saleability of the real estate. Therefore, the unavailability of real estate financing may lead to default.

(h) Real estate

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

Exposure to real estate will normally be achieved by investment in either closed-ended REITs or in other open or closed-ended collective investment schemes (including other UCITS)).

(i) REITs

REIT is an entity that is dedicated to owning, and in most cases, managing real estate. This may include, but is not limited to, real estate in the residential (apartments), commercial (shopping centres, offices) and industrial (factories, warehouses) sectors. Certain REITs may also engage in real estate financing transactions and other real estate development activities.

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

The legal structure of a REIT, its investment restrictions and the regulatory and taxation regimes to which it is subject will differ depending on the jurisdiction in which it is established. The underlying REITs invested by a sub-fund may not necessarily be authorised by the SFC.

(j) Asset allocation strategy risk

The portfolio of the Managed Solutions – Asia Focused Conservative, Managed Solutions – Asia Focused Income and Managed Solutions - Asia Focused Growth may be allocated into different asset classes, and such allocation may change over time depending on the Investment Adviser's view on market opportunities. Therefore, the performance of the sub-fund is dependent on the success of the asset allocation strategy employed by the sub-fund. There is no assurance that the strategy employed by the sub-fund will be successful and therefore, there is no assurance that the investment objectives will be achieved.

(k) Risk in connection with the investment strategy

For Global Equity Volatility Focused, there is no guarantee that the sub-fund's investment objective and strategy (i.e. to lower portfolio volatility) can be achieved. There is a possibility that portfolio optimisation may not be achieved and the sub-fund's value may be adversely affected.

(l) Conflicts of interest

The Management Company of HSBC Global Investment Funds and any specific sub-fund Investment Adviser, the sales agents, the Administration Agent, the Registrar and Transfer Agent, the Depositary Bank of HSBC Global Investment Funds may from time to time act as management company, investment manager or adviser, sales agent, administrator, registrar and transfer agent or depositary bank in relation to, or be otherwise involved in, other funds or collective investment schemes which have similar investment objectives to those of HSBC Global Investment Funds or any sub-fund. It is therefore possible that any of them may, in the due course of their business, have potential conflicts of interest with HSBC Global Investment Funds or any sub-fund. In such event, each will at all times have regard to its obligations under any agreements to which it is party or by which it is bound in relation to HSBC Global Investment Funds or any sub-fund. In particular, but without limitation to its obligations to act in the best interests of the shareholders of HSBC Global Investment Funds 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 HSBC Global Investment Funds entering into any transactions with the Management Company of HSBC Global Investment Funds or any specific sub-fund Investment Adviser, the sales agents, the Administration Agent, the Registrar and Transfer Agent ,the Depositary Bank of HSBC Global Investment Funds or with any of their affiliates, or subject to the relevant restrictions, investing the assets of or reinvesting the cash collateral received by any sub-fund of HSBC Global Investment Funds 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 of HSBC Global Investment Funds 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 HSBC Global Investment Funds. If a client defaults on its obligation to repay indebtedness to the HSBC Group that is secured by shares in HSBC Global Investment Funds, and the HSBC Group forecloses on such interest, the HSBC Group would become a shareholder of HSBC Global Investment Funds. As a consequence, the HSBC Group and its affiliates could hold a relatively large proportion of shares and voting rights in HSBC Global Investment Funds.

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

Risk factors for the sub-funds of HSBC Global Money Funds and HSBC Investment Funds Trust, and for HSBC Managed Balanced Fund, HSBC Managed Growth Fund and HSBC Managed Stable Fund

Investment in a fund carries with it a degree of risk, including, but not limited to those referred to below. Potential investors should review this Summary of the Explanatory Memoranda in its entirety prior to making a decision to invest. There can be no assurance that the funds will achieve their investment objectives and past performance should not be seen as a guide to future returns. An investment may also be affected by any changes in exchange control regulation, tax laws, withholding taxes and economic or monetary policies. The net asset value per unit of each class of the relevant fund is expected to fluctuate over time with the performance of such fund's investments. Investment in the funds may decline in value and investors may not recoup the original amount invested in the funds and should be prepared to sustain a substantial or total loss of their investment. Deterioration in the liquidity of a fund's underlying investments may adversely affect the value of the fund and may affect the fund's ability to pay out redemption or termination proceeds to investors.

Different funds have different underlying investments, such as but not limited to equity securities and fixed income securities. The risks relating to such underlying investments may include or relate to, among others, foreign exchange, interest rate, credit, liquidity, market volatility, regulatory 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 or counterparty of an investment defaults or its credit quality deteriorates, the performance of such investment may be adversely affected. The funds may, subject to their respective investment objectives and policies, invest in different countries and regions. The economic and political environment of the relevant countries and regions may affect the performance of the funds. Dividends, interests and capital gains received or earned by the funds on their underlying investments may be subject to non-recoverable withholding taxes in the countries of origin.

The sub-funds of HSBC Investment Funds Trust, HSBC Managed Balanced Fund, HSBC Managed Stable Fund and HSBC Managed Growth Fund may use financial derivative instruments for investment purposes as well as for hedging purposes. The financial derivative instruments that may be used by the funds and their underlying funds include but are not limited to futures, options, forwards and swaps (such as total return swaps). Due to the inherent nature of financial derivative instruments, investments in financial derivative instruments involve risks different from, or possibly greater than, the risks associated with typical equity and bond investments.

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. The sub-funds of HSBC Investment Funds Trust, HSBC Managed Balanced Fund, HSBC Managed Stable Fund and HSBC Managed Growth Fund may obtain collateral from the counterparty. Such collateral may include cash, securities issued or guaranteed by any OECD or European Union government, government agencies or any other public or supranational bodies or organisations or any other issuer which is, in the opinion of the Manager of the relevant fund, of similar standing and certificates of deposit with maturity of no more than one year.

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

(1) General market risk

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

(2) General emerging market risk

The funds may, as the case may be, invest in emerging markets as well as developed markets. Prospective investors should note that investment in emerging markets such as but not limited to China, Indonesia, Malaysia, Philippines, Thailand, Argentina, Brazil, Korea, Israel, Chile, Colombia, Russia, Poland, Mexico, Turkey and South Africa, involve special considerations and risks. These include a possibility of nationalisation, expropriation or confiscatory taxation, foreign exchange control, political changes, government regulation, social instability or diplomatic developments which could affect adversely the economies of such countries or the value of a fund's investments, and the risks of investing in countries with smaller capital markets, such as limited liquidity, price volatility, restrictions on foreign investment and repatriation of capital, and the risks associated with emerging economies, including high inflation and interest rates and political and social uncertainties. In addition, it may be difficult to obtain and enforce a judgement in a court in an emerging country. The economies of many emerging market countries are still in the early stages of modern development and are subject to abrupt and unexpected change. In many cases, governments retain a high degree of direct control over the economy and may take actions having sudden and widespread effects. Investments in emerging markets may also become illiquid which may constrain a fund's ability to realise its investments. Accounting standards in emerging market countries may not be as stringent as accounting standards in developed countries.

Brokerage commissions, custodial services and other costs relating to investment in emerging markets generally are more expensive than those relating to investment in more developed markets. Lack of adequate custodial systems in some markets may prevent investment in a given country or may require a fund to accept greater custodial risks in order to invest. In addition, such markets have different settlement and clearance procedures. In certain markets there have been times when settlements have been unable to keep pace with the volume of securities transactions, making it difficult to conduct such transactions. The inability of a fund to make intended securities purchases due to settlement problems could cause such fund to miss attractive investment opportunities. Inability to dispose of a security caused by settlement problems could result either in losses to a fund due to subsequent declines in value of the security or, if such 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 emerging markets as a result of which trading of securities may cease or may be substantially curtailed and prices of the securities in such markets may not be readily available.

Investors should note that income and capital gains received or earned by the funds on their investments may be subject to withholding taxes in the countries of origin. There may be uncertainties over the tax rules and legislations in emerging markets and changes in the political climate and economic policy in emerging markets may result in significant shifts in the attitude to the taxation of foreign investors. Such uncertainties and changes may result in changes to legislation, the interpretation or application 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 the funds investing in such markets. In case there is any uncertainty, the relevant Manager reserves the right to provide for withholding tax on the relevant gains or income and withhold the tax for the account of the relevant fund.

Markets are not always regulated in emerging markets and generally there are a relatively small number of brokers and participants in these markets and when combined with political and economic uncertainties this may result in illiquid markets in which prices are highly volatile.

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.

(3) Currency risk

As the assets and liabilities of a fund may be denominated in currencies different from the base currency of the fund, the fund may be affected favourably or unfavourably by exchange control regulations or changes in the exchange rates between the base currency and other currencies. Similarly, the value of investors' investment may also be affected where the units they invest in are denominated in a currency different from the currency of the assets and liabilities of the relevant fund. Changes in currency exchange rates may influence the value of a fund, 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 of a fund or the relevant class currency, the value of the security will increase when measured in the base currency of such fund or the relevant class currency. Conversely, a decline in the exchange rate of the denomination currency of a security would adversely affect the value of such security.

A 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 fund from benefiting from the performance of a fund's securities if the currency in which the securities held by the 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.

(4) Hedging transactions

A fund may utilise financial instruments such as derivatives to seek to hedge against fluctuations in the relative values of the fund's portfolio positions as a result of changes in exchange rates, interest rates, equity prices and levels of other interest rates and prices of other securities. Such hedging transactions may not always achieve the intended effect and can also limit potential gains. 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 a fund.

While a fund may enter into such transactions to seek to reduce currency, exchange rate, interest rate and other risks, unanticipated changes in currency, interest rates and the relevant markets may result in a poorer overall performance of such fund. For a variety of reasons, a fund may not obtain a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Such imperfect correlation may prevent the intended hedge or expose a fund to risk of loss. In adverse market situations, the use of derivatives may become ineffective in hedging and a fund may suffer significant losses.

(5) Interest rate risk

Change in interest rate may affect the value of a security as well as the financial markets in general. Bonds, deposits and other fixed income securities are more susceptible to fluctuation in interest rates and 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.

(6) Credit risk

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 or its issuer may also affect the security's liquidity, making it more difficult to sell. A fund's investment is also subject to the risk that issuers may not make payments on the securities they issue. Lower quality debt securities are more susceptible to these problems and their value may be more volatile. Deposits are similarly exposed to the credit risk of the financial institution being unable to fulfil its obligation.

(7) High yield fixed income securities risk

Some funds may invest in higher yielding fixed income securities. These securities may be rated below "investment grade" and they may be subject to "Non-investment grade and unrated bond risk" outlined below. These securities face ongoing uncertainties and exposure to adverse financial or economic conditions, which could lead to the issuer's inability to meet timely interest and principal payments. As such, they will be subject to a higher risk of the issuer's default. If the issuer defaults, the return from investment in such securities will be adversely affected.

(8) 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, a fund's investment value in such security may be adversely affected. The relevant Manager/ Investment Adviser may or may not dispose of the securities, subject to the investment objective of the relevant fund. If downgrading occurs, the risks relating to non-investment grade bonds outlined in the paragraph below will apply.

(9) Non-investment grade and unrated bond risk

Credit risk is greater for investments in fixed-income securities that are rated below investment grade. 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 relevant 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 relevant fund's price may be more volatile. A fund may also invest in unrated fixed income securities which may be subject to risks regarding non-investment grade fixed income securities.

(10) Sovereign risk

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

Governmental entities may also be dependent on expected disbursements from foreign governments, multilateral agencies and others abroad to reduce principal and interest arrearage on their debt. The commitment on the part of these governments, agencies and others to make such disbursements may be conditioned on a governmental entity's implementation of economic reforms and / or economic performance and the timely service of such debtor's obligations. Failure to implement such reforms, achieve such levels of economic performance or repay principal or interest when due may result in the cancellation of such third parties' commitments to lend funds to the governmental entity, which may further impair such debtor's ability or willingness to service its debt on a timely basis. Consequently, governmental entities may default on their Sovereign Debt. Holders of Sovereign Debt, including a fund, may be requested to participate in the rescheduling of such debt and to extend further loans to governmental entities. In addition, a fund may invest in securities issued or guaranteed by the government of a country with a sovereign credit rating below investment grade. The performance and value of the fund could deteriorate should there be any adverse credit events in the sovereign and this impact may be particularly strong if a downgrade of the sovereign credit rating or a default or bankruptcy of a sovereign occurs. There is no bankruptcy proceeding by which Sovereign Debt on which a governmental entity has defaulted may be collected in whole or in part.

(11) Potential conflict of interests

The Manager and the Investment Adviser of the funds (i.e. HSBC Global Money Funds, HSBC Investment Funds Trust, HSBC Managed Balanced Fund, HSBC Managed Growth Fund and HSBC Managed Stable Fund), and other investment sub-adviser(s) (if any) as may be appointed by the Manager and / or the Investment Adviser from time to time (together the "Service Providers") and their respective associated companies and any director of the Service Providers and / or their respective associated companies may, in the course of their business, have potential conflicts of interests in relation to the relevant funds and may promote, manage, advise or otherwise be involved in any other investment funds while they act as the Service Providers of the funds and may enter into any transactions with the funds provided that such transactions are carried out as if effected on normal commercial terms negotiated at arm's length. For instance, associated companies or directors of the Service Providers may act as underwriters for securities sold to the funds or provide investment management and / or advisory services to other clients (including other investment funds).

The Service Providers and their respective associated companies and any director of the Service Providers and / or their respective associated companies will be free to render services similar to those which the Service Providers are providing to the funds to other clients (including other investment funds). Further, the Service Providers and their respective associated companies may receive income, commission, brokerage and other charges in relation to the sale or purchase of any investment by the funds.

At present, the Service Providers are also the manager or investment adviser of a number of investment funds whose investment objectives, investment approach and / or investment restrictions are similar to those of the funds. The Service Providers are aware of the potential conflicts of interests in allocating investment opportunities between the funds and such other investment funds. The Service Providers will on a best effort basis ensure that all the investment funds and accounts which they manage, including the funds, are treated fairly, after considering whether or not the acquisition or disposition of investment is economical to a particular investment fund or account and the objectives, restrictions and strategies of such investment fund or account.

(12) Financial derivatives risk

A fund may have exposure in financial derivatives such as futures, forwards (including non-delivery forwards), and swaps (including total return swaps and inflation swaps) as well as other financial derivative instruments. While the use of financial derivatives may aim to achieve return enhancement and investment objectives of the funds, the price of a financial derivative instrument can be very volatile which may result in losses in excess of the amount invested in the financial derivative instruments by the funds.

A fund may invest and trade in swaps, "synthetic" or derivative instruments, certain types of options and other customised financial instruments issued by banks, brokerage firms and other financial institutions. A swap is an agreement between a fund and a financial intermediary whereby cash payments are periodically exchanged between the parties based upon changes in the price of an underlying asset (such as an equity security, an index of securities or another asset or group of assets with a readily determinable value). Swaps and other derivatives are subject to the risk of non-performance by the counterparty, including risks relating to the financial soundness and credit worthiness of the counterparty. Swaps and other forms of derivative instruments are not guaranteed by an exchange or clearing house or regulated by any governmental authority. It may not be possible to dispose of or close out a swap or other derivative position without the consent of the counterparty, and the fund may not be able to enter into an offsetting contract in order to cover this risk.

A fund may enter into a total return swap in which one party receives interest payments on a reference asset plus any capital gains and losses over the payment period, while the other receives a specified fixed or floating cash flow unrelated to the credit worthiness of the reference asset, especially where the payments are based on the same notional amount. The reference asset may be any index or basket of assets.

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, the risk may be reduced.

(13) Risk of trading on over-the-counter markets

There are special risks associated with financial derivatives instruments, participation notes, structured products and other investments traded on over-the-counter (OTC) markets. In general, there is less governmental regulation and supervision of transactions in the OTC markets (in which many different kinds of financial derivatives instruments and structured products are generally traded) than of transactions entered into on organised exchanges. In addition, many of the protections afforded to participants on some organised exchanges, such as the performance guarantee of an exchange clearing house, may not be available in connection with transactions carried out in the OTC markets. Therefore, a fund entering into OTC transactions will be subject to the risk that its direct counterparty will not perform its obligations under the transactions and that a fund will sustain losses. Regardless of the measures a fund may seek to implement to reduce counterparty credit risk, however, there can be no assurance that a counterparty will not default or that a fund will not sustain losses as a result.

From time to time, the counterparties with which a fund effects transactions may cease making markets or quoting prices in certain of the instruments. In such instances, the fund may be unable to enter into a desired transaction or to enter into an offsetting transaction with respect to an open position, which may adversely affect its performance.

Certain instruments traded in the OTC markets (such as customised financial derivatives and structured products) can be illiquid. Liquidity relates to the ability of a fund to sell an investment in a timely manner. The market for relatively illiquid investments tends to be more volatile than the market for more liquid investments. Investment of the fund's assets in relatively illiquid investments may restrict the ability of a fund to dispose of its investments at a price and time that it wishes to do so. There is no Regulated Market for such transactions and the bid and offer prices will be established solely by dealers or counterparties in these transactions. In order to realise an investment in the OTC markets, a fund may need to request the counterparties to quote a price for the relevant instrument. This price may depend on, among other things, the market liquidity condition and the size of the transactions.

(14) Withholding Tax

Investors should note 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) a fund's investments may be subject to specific taxes or charges imposed by authorities in some markets. Regarding FATCA, although the funds will attempt to satisfy any obligations imposed on them to avoid the imposition of the FATCA withholding tax, no assurance can be given that the funds will be able to satisfy these obligations. If the funds become subject to a withholding tax as a result of the FATCA regime, the value of the units held by unitholders may suffer material losses. On the other hand, if an investor or an intermediary through which it holds its interest in the funds fails to provide the funds, their agents or authorised representatives with any correct, complete and accurate information that may be required for the funds to comply with FATCA, the investor may be subject to withholding on amounts otherwise distributable to the investor, may be compelled to sell its interest in the funds or, in certain situations, the investor's interest in the funds may be sold involuntarily (provided that the Manager shall observe relevant legal requirements and shall act in good faith and on reasonable grounds). In particular, investors and potential investors should note the risk factors regarding China tax considerations, emerging and developing markets in the "Risk factors" and the section "Foreign Account Tax Compliance Act (FATCA) and similar measures" on page 63.

(15) Securities lending risk

In relation to securities lending transactions, investors must notably be aware that (a) if the borrower of securities lent by a fund fails to return the relevant securities there is a risk that the collateral received may realise at a value less than the value of the securities lent out, whether due to inaccurate pricing, adverse market movements, a deterioration in the credit rating of the 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 loan may restrict the ability of a fund to meet delivery obligations under security sales or payment obligations arising from redemptions requests.

(16) Early termination risk

The relevant fund may be liquidated on the occurrence of certain events as set out in the section headed "Termination of funds" under the chapter headed "General information" in this document.

Upon the liquidation of the relevant fund, all the assets of the relevant fund will be realised and the net proceeds thereof which are available for distribution will be distributed to its unitholders with reference to the number of units held by them. Investors should note that the amount distributed to them may be less than the amount of their initial investment.

(17) Specific money market fund risk factors for sub-funds of HSBC Global Money Funds

The purchase of the units of the sub-funds of HSBC Global Money Funds is not the same as placing funds on deposit with a bank or deposit taking company. The sub-funds of HSBC Global Money Funds have no obligation to redeem units at their offering value and the funds are not subject to the supervision of the Hong Kong Monetary Authority. Investors may not recoup the original amount invested in the funds.

(18) Specific risk disclosure in relation to sub-funds of HSBC Investment Funds Trust

(i) Distribution out of capital

Under the Trust Deed of HSBC Investment Funds Trust, distributions of the sub-funds of HSBC Investment Funds Trust may be paid from income and/or capital of the relevant sub-funds. The Manager of HSBC Investment Funds Trust may distribute from capital if the income generated from a sub-fund's investments attributable to the relevant class of units during the relevant period is insufficient to pay distributions as declared. Investors should note that the payment of distributions 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. Distributions in general will result in an immediate decrease in the net asset value of the relevant units.

(ii) Cross-class liability

Multiple classes of units may be issued in relation to a sub-fund of HSBC Investment Funds Trust, with particular assets and liabilities of a sub-fund attributable to particular classes. Where the liabilities of a particular class exceed the assets pertaining to that class, creditors pertaining to one class may have recourse to the assets attributable to other classes. Although for the purposes of internal accounting, a separate account will be established for each class, in the event of an insolvency or termination of a sub-fund (i.e., when the assets of such sub-fund are insufficient to meet its liabilities), all assets will be used to meet such sub-fund's liabilities, not just the amount standing to the credit of any individual class. However, the assets of a sub-fund may not be used to satisfy the liabilities of another sub-fund of HSBC Investment Funds Trust.

(19) Detailed China market risk disclosure in relation to HSBC China Growth Fund and HSBC China Momentum Fund (sub-funds of HSBC Investment Funds Trust)

Investing in the securities markets in China is subject to the risks of investing in emerging markets generally and the risks specific to the China market in particular.

Investors should be aware that for more than 50 years, the Chinese government has adopted a planned economic system. Since 1978, the Chinese government has implemented economic reform measures which emphasise decentralisation and the utilisation of market forces in the development of the Chinese economy. Such reforms have resulted in significant economic growth and social progress.

Many of the economic reforms in China are unprecedented or experimental and are subject to adjustment and modification, and such adjustment and modification may not always have a positive effect on foreign investment in joint stock limited companies in China or in A-, B- and H-shares.

In view of the small yet slowly increasing number of A-, B- and H- share issues currently available, the choice of investments available to the Manager will be severely limited as compared with the choice available in other markets. There is a low level of liquidity in the A- and B- share markets in China, which are relatively small in terms of both combined total market value and the number of A- and B- shares which are available for investment. Investors are warned that this could lead to severe price volatility.

The national regulatory and legal framework for capital markets and joint stock companies in China is not well developed when compared with those of developed countries.

Companies in China are required to follow the Chinese accounting standards and practice which, to a certain extent, follow international accounting standards. However, there may be significant differences between financial statements prepared by accountants following the Chinese accounting standards and practice and those prepared in accordance with international accounting standards.

Both the Shanghai and Shenzhen securities markets are in the process of development and change. This may lead to trading volatility, difficulty in the settlement and recording of transactions and difficulty in interpreting and applying the relevant regulations.

Under the prevailing tax policy in China, there are certain tax incentives available to foreign investment. There can be no assurance, however, that the aforesaid tax incentives will not be abolished in the future.

Investments in China will be sensitive to any significant change in political, social or economic policy in China. Such sensitivity may, for the reasons specified above, adversely affect the capital growth and thus the performance of these investments.

The Chinese government's control of currency conversion and future movements in exchange rates may adversely affect the operations and financial results of the companies invested in by HSBC China Growth Fund and HSBC China Momentum Fund, and the abilities of such companies to make payment of dividends declared in respect of B- and H-shares.

Under the prevailing regulations in China, foreign investors can only invest in the A-share market through institutions that have obtained the relevant regulatory approval in China, such as the Qualified Foreign Institutional Investor status ("QFII"). The current QFII regulations impose strict restrictions (such as investment guidelines and minimum holding period) on A-share investment. As of the date of this document, HSBC China Growth Fund, HSBC China Momentum Fund and the Manager of HSBC Investment Funds Trust are not QFIIs in China. Owing to the current QFII regulations, it is likely that the fund will invest in the A-share market indirectly through Equity Linked Notes and other similar equity linked securities and instruments issued by institutions that have obtained the QFII status (collectively referred to as "ELN"). The Chinese government may relax the QFII regulations over time, and the fund will consider investing in the A-share market directly when opportunities arise. Where the fund invests in the A-share market through ELN that are not listed nor quoted on a market that is open to the international public and on which the ELN are regularly traded, such ELN should comprise no more than 15% of the fund's non-cash assets. The risks of investing in equity linked instruments are set out in the section below.

(20) Risk disclosures for investment in Equity Linked Notes and other similar securities and instruments in relation to HSBC China Growth Fund and HSBC China Momentum Fund (sub-funds of HSBC Investment Funds Trust)

Exposure to shares may be obtained through investment in Equity Linked Notes and other similar equity linked securities and instruments (collectively referred to as "ELN"). In particular, under the current regulations in China, HSBC China Momentum Fund's and HSBC China Growth Fund's investment in A-shares listed on the markets in China is likely to be indirect by acquiring ELN issued by institutions permitted to invest in the A-share markets.

ELN may not be listed and are subject to the terms and conditions imposed by their issuer. These terms may lead to delays in implementing the Manager's investment strategy due to restrictions on the issuer acquiring or disposing of the securities underlying the ELN. Investment in ELN can be illiquid as there is no active market in ELN. In order to meet realisation requests, the fund relies upon the counterparty issuing the ELN to quote a price to unwind any part of the ELN. This price will reflect the market liquidity conditions and the size of the transaction.

By seeking exposure to investments in certain listed securities through ELN, the fund is taking on the credit risk of the issuer of the ELN. There is a risk that the issuer will not settle a transaction due to a credit or liquidity problem, thus causing the fund to suffer a loss. In addition, in the case of a default, the fund could become subject to adverse market movements while replacement transactions are executed.

An investment in an ELN entitles the holder to certain cash payments calculated by reference to the shares to which the ELN is linked. It is not an investment directly in the shares themselves. An investment in the ELN does not entitle the ELN holder to the beneficial interest in the shares nor to make any claim against the company issuing the shares.

Investment through ELN may lead to a dilution of performance of the fund when compared to a fund investing directly in similar assets. In addition, when the fund intends to invest in a particular share through ELN, there is no guarantee that subsequent application monies for units in the fund can be immediately invested in such share through ELN. This may impact on the performance of the fund.

As at the date hereof, it is likely that the fund will invest in the A-share market through ELN issued by institutions which have obtained the QFII status in China; and certain restrictions imposed by the Chinese government on QFIIs may have an adverse effect on the fund's liquidity and performance. QFIIs are subject to restrictions on the maximum stake which can be held in any one listed company. Transaction sizes for QFIIs are large and there are lock-up restrictions on repatriation of capital invested by a QFII in China. These restrictions will impact on the terms of any ELN acquired by the fund. In order to reduce such impact, the fund will generally invest in ELN that is realisable on each Dealing Day under normal market conditions, subject to the credit risk of the counterparty.

Fluctuation in the exchange rate between the denomination currency of the underlying shares and the ELN will affect the value of the ELN, the redemption amount and the distribution amount on the ELN.

For purpose of investment restriction monitoring, ELN will be treated as an equity investment in A share instead of being classified as a derivative in determining the appropriate limits.

(21) China tax risk disclosure in relation to HSBC China Growth Fund and HSBC China Momentum Fund (sub-funds of HSBC Investment Funds Trust)

(a) In relation to ELN linked to China A-shares

The HSBC China Momentum Fund and the HSBC China Growth Fund may invest in ELN linked to China A-shares. These instruments are issued by institutions that have obtained the QFII status. As there are risks and uncertainties associated with China's tax rules and practice, it has been the funds' practice to withhold (or cause the ELN issuers to withhold) a 10% provision on the potential tax with respect to the realised and unrealised gains from their investments in ELN linked to China A-shares, prior to 14 November 2014.

Pursuant to the *Circular Concerning the Temporary Exemption of the Enterprise Income Tax for Gains Earned by QFII and RQFII from Transfer of Domestic Shares and Other Equity Interest Investment in China* promulgated by the Ministry of Finance, the State Administration of Taxation and the China Securities Regulatory Commission on 14 November 2014:

(i) enterprise income tax shall be exempt on a temporary basis on the gains earned by qualified foreign institutional investors ("QFIIs") and Renminbi qualified foreign institutional investors ("RQFIIs") from the transfer of domestic shares and other equity interest investment in China with effect from 17 November

2014; and

(ii) enterprise income tax shall be imposed on such gains earned by QFIIs and RQFIIs before 17 November 2014 in accordance with the tax laws.

The circular is applicable for QFIIs and RQFIIs without any establishment or place in China or the income derived by the QFIIs and RQFIIs are not effectively connected with their establishment or place in China.

Based on this circular, the Manager (after taking tax advice and as arranged with Trustee) has decided to implement the below tax provision practice for the funds in respect of their investment in ELN linked to China A-shares:

(i) the funds have ceased to withhold 10% of unrealised gains on their investments in ELN linked to China A-shares as a tax provision from 14 November 2014 (the last Valuation Day before 17 November 2014) on the basis that any gains subsequently realised from 17 November 2014 onwards will be temporarily exempt from enterprise income tax;
(ii) the amount of tax provision for unrealised gains on the funds' investments in ELN linked to China A-shares withheld by the funds as a tax provision up to 14 November 2014 has been released to the funds;
(iii) the funds have ceased to withhold (or ceased to request the ELN issuers to withhold) 10% of realised gains on their investments in ELN linked to China A-shares as a tax provision from 17 November 2014; and
(iv) the funds will continue to (or continue to request the ELN issuers to) retain the amount withheld up to and including 14 November 2014 as a tax provision with respect to realised gains on their investments in ELN linked to China A-shares.

Notwithstanding the above, it remains uncertain as to how gains or income that may be derived from the funds' investments in ELN linked to China A-shares prior to 17 November 2014 will be taxed.

(b) In relation to China A-shares traded through the Shanghai-Hong Kong Stock Connect

The HSBC China Momentum Fund and the HSBC China Growth Fund may invest in China A-shares through Shanghai-Hong Kong Stock Connect.

Pursuant to the *Circular on the Taxation Policy of the Pilot Programme for the Mutual Stock Market Access between Shanghai and Hong Kong Stock Markets* promulgated by the Ministry of Finance, the State Administration of Taxation and the China Securities Regulatory Commission on 14 November 2014, in respect of trading through Shanghai-Hong Kong Stock Connect, enterprise income tax and business tax shall be exempt on a temporary basis on the gains earned by Hong Kong market investors (including corporate and individual investors) from the transfer of China A-shares listed on the Shanghai Stock Exchange.

Based on this circular, the Manager has decided (after taking tax advice) that the funds will not withhold any amount of realised or unrealised gains on their investments in China A-shares through Shanghai-Hong Kong Stock Connect as tax provisions.

The Manager (after taking tax advice) may in its discretion make further modification to the tax provision practice of the funds based on new developments and interpretation of the relevant regulations. Therefore, the Manager may, upon taking tax advice, at its discretion, arrange with the Trustee to make further tax provisions in regard to potential PRC tax liabilities in respect of the funds' investments in the PRC based on new developments and interpretation of the relevant regulations from time to time, for the purpose of meeting the funds' tax liabilities in respect of or arising out of any PRC taxes set out above.

Investors should note that any tax provision (including provisions previously made which will be retained by the funds or withheld by the ELN issuers set out in (a) above) may be excessive or inadequate to meet actual PRC tax liabilities on investments made by the funds. In the event that it is satisfied (based on tax advice) that part of the tax provisions are not required, the Manager will arrange with the Trustee to release such provisions back into the funds, forming part of the funds' assets. On the other hand, any amount by which the tax provisions fall short of the tax liability incurred or is expected to be incurred by the funds shall be debited and deducted from the funds' assets.

Any tax provision, if made, will be reflected in the net asset value of the relevant fund at the time of debit or release of such provision and thus will only impact on units which remain in the relevant fund at the time of debit or release of such provision. Units which are redeemed prior to the time of debit of such provision will not be affected by reason of any insufficiency of the tax provision. Likewise, such units and the unitholders who have redeemed will not benefit from any release of excess tax provisions.

Investors may be advantaged or disadvantaged depending upon the final tax outcome as and when investors subscribed and/or redeemed the units of the relevant funds. Investors should note that no unitholders who have redeemed their units in the funds before the release of any excess tax provision shall be entitled to claim in whatsoever form any part of the tax provision or withholding amounts released to the funds, which amount will be reflected in the value of units in the funds.

(22) Risks associated with the Shanghai-Hong Kong Stock Connect in relation to the HSBC China Momentum Fund and HSBC China Growth Fund

The Shanghai-Hong Kong Stock Connect programme is recently announced and is novel in nature. It enables Hong Kong and overseas investors to directly access eligible China A-shares through Hong Kong brokers. It is subject to regulations promulgated by regulatory authorities and implementation rules (e.g. trading rules) made by the stock exchanges in China and Hong Kong.

New regulations may be promulgated from time to time by the regulators in connection with operations and cross-border legal enforcement in connection with cross-border trades under the Shanghai-Hong Kong Stock Connect.

It should be noted that the regulations are untested and there is no certainty as to how they will be applied, and their application may have retrospective effects. Moreover, the current regulations are subject to change. There can be no assurance that the Shanghai-Hong Kong Stock Connect will not be abolished. The funds, which may invest in the China market through Shanghai-Hong Kong Stock Connect, may be adversely affected as a result of such changes.

Investment restrictions

HSBC Global Investment Funds

General Investment Restrictions

Each sub-fund of HSBC Global Investment Funds shall be regarded as a separate UCITS for the purposes of this section.

I. (1) HSBC Global Investment Funds may invest in:

a) transferable securities and money market instruments admitted to or dealt in on a Regulated Market;

b) transferable securities and money market instruments dealt in on another market in a Member State which is regulated, operates regularly and open to the public;

c) transferable securities and money market instruments admitted to official listing on a stock exchange in a non-Member State of the European Union or dealt in on another market in a non-Member State of the European Union which is regulated, operates regularly and is recognised and open to the public provided that the choice of the stock exchange or market has been provided for in the constitutional documents of HSBC Global Investment Funds;

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 HSBC Global Investment Funds and such admission is secured within one year of the issue;

e) units of UCITS and / or other UCIs, whether situated in a Member State or not, provided that:

- such other UCIs have been authorised under the laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in European Community law, and that cooperation between authorities is sufficiently ensured,
- the level of protection for unitholders in such other UCIs is equivalent to that provided for unitholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of Directive 2009/65/EC, as amended,
- the business of such other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period,

- no more than 10% of the assets of the UCITS or of the other UCIs, whose acquisition is contemplated, can, according to their constitutional documents, in aggregate be invested in units of other UCITS or other UCIs;

f) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a country which is a Member State or if the registered office of the credit institution is situated in a third country provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in European Community law;

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

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

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

- the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at HSBC Global Investment Funds' 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 a Member State, the European Central Bank, the EU or the European Investment Bank, a non-Member State or, in case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong, or

- issued by an undertaking any securities of which are dealt in on Regulated Markets referred to in subparagraphs a), b) or c) above, or

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

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

(2) In addition, HSBC Global Investment Funds may invest a maximum of 10% of the net assets of any sub-fund in transferable securities or money market instruments other than those referred to under paragraph (1) above.

II. HSBC Global Investment Funds may hold ancillary liquid assets.

III. a) (i) HSBC Global Investment Funds will invest no more than 10% of the net assets of any sub-fund in transferable securities or money market instruments issued by the same issuing body.

(ii) HSBC Global Investment Funds may not invest more than 20% of the net assets of any sub-fund in deposits made with the same body. The risk exposure of a sub-fund to a counterparty in an

OTC derivative transaction may not exceed 10% of its net assets when the counterparty is a credit institution referred to in paragraph I.(1) f) above or 5% of its net assets in other cases.

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

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

Notwithstanding the individual limits laid down in paragraph a), HSBC Global Investment Funds shall not combine, where this would lead to investing more than 20% of its assets in a single body, any of the following for each sub-fund:

- investments in transferable securities or money market instruments issued by that body;
- deposits made with that body; or
- exposure arising from OTC derivative transactions undertaken with that body.

c) The limit of 10% laid down in sub-paragraph a) (i) above is increased to a maximum of 35% in respect of transferable securities or money market instruments which are issued or guaranteed by a Member State, its public local authorities, or by another Eligible State or by public international bodies of which one or more Member States are members.

d) The limit of 10% laid down in sub-paragraph a) (i) is increased to 25% for certain bonds when they are issued by a credit institution which has its registered office in a Member State and is subject by law, to special public supervision designed to protect bondholders. In particular, sums deriving from the issue of these bonds must be invested in conformity with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in case of bankruptcy of the issuer, would be used on a priority basis for the repayment of principal and payment of the accrued interest.

If a sub-fund invests more than 5% of its net assets in the bonds referred to in this sub-paragraph and issued by one issuer, the total value of such investments may not exceed 80% of the net assets of the sub-fund.

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

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

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

HSBC Global Investment Funds may cumulatively invest up to 20% of the net assets of a sub-fund in transferable securities and money market instruments within the same group.

f) **Notwithstanding the above provisions, HSBC Global Investment Funds is authorised to invest up to 100% of the net assets of any sub-fund, in accordance with the principle of risk spreading, in transferable securities and money market instruments issued or guaranteed by any Member State, by one or more of its local authorities or agencies, a non-Member State of the EU or by another Member State of the OECD, Singapore or any member state of the Group of Twenty (G20) or by public international bodies of which one or more Member States of the EU are members, provided that such sub-fund must hold securities from at least six different issues and securities from one issue do not account for more than 30% of the net assets of such sub-fund.**

IV. a) Without prejudice to the limits laid down in Section V., the limits provided in Section III. are raised to a maximum of 20% for investments in shares and / or bonds issued by the same issuing body if the aim of the investment policy of a sub-fund is to replicate the composition of a certain stock or bond index which is sufficiently diversified, represents an adequate benchmark for the market to which it refers, is published in an appropriate manner and disclosed in the relevant sub-fund's investment policy.

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

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

b) HSBC Global Investment Funds may acquire no more than:

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

10% of the debt securities of the same issuer;

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

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

The provisions of paragraph V. shall not be applicable to transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities or by any other Eligible State, or issued by public international bodies of which one or more Member States of the EU are members.

These provisions are also waived as regards shares held by HSBC Global Investment Funds 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 HSBC Global Investment Funds can invest in the securities of issuing bodies of that State provided that the investment policy of the company from the third country of the EU complies with the limits laid down in paragraphs III., V. and VI. a), b) and c).

VI. a) HSBC Global Investment Funds may acquire units of the UCITS and / or other UCIs referred to in paragraph I. (1) e), provided that no more than 10% of a sub-fund's net assets be invested in the units of UCITS or other UCIs or in one single sub-fund of such UCITS or other UCI (including Target Sub-Funds as defined in section VII below) unless otherwise provided in the chapter headed "Fund details".

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

c) If HSBC Global Investment Funds invests in the shares or units of UCITS (including other sub-funds of HSBC Global Investment Funds) and / or other UCIs that are managed directly or indirectly by the Management Company of HSBC Global Investment Funds 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 HSBC Global Investment Funds and the UCITS and / or other UCIs into which HSBC Global Investment Funds invests. In derogation of this, if HSBC Global Investment Funds invests in shares of HSBC ETFs PLC, then there may be duplication of management fees for any sub-funds of HSBC Global Investment Funds. HSBC Global Investment Funds will indicate in its annual report the total management fees charged both to the relevant sub-fund and to HSBC ETFs PLC.

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

d) HSBC Global Investment Funds 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 chapter headed "Fund details", a sub-fund may invest more than 10% of its net assets in the units of UCITS or other UCIs or in one single such UCITS or other UCIs (including Target Sub-Funds), the following will apply:

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

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

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

VII. A sub-fund (the "Investing Sub-Fund") may subscribe, acquire and/or hold securities to be issued or issued by one or more sub-funds of HSBC Global Investment Funds (each a "Target Sub-Fund") without HSBC Global Investment Funds 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 chapter headed "Fund details", to invest more than 10% of its net assets in the units of UCITS or other UCIs or in one single such UCITS or other UCIs; and

- 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 HSBC Global Investment Funds 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. HSBC Global Investment Funds shall ensure for each sub-fund that the global exposure relating to derivative instruments does not exceed the net assets of the relevant sub-fund.

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

If HSBC Global Investment Funds 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 HSBC Global Investment Funds invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in Section III.

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

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

b) HSBC Global Investment Funds may not grant loans to or act as guarantor on behalf of third parties.

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

c) HSBC Global Investment Funds may not carry out uncovered sales of transferable securities, money market instruments or other financial instruments.

d) HSBC Global Investment Funds may not acquire movable or immovable property.

e) HSBC Global Investment Funds may not acquire either precious metals or certificates representing them.

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

b) If the limits referred to in paragraph a) are exceeded for reasons beyond the control of HSBC Global Investment Funds 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 HSBC Global Investment Funds is now authorised in Luxembourg as a UCITS under the 2010 Law and HSBC Global Investment Funds' offering document has been updated to incorporate new investment restrictions, for as long as HSBC Global Investment Funds and the sub-funds remain authorised by the SFC in Hong Kong and unless otherwise approved by the SFC, the Management Company of HSBC Global Investment Funds confirms its intention to operate the sub-funds authorised in Hong Kong (other than the sub-funds exercising the wider derivatives powers as indicated in the relevant investment objective of such sub-funds) in accordance with the investment principles of Chapter 7 of the Hong Kong Code on Unit Trusts and Mutual Funds (the "Code") and to comply with any other requirements or conditions imposed by the SFC in respect of the relevant sub-funds. Should HSBC Global Investment Funds intend to change the investment objectives, policy and / or restrictions to utilise 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 HSBC Global Investment Funds and the sub-funds remain authorised by the SFC, the Management Company of HSBC Global Investment Funds may not obtain a rebate on any fees or charges levied by an underlying scheme or its management company.

Unless otherwise indicated in the investment objective of a sub-fund in the chapter headed "Fund details", investments in China A-shares and B-shares dealt in on the stock exchanges in China (excluding Hong Kong) shall not exceed 10% of the net asset value of the sub-fund (including indirect exposure.) At least one month prior notice will be given to relevant shareholders before any increase in exposure to China A-shares and B-shares can be made.

In order for the following sub-funds to claim eligibility to the French "Plan d'Epargne en Actions" and as long as they are registered with the Autorité des Marchés Financiers in France, the additional restriction, that for each sub-fund, the total amount invested in Equity or Equity equivalent securities (as defined by art. L- 221-31 of the French Monetary and Financial Code, § I-1°, a, b and c), which have their registered office in a country member of:

– the EU or

– the European Economic Area provided that the said country has concluded with France a bilateral tax cooperation agreement with a clause of administrative assistance aiming at fighting against tax fraud or evasion; will be not less than 75% at any point in time for the following sub-funds:

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

The definition given by art. L- 221-31 of the French Monetary and Financial Code, § I-1°, a, b and c, excludes equities or equity-equivalent securities issued by corporates which are not subject to corporate tax at the normal rate applying in their home country, and which in particular excludes shares of listed real estate corporates ("SIIC" - sociétés d'investissements immobiliers cotées").

The annual and semi-annual reports of HSBC Global Investment Funds will mention the actual percentage invested in the above mentioned securities for those sub-funds.

Risk-Management Process

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

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

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

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

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

(2) Commitment and Value-at-Risk approaches

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

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

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

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

Absolute VaR

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

Relative VaR

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

The risk management methodology for each sub-fund and, in case of use of the VaR, the expected level of leverage, the approach used (i.e. absolute VaR or relative VaR) and the reference portfolio or benchmark used to express the relative VaR (if applicable) will be specified under the chapter headed "Fund details".

(3) Risk monitoring systems

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

(4) Procedure for counterparty approval

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

(5) Investment Breach reporting

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

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 certain sub-funds will be disclosed in the investment objective and policy the relevant sub-fund.

(1) Efficient Portfolio Management

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

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

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

The use of financial derivative instruments introduces an additional exposure of counterparty risk by the sub-fund, although this is managed through internal risk control mechanisms and according to the diversification and concentration requirements of the UCITS regulation.

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

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

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

All revenues generated from EPM techniques are returned to the sub-fund. Revenues received by third party facilitators (e.g. third-party agent lenders or broker-dealers) or affiliates, must be commercially justifiable given the level of service.

(2) Global exposure

The global exposure of each sub-fund relating to derivative instruments may not exceed the net assets of the relevant sub-fund (that means that the overall risk exposure of a 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 a sub-fund. The overall risk exposure of a 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 a sub-fund). The sub-funds may use different approaches to monitor risk, including the Value-at-Risk (VaR) approach. For any 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 HSBC Global Investment Funds 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 HSBC Global Investment Funds 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.

(3) Securities Lending and Repurchase Transactions

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

(a) enter, either as purchaser or seller, into optional as well as non optional repurchase transactions (it is not currently the intention of HSBC Global Investment Funds to engage any sub-fund in such transaction); and

(b) engage in securities lending transactions up to 100% of the net asset value of the relevant sub-funds.

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

The Management Company or the securities lending agent will review the value of such collateral on a daily basis to ensure that its value is at least equal to the value of the securities delivered under such transactions on a daily mark to market basis with an aim to ensure that the sub-fund's exposure in this area is fully covered.

HSBC Global Investment Funds may also obtain from time to time from a third party a guarantee covering 100% of the global valuation of the securities lent.

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

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

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

(4) Collateral

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

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

- Liquidity: any collateral received other than cash should be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation. Collateral received will also comply with the provisions of paragraph V of the section headed "General Investment Restrictions".
- Valuation: eligible collateral, as determined is valued daily by an entity that is independent from the counterparty on a mark-to-market basis.
- Issuer credit quality: non cash collateral received is of high credit quality (at least A3 and A-).
- Haircut policy: haircuts will take into account the characteristics of the assets such as the credit standing or the price volatility. Assets that exhibit high price volatility will not be accepted by HSBC Global Investment Funds as collateral unless suitably conservative haircuts are in place. Haircuts are reviewed by the Management Company on an ongoing basis to ensure that they remain appropriate for eligible collateral taking into account collateral quality, liquidity and price volatility:
    - All eligible cash collateral received by HSBC Global Investment Funds' sub-funds participating in securities lending arrangements with HSBC Bank Plc (acting as agent through its Securities Services) will be subject to a minimum positive haircut of 105%;
    - All other eligible non-cash collateral received by HSBC Global Investment Funds' sub-funds participating in securities lending arrangements with HSBC Bank Plc (acting as agent through its Securities Services) will be subject to a minimum positive haircut of 105% for fixed income securities and 110% for equities.
- Correlation: collateral received by HSBC Global Investment Funds is issued by an entity that is independent from the counterparty or by one that is expected not to display a high correlation with the performance of the counterparty.
- Diversification: collateral received by HSBC Global Investment Funds will remain sufficiently diversified such that no more than 20% of the net asset value of a sub-fund will be held in a basket of non-cash collateral (and reinvested collateral) with the same issuer.
- Enforceability: collateral received by HSBC Global Investment Funds is capable of being fully enforced by HSBC Global Investment Funds at any time without reference to or approval from the counterparty.
- Non-cash collateral received should not be sold, reinvested or pledged.
- Reinvestment of cash collateral: where received by HSBC Global Investment Funds, reinvested cash collateral will remain sufficiently diversified in accordance with the diversification requirements applicable to non-cash collateral and may only be:
    - Placed on deposit with credit institution having its registered office in a country which is a Member State or with a credit institution having its registered office in a third country provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in European Community law;
    - Invested in short-term money market funds as defined in the Guidelines on a Common Definition of European Money Market Funds approved by the Management Company.
      The Management Company may delegate authority to the securities lending agent to invest cash collateral into qualifying HSBC products.
- A sub-fund that receives collateral for at least 30% of its net assets will have an appropriate stress testing policy in place to ensure regular stress tests are carried out under normal and exceptional liquidity conditions to enable the UCITS to assess the liquidity risk attached to the collateral. This stress testing policy will:
    - Ensure appropriate calibration, certification and sensitivity analysis;
    - Consider an empirical approach to impact assessment, including back-testing of liquidity risk estimates;
    - Establish reporting frequency and limit/loss tolerance threshold/s; and
    - Consider mitigation actions to reduce loss including haircut policy and gap risk protection.
- Other risks - other risks linked to the management of collateral, such as operational and legal risks, are identified, managed and mitigated by the risk management process.

Glossary for HSBC Global Investment Funds

1915 Law	Luxembourg Law of 10 August 1915 relating to Commercial Companies, as amended.
2010 Law	Luxembourg Law of 17 December 2010 on undertakings for collective investment, implementing UCITS IV directive 2009/65/EC into the Luxembourg Law.
Administration Agent	HSBC Securities Services (Luxembourg) S.A.

Approved Counterparty	Means, as regards a counterparty to a derivative contract entered into by HSBC Global Investment Funds or a sub-fund, HSBC Bank plc or any other entity (which may be an affiliate of either) selected by HSBC Global Investment Funds on the advice of the Investment Adviser.
Articles of Incorporation	The articles of incorporation of HSBC Global Investment Funds, as amended from time to time.
Board of Directors	The board of directors of HSBC Global Investment Funds.
BRIC	Brazil, Russia, India and China (including Hong Kong SAR).
CAAP	Means a security (such as a P-Note, warrant, option, participation certificate) linked to A hare or portfolios of A share which aim to synthetically replicate the economic benefit of the relevant A share or portfolio of A share.
China or PRC	The People's Republic of China, but for the purposes of the fund's investment objective and investment approach only, excludes Hong Kong, Macau Special Administrative Region and Taiwan.
CSRC	China Securities Regulatory Commission.
CSSF	Commission de Surveillance du Secteur Financier, the Luxembourg supervisory authority.
Depositary Bank (previously referred to as Custodian)	HSBC Securities Services (Luxembourg) S.A.
Equitisation	A process of simulating equity exposure within an investment portfolio using derivatives. This is often done with cash holdings so as to maximise the investment opportunity within a portfolio as cash typically provides lower returns than equities. Investment of idle cash balances in equity-based instruments, such as index futures or exchange-traded funds, according to mandated instructions. Equity risk is taken against idle cash balances, with the prospect of generating additional gains from long-term growth in equity markets.
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.
G20	The informal group of twenty finance ministers and central bank governors from twenty major economies: Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russia, Saudi Arabia, South Africa, South Korea, Turkey, UK, USA and the European Union.
Hong Kong SAR or Hong Kong	Hong Kong Special Administrative Region.
Investment Company Act	The United States Investment Company Act of 1940, as amended.
Investment Grade	Fixed income securities that are at least rated Baa3/BBB- by Moody's, Standard & Poor's, or another recognised credit rating agency.
Latin America	Consists of South America, Central America, Mexico and parts of the Caribbean.
Management Company	HSBC Investment Funds (Luxembourg) S.A.
Member State	A Member State of the European Union. The States that are contracting parties to the Agreement creating the European Economic Area other than the Member States of the European Union, within the limits set forth by this Agreement and related acts, are considered as equivalent to Member States of the European Union.

money market instruments	Instruments normally dealt in on the money market which are liquid, and have a value which can be accurately determined at any time.
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	HSBC Securities Services (Luxembourg) S.A.
REITs	An entity that is dedicated to owning, and in most cases, managing real estate. This may include, but is not limited to, real estate in the residential (apartments), commercial (shopping centres, offices) and industrial (factories, warehouses) sectors. Certain REITs may also engage in real estate financing transactions and other real estate development activities.
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 characterised 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.
Savings Directive	Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments.
Securities Act	The United States Securities Act of 1933, as amended.
SFC	Securities and Futures Commission in Hong Kong.
Total Return Swap	A Total Return Swap ("TRS") is the generic name for any non-traditional swap agreement where one party agrees to pay the other the "total return" of a defined underlying asset, usually in return for receiving a stream of fixed or variable rate cash-flows. The TRS may be applied to any underlying asset but is most commonly used with equity indices, single stocks, bonds and defined portfolios of loans and mortgages. For all sub-funds using instruments that might swap the performance of one asset into the performance of another (a TRS), the underlying exposure(s) of the TRS, or an instrument with similar characteristics, is taken into account when considering the sub-funds' investment limits. Counterparty Risk, also known as 'default risk', refers to the risk that a counterparty will fail to fulfil its contractual obligations, either by failing to pay or by failing to deliver securities. The Company employs a variety of mechanisms to manage and mitigate Counterparty Risk including but not limited to the following: Counterparty approval using external credit ratings and/or a credit review consisting of three years' worth of audited financial accounts, Counterparties are also reviewed at least annually to ensure that they remain appropriate for the requirements of the business. Counterparties are monitored on a continual basis and any adverse information concerning the credit worthiness of approved counterparties is considered as a matter of urgency, Counterparty exposures are monitored on a daily basis by a function independent of the front office, Exposures may also be managed through a collateral and margining arrangement supported by appropriate and legally enforceable trading agreements.

transferable securities	Shares and other securities equivalent to shares, bonds and other debt instruments and any other negotiable securities which carry the right to acquire any such transferable securities by subscription or exchange, excluding techniques and instruments relating to transferable securities and money market instruments.
UCITS	An Undertaking for Collective Investment in Transferable Securities authorised pursuant to directive 2009/65/EC, as amended.
other UCI	An Undertaking for Collective Investment within the meaning of Article 1 paragraph (2) point a) and b) of Directive 2009/65/EC, as amended.

HSBC Global Money Funds

The investment restrictions applicable to the sub-funds (please refer to page 13 for the list of sub-funds) of HSBC Global Money Funds are summarised below:

Each sub-fund may not:

(a) acquire any investment which would result in the value of the investments of any one sub-fund issued, made, accepted or guaranteed by:

    (i) any one substantial financial institution exceeding 25% of the value of the net assets of such sub-fund, provided that the total amount so invested shall not exceed 10% of the issuers' issued capital and published reserves; or

    (ii) any one company or body other than a substantial financial institution exceeding 10% of the value of the net assets of such sub-fund;

    notwithstanding the foregoing, the Managers may in respect of any sub-fund, make a single deposit of up to USD1 million (or the equivalent in the currency of that sub-fund);

(b) except with the consent of the Securities and Futures Commission in Hong Kong, purchase investments other than deposits, short-term money market instruments, liquid assets and "unrestricted investments", such as government-guaranteed securities;

(c) permit the average portfolio maturity of any one sub-fund to exceed 90 days;

(d) purchase an instrument with a remaining term to maturity of more than one year or in the case of an unrestricted investment, more than two years;

(e) invest in gold, silver or other bullion, physical commodities or real estate.

The Managers may, however, invest up to 30% of the value of any sub-fund's net assets in unrestricted investments of the same issue.

Short selling of investments, lending of money or giving of guarantees is prohibited, and the Managers may not acquire any investment which would involve the sub-funds in unlimited liability.

Borrowing against the assets of a sub-fund is allowed up to a maximum of 10% of net assets of that sub-fund. Any borrowing may, however, only be undertaken on a short-term basis to facilitate payment of redemptions or to defray expenses.

HSBC Investment Funds Trust

The investment restrictions applicable to the sub-funds (please refer to page 14 for the list of sub-funds) of HSBC Investment Funds Trust are summarised below: –

(a) not more than 10% of the value of the net assets of a sub-fund may consist of securities (other than Government and other public securities) issued by a single issuer;

(b) a sub-fund's holding of ordinary shares of a single class (other than Government and other public securities) when aggregated with the holdings of the same class of securities held by all the other sub-funds of HSBC Investment Funds Trust may not exceed 10% of the securities of the same class in issue (accordingly such holding may not exceed 10% of any ordinary shares issued by a single issuer);

(c) not more than 15% of the value of the net assets of any sub-fund may consist of securities of any company not listed, quoted or dealt in on a stock exchange, over-the-counter market or other organised securities market which is open to the international public and on which such securities are regularly traded;

(d) not more than 30% of the value of the net assets of a sub-fund may consist of Government and other public securities of a single issue;

(e) a sub-fund may be fully invested in Government and other public securities issued by a single issuer provided that it holds Government and other public securities of at least six different issues;

(f) not more than 15% of the value of the net assets of a sub-fund may consist of warrants and options, other than warrants and options held for hedging purposes;

(g) no uncovered options may be written on behalf of any sub-fund;

(h) the aggregate of the exercise prices of all call options written on behalf of a sub-fund may not exceed 25% of the value of the net assets of that sub-fund;

(i) any sub-fund may enter into financial futures contracts for hedging purposes;

(j) the net aggregate value of the contract prices, whether payable to or by a sub-fund, under all outstanding futures contracts entered into for the account of such sub-fund (other than futures contracts entered into for hedging purposes), together with the aggregate value of investments falling within paragraph (k) below held by such sub-fund, may not exceed 20% of the value of the net assets of such sub-fund;

(k) not more than 20% of the value of the net assets of a sub-fund may consist of physical commodities (including gold, silver, platinum or other bullion) and commodity based investments (other than securities issued by companies engaged in producing, processing or trading in commodities);

(l) not more than 10% of the value of the net assets of a sub-fund may consist of shares or units in other open ended unit trusts or mutual funds ("managed funds");

(m) no investment may be made in a managed fund which investment objective is to invest primarily in investments prohibited by the Code on Unit Trusts and Mutual Funds published by the Securities and Futures Commission in Hong Kong and in the case of an investment in a managed fund which investment objective is to invest primarily in investments restricted by such Code, such investment may not exceed the relevant restriction;

(n) no investment may be made for any sub-fund in a managed fund managed by the Manager or any of its connected persons which would result in an increase in the overall total of initial charges, management fees or other costs and charges borne by the relevant sub-fund;

(o) no investment may be made in any type of real estate (including buildings) or interests in real estate (including options or rights in respect of real estate but excluding shares in real estate companies and interests in real estate investment trusts (REITs) that are listed on a stock exchange);

(p) a sub-fund may not make short sales if as a consequence the liability of such sub-fund to deliver securities would exceed 10% of the value of the net assets of such sub-fund;

(q) securities sold short must be actively traded on a market where short selling is permitted;

(r) a sub-fund may not lend, assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person without the prior written consent of the Trustee;

(s) a sub-fund may not acquire any investment which would involve the assumption of unlimited liability;

(t) a sub-fund may not invest in a security of any class in any company or body if any director or officer of the Manager individually owns more than 0.5% of the total nominal amount of all the issued securities of that class or, collectively, the directors and officers of the Manager own more than 5% of those securities;

(u) no investment may be made for any sub-fund in any security where a call is to be made for any sum unpaid on that security unless such call could be met in full out of cash or near cash held by the relevant sub-fund which has not been set aside for the purpose of providing cover for options written on behalf of such sub-fund.

Pursuant to the Trust Deed of HSBC Investment Funds Trust, the Manager may request the Trustee to enter into securities lending transactions for the account of a sub-fund for up to 100% of the assets of the relevant sub-fund are lent to one or more third party borrowers subject to the relevant laws and regulations. Any incremental income generated from securities lending transactions will be credited to the account of the relevant sub-fund after deducting any fees charged by the Trustee and the security lending agent (which could be an affiliate of the Manager) for operating such securities lending transactions and investors will receive written notice from the Manager for any change in such arrangement. Where securities lending transactions are carried out through an affiliate entity either acting as a counterparty or security lending agent, such transactions shall be effected on normal commercial terms negotiated at arm's length. The Manager will seek to appoint counterparties with blue chip names which have a track record and a leading market reputation including The Hongkong and Shanghai Banking Corporation Limited and other members of the HSBC Group. The counterparties chosen are expected to have a minimum credit rating of A2 or equivalent, or deemed to have an implied rating of A2. Alternatively, an unrated counterparty will be acceptable where the relevant Sub-Fund is indemnified against losses caused by the counterparty, by an entity which has a minimum credit rating of A2. The Manager will take collateral and 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 lent on a daily mark to market basis with an aim to ensure that the sub-fund's exposure in this area is fully covered. The collateral received by the sub-fund is either cash or other liquid assets which may include securities issued or guaranteed by any OECD or European Union government, government agencies or any other public or supranational bodies or organisations or any other issuer which is, in the opinion of the Manager, of similar standing and certificates of deposit with maturity of no more than one year.

The Manager may borrow up to 25% of the latest net asset value of any sub-fund (except in relation to HSBC Asian Bond Fund and HSBC Asian High Yield Bond Fund where borrowings may not exceed 10% of the latest net asset value of such sub-fund) to acquire new investments or for liquidity purposes to meet realisations and other expenses. The assets of the relevant sub-fund may be charged or pledged as security for any such borrowings.

HSBC Managed Balanced Fund, HSBC Managed Growth Fund and HSBC Managed Stable Fund

The investment restrictions applicable to the funds are summarised below: –

(a) not more than 10% of the value of the net assets of a fund may consist of securities (other than Government and other public securities) issued by a single issuer;

(b) a fund's holding of securities of a single class (other than Government and other public securities) may not exceed 10% of the securities of the same class in issue;

(c) not more than 15% of the value of the net assets of a fund may consist of securities of any company not listed or quoted on a stock exchange, over-the-counter market or other organised securities market which is open to the international public and on which such securities are regularly traded;

(d) not more than 30% of the value of the net assets of a fund may consist of Government and other public securities of a single issue;

(e) a fund may be fully invested in Government and other public securities issued by a single issuer provided that it holds Government and other public securities of at least six different issues;

(f) not more than 15% of the value of the net assets of a fund may consist of warrants and options, other than warrants and options held for hedging purposes;

(g) no uncovered options may be written on behalf of a fund;

(h) the aggregate of the exercise prices of all call options written on behalf of a fund may not exceed 25% of the value of the net assets of that fund;

(i) a fund may enter into financial futures contracts for hedging purposes;

(j) the net aggregate value of the contract prices, whether payable to or by a fund, under all outstanding futures contracts entered into for the account of such fund (other than futures contracts entered into for hedging purposes), together with the aggregate value of investments falling within paragraph (k) below held by such fund, may not exceed 20% of the value of the net assets of such fund;

(k) not more than 20% of the value of the net assets of a fund may consist of physical commodities (including gold, silver, platinum or other bullion) and commodity based investments (other than securities issued by companies engaged in producing, processing or trading in commodities);

(l) not more than 10% of the value of the net assets of a fund may consist of shares or units in other open ended unit trusts or mutual funds ("managed funds");

(m) no investment may be made in a managed fund whose investment objective is to invest primarily in investments prohibited by the Code on Unit Trusts and Mutual Funds published by the Securities and Futures Commission in Hong Kong and in the case of an investment in a managed fund whose investment objective is to invest primarily in investments restricted by such Code, such investment may not exceed the relevant restriction;

(n) no investment may be made for a fund in a managed fund managed by the Manager or any of its connected persons which would result in an increase in the overall total of initial charges, management fees or other costs and charges borne by the relevant fund;

(o) no investment may be made in any type of real estate (including buildings) or interests in real estate (including options or rights in respect of real estate but excluding securities issued by real estate companies and interests in real estate investment trusts (REITS) that are listed on a stock exchange);

(p) a fund may not make short sales if as a consequence the liability of such fund to deliver securities would exceed 10% of the value of the net assets of such fund;

(q) securities sold short must be actively traded on a market where short selling is permitted;

(r) a fund may not lend, assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person without the prior written consent of the Trustee;

(s) a fund may not acquire any investment which would involve the assumption of unlimited liability;

(t) a fund may not invest in a security of any class in any company or body if any director or officer of the Manager individually owns more than 0.5% of the total nominal amount of all the issued securities of that class or, collectively, the directors and officers of the Manager own more than 5% of those securities;

(u) no investment may be made for a fund in any security where a call is to be made for any sum unpaid on that security unless such call could be met in full out of cash or near cash held by the relevant fund which has not been set aside for the purpose of providing cover for options written on behalf of such fund.

The Manager currently has no intention to engage in securities lending for the funds.

The Manager may borrow up to 25% of the latest net asset value of a fund to acquire new investments or for liquidity purposes to meet realisations and other expenses. The assets of the relevant fund may be charged or pledged as security for any such borrowings.

Summary of principal features, fees and expenses

	Class [1]	Dealing Deadline (Hong Kong time)	Minimum Investment [2]	Sales Charge	Management Fee (% per annum)	Trustee Fee (% per annum)	Operating, Administrative and Servicing Expenses (% per annum)	Dividends	Denomination Currency of the fund [12]	Dealing Currency available [12]
Bond and money funds:										
HSBC Investment Funds Trust										
HSBC Asian Bond Fund	AM-USD	4 p.m.	USD1,000	3.00%	1.00% [3]	0.10 - 0.125% [6]	Not applicable	Yes, monthly, if any [9][10][11]	USD	USD
	AM-HKD	4 p.m.	HKD10,000	3.00%	1.00% [3]	0.10 - 0.125% [6]	Not applicable	Yes, monthly, if any [9][10][11]	USD	HKD
	AMH-AUD [1]	4 p.m.	AUD1,500	3.00%	1.00% [3]	0.10 - 0.125% [6]	Not applicable	Yes, monthly, if any [9][10][11]	USD	AUD
	AMH-CAD [1]	4 p.m.	CAD1,000	3.00%	1.00% [3]	0.10 - 0.125% [6]	Not applicable	Yes, monthly, if any [9][10][11]	USD	CAD
	AMH-EUR [1]	4 p.m.	EUR850	3.00%	1.00% [3]	0.10 - 0.125% [6]	Not applicable	Yes, monthly, if any [9][10][11]	USD	EUR
	AMH-GBP [1]	4 p.m.	GBP650	3.00%	1.00% [3]	0.10 - 0.125% [6]	Not applicable	Yes, monthly, if any [9][10][11]	USD	GBP
	AC-USD	4 p.m.	USD1,000	3.00%	1.00% [3]	0.10 - 0.125% [6]	Not applicable	-	USD	USD
	AC-HKD	4 p.m.	HKD10,000	3.00%	1.00% [3]	0.10 - 0.125% [6]	Not applicable	-	USD	HKD
HSBC Asian High Yield Bond Fund	AM-USD	4 p.m.	USD1,000	5.25%	1.25% [3]	0.11 - 0.135% [6]	Not applicable	Yes, monthly, if any [9][10][11]	USD	USD
	AM-HKD	4 p.m.	HKD10,000	5.25%	1.25% [3]	0.11 - 0.135% [6]	Not applicable	Yes, monthly, if any [9][10][11]	USD	HKD
	AMH-AUD [1]	4 p.m.	AUD1,500	5.25%	1.25% [3]	0.11 - 0.135% [6]	Not applicable	Yes, monthly, if any [9][10][11]	USD	AUD
	AMH-CAD [1]	4 p.m.	CAD1,000	5.25%	1.25% [3]	0.11 - 0.135% [6]	Not applicable	Yes, monthly, if any [9][10][11]	USD	CAD
	AMH-EUR [1]	4 p.m.	EUR850	5.25%	1.25% [3]	0.11 - 0.135% [6]	Not applicable	Yes, monthly, if any [9][10][11]	USD	EUR
	AMH-GBP [1]	4 p.m.	GBP650	5.25%	1.25% [3]	0.11 - 0.135% [6]	Not applicable	Yes, monthly, if any [9][10][11]	USD	GBP
	AC-USD	4 p.m.	USD1,000	5.25%	1.25% [3]	0.11 - 0.135% [6]	Not applicable	-	USD	USD
	AC-HKD	4 p.m.	HKD10,000	5.25%	1.25% [3]	0.11 - 0.135% [6]	Not applicable	-	USD	HKD
HSBC Global Investment Funds										
– Euro High Yield Bond [15]	AC	4 p.m.	USD1,000	5.25%	1.10%	Not applicable	0.25% [8]	-	EUR	EUR
	AD	4 p.m.	USD1,000	5.25%	1.10%	Not applicable	0.25% [8]	Yes, if any [9]	EUR	EUR
	AM	4 p.m.	USD1,000	5.25%	1.10%	Not applicable	0.25% [8]	Yes, monthly, if any [9][10][11]	EUR	EUR
	AMHHKD [1]	4 p.m.	HKD10,000	5.25%	1.10%	Not applicable	0.25% [8]	Yes, monthly, if any [9][10][11]	EUR	HKD
	AMHAUD [1]	4 p.m.	AUD1,500	5.25%	1.10%	Not applicable	0.25% [8]	Yes, monthly, if any [9][10][11]	EUR	AUD
	AMHCAD [1]	4 p.m.	CAD1,000	5.25%	1.10%	Not applicable	0.25% [8]	Yes, monthly, if any [9][10][11]	EUR	CAD
	AMHGBP [1]	4 p.m.	GBP650	5.25%	1.10%	Not applicable	0.25% [8]	Yes, monthly, if any [9][10][11]	EUR	GBP
	AMHUSD [1]	4 p.m.	USD1,000	5.25%	1.10%	Not applicable	0.25% [8]	Yes, monthly, if any [9][10][11]	EUR	USD
– Global Bond [15]	AD	4 p.m.	USD1,000	5.25%	0.75%	Not applicable	0.25% [8]	Yes, if any [9]	USD	USD
	AM	4 p.m.	USD1,000	5.25%	0.75%	Not applicable	0.25% [8]	Yes, monthly, if any [9][10][11]	USD	USD
– Global Emerging Markets Bond [15]	AC	4 p.m.	USD1,000	5.25%	1.25%	Not applicable	0.35% [8]	-	USD	USD
	ACHKD	4 p.m.	HKD10,000	5.25%	1.25%	Not applicable	0.35% [8]	-	USD	HKD
	AM	4 p.m.	USD1,000	5.25%	1.25%	Not applicable	0.35% [8]	Yes, monthly, if any [9][10][11]	USD	USD
	AMHKD	4 p.m.	HKD10,000	5.25%	1.25%	Not applicable	0.35% [8]	Yes, monthly, if any [9][10][11]	USD	HKD
	AMHAUD [1]	4 p.m.	AUD1,500	5.25%	1.25%	Not applicable	0.35% [8]	Yes, monthly, if any [9][10][11]	USD	AUD
	AMHCAD [1]	4 p.m.	CAD1,000	5.25%	1.25%	Not applicable	0.35% [8]	Yes, monthly, if any [9][10][11]	USD	CAD
	AMHEUR [1]	4 p.m.	EUR850	5.25%	1.25%	Not applicable	0.35% [8]	Yes, monthly, if any [9][10][11]	USD	EUR
	AMHGBP [1]	4 p.m.	GBP650	5.25%	1.25%	Not applicable	0.35% [8]	Yes, monthly, if any [9][10][11]	USD	GBP
– Global High Income Bond	AC	4 p.m.	USD1,000 / HKD10,000	3.00%	1.25%	Not applicable	0.25% [8]	-	USD	USD / HKD [13]
	AM	4 p.m.	USD1,000 / HKD10,000	3.00%	1.25%	Not applicable	0.25% [8]	Yes, monthly, if any [9][10][11]	USD [13]	USD / HKD [13]
	AMHAUD [1]	4 p.m.	AUD1,500	3.00%	1.25%	Not applicable	0.25% [8]	Yes, monthly, if any [9][10][11]	USD	AUD
	AMHCAD [1]	4 p.m.	CAD1,000	3.00%	1.25%	Not applicable	0.25% [8]	Yes, monthly, if any [9][10][11]	USD	CAD
	AMHEUR [1]	4 p.m.	EUR850	3.00%	1.25%	Not applicable	0.25% [8]	Yes, monthly, if any [9][10][11]	USD	EUR
	AMHGBP [1]	4 p.m.	GBP650	3.00%	1.25%	Not applicable	0.25% [8]	Yes, monthly, if any [9][10][11]	USD	GBP

	Class [1]	Dealing Deadline (Hong Kong time)	Minimum Investment [2]	Sales Charge	Management Fee (% per annum)	Trustee Fee (% per annum)	Operating, Administrative and Servicing Expenses (% per annum)	Dividends	Denomination Currency of the fund [12]	Dealing Currency available [12]
Bond and money funds(continue):										
HSBC Global Investment Funds										
– Global High Yield Bond [15]	AM	4 p.m.	USD1,000	5.25%	1.10%	Not applicable	0.25% [8]	Yes, monthly, if any [9] [10] [11]	USD	USD
	AMHKD	4 p.m.	HKD10,000	5.25%	1.10%	Not applicable	0.25% [8]	Yes, monthly, if any [9] [10] [11]	USD	HKD
	AMHAUD [1]	4 p.m.	AUD1,500	5.25%	1.10%	Not applicable	0.25% [8]	Yes, monthly, if any [9] [10] [11]	USD	AUD
	AMHCAD [1]	4 p.m.	CAD1,000	5.25%	1.10%	Not applicable	0.25% [8]	Yes, monthly, if any [9] [10] [11]	USD	CAD
	AMHEUR [1]	4 p.m.	EUR850	5.25%	1.10%	Not applicable	0.25% [8]	Yes, monthly, if any [9] [10] [11]	USD	EUR
	AMHGBP [1]	4 p.m.	GBP650	5.25%	1.10%	Not applicable	0.25% [8]	Yes, monthly, if any [9] [10] [11]	USD	GBP
– US Dollar Bond [15]	AM	4 p.m.	USD1,000	5.25%	0.75%	Not applicable	0.25% [8]	Yes, monthly, if any [9] [10] [11]	USD	USD
	PD	4 p.m.	USD1,000	5.25%	0.50%	Not applicable	0.25% [8]	Yes, if any [9]	USD	USD
HSBC Global Money Funds										
– Hong Kong Dollar	A	11 a.m.	HKD50,000 [2]	Nil	0.25% [4]	0.10% [7]	Not applicable	-	HKD	HKD
– US Dollar	A	11 a.m.	USD1,000	Nil	0.25% [4]	0.10% [7]	Not applicable	-	USD	USD
Managed funds:										
HSBC Managed Balanced Fund	A	4 p.m.	HKD10,000	5.50%	1.50%	0.10% [6]	Not applicable	Yes, if any [9]	HKD	HKD
HSBC Managed Growth Fund	A	4 p.m.	HKD10,000	5.50%	1.50% [3]	0.10% [6]	Not applicable	Yes, if any [9]	HKD	HKD
HSBC Managed Stable Fund	A	4 p.m.	HKD10,000	5.50%	1.50% [3]	0.10% [6]	Not applicable	Yes, if any [9]	HKD	HKD
International and regional equity funds:										
HSBC Global Investment Funds										
– Asia ex Japan Equity [15]	AD	4 p.m.	USD1,000	5.25%	1.50%	Not applicable	0.35% [8]	Yes, if any [9]	USD	USD
– Asia ex Japan Equity Smaller Companies [15]	AD	4 p.m.	USD1,000	5.25%	1.50%	Not applicable	0.35% [8]	Yes, if any [9]	USD	USD
	ADHKD	4 p.m.	HKD10,000	5.25%	1.50%	Not applicable	0.35% [8]	Yes, if any [9]	USD	HKD
– Asia Pacific ex Japan Equity High Dividend [15]	AD	4 p.m.	USD1,000	5.25%	1.50%	Not applicable	0.35% [8]	Yes, semi-annually, if any [9]	USD	USD
	AM	4 p.m.	USD1,000	5.25%	1.50%	Not applicable	0.35% [8]	Yes, monthly, if any [9] [10] [11]	USD	USD
	AMHKD	4 p.m.	HKD10,000	5.25%	1.50%	Not applicable	0.35% [8]	Yes, monthly, if any [9] [10] [11]	USD	HKD
– BRIC Equity [15]	AC	4 p.m.	USD1,000	5.25%	1.50%	Not applicable	0.40% [8]	-	USD	USD
	ACCHF	4 p.m.	CHF1,000	5.25%	1.50%	Not applicable	0.40% [8]	-	USD	CHF
	ACEUR	4 p.m.	EUR850	5.25%	1.50%	Not applicable	0.40% [8]	-	USD	EUR
	ACHKD	4 p.m.	HKD10,000	5.25%	1.50%	Not applicable	0.40% [8]	-	USD	HKD
– BRIC Markets Equity	AC	4 p.m.	USD1,000	5.25%	1.50%	Not applicable	0.35% [8]	-	USD	USD
– China Consumer Opportunities	AC	4 p.m.	USD1,000	5.25%	1.50%	Not applicable	0.40% [8]	-	USD	USD
	ACHKD	4 p.m.	HKD10,000	5.25%	1.50%	Not applicable	0.40% [8]	-	USD	HKD
– Emerging Wealth	AD	4 p.m.	USD1,000	5.25%	1.50%	Not applicable	0.40% [8]	Yes, if any [9]	USD	USD
– Euroland Equity [15]	AD	4 p.m.	USD1,000	5.25%	1.50%	Not applicable	0.35% [8]	Yes, if any [9]	EUR	EUR
	ADHUSD	4 p.m.	USD1,000	5.25%	1.50%	Not applicable	0.35% [8]	Yes, if any [9]	EUR	USD
– Euroland Equity Smaller Companies [15]	AD	4 p.m.	USD1,000	5.25%	1.50%	Not applicable	0.35% [8]	Yes, if any [9]	EUR	EUR
– European Equity [15]	AD	4 p.m.	USD1,000	5.25%	1.50%	Not applicable	0.35% [8]	Yes, if any [9]	EUR	EUR
	ADHUSD	4 p.m.	USD1,000	5.25%	1.50%	Not applicable	0.35% [8]	Yes, if any [9]	EUR	USD
– Global Emerging Markets Equity [15]	AD	4 p.m.	USD1,000	5.25%	1.50%	Not applicable	0.40% [8]	Yes, if any [9]	USD	USD
– Global Equity [15]	AD	4 p.m.	USD1,000	5.25%	1.50%	Not applicable	0.35% [8]	Yes, if any [9]	USD	USD
– Global Equity Climate Change	AD	4 p.m.	USD1,000	5.25%	1.50%	Not applicable	0.35% [8]	Yes, if any [9]	USD	USD
– Global Equity Volatility Focused	AM	4 p.m.	USD1,000	5.25%	1.50%	Not applicable	0.35% [8]	Yes, monthly, if any [9] [10] [11]	USD	USD
	AMHKD	4 p.m.	HKD10,000	5.25%	1.50%	Not applicable	0.35% [8]	Yes, monthly, if any [9] [10] [11]	USD	HKD
	AMHAUD [1]	4 p.m.	AUD1,500	5.25%	1.50%	Not applicable	0.35% [8]	Yes, monthly, if any [9] [10] [11]	USD	AUD
	AMHCAD [1]	4 p.m.	CAD1,000	5.25%	1.50%	Not applicable	0.35% [8]	Yes, monthly, if any [9] [10] [11]	USD	CAD
	AMHEUR [1]	4 p.m.	EUR850	5.25%	1.50%	Not applicable	0.35% [8]	Yes, monthly, if any [9] [10] [11]	USD	EUR
	AMHGBP [1]	4 p.m.	GBP650	5.25%	1.50%	Not applicable	0.35% [8]	Yes, monthly, if any [9] [10] [11]	USD	GBP
	AMHSGD [1]	4 p.m.	SGD1,250	5.25%	1.50%	Not applicable	0.35% [8]	Yes, monthly, if any [9] [10] [11]	USD	SGD
– Latin American Equity [15]	AD	4 p.m.	USD1,000	5.25%	1.50%	Not applicable	0.40% [8]	Yes, if any [9]	USD	USD
	ADHKD	4 p.m.	HKD10,000	5.25%	1.50%	Not applicable	0.40% [8]	Yes, if any [9]	USD	HKD

	Class [1]	Dealing Deadline (Hong Kong time)	Minimum Investment [2]	Sales Charge	Management Fee (% per annum)	Trustee Fee (% per annum)	Operating, Administrative and Servicing Expenses (% per annum)	Dividends	Denomination Currency of the fund [12]	Dealing Currency available [12]
Market specific equity funds:										
HSBC Global Investment Funds										
– Brazil Equity	AC	4 p.m.	USD1,000	5.25%	1.75%	Not applicable	0.40% [8]	-	USD	USD
	AD	4 p.m.	USD1,000	5.25%	1.75%	Not applicable	0.40% [8]	Yes, if any [9]	USD	USD
	ADHKD	4 p.m.	HKD10,000	5.25%	1.75%	Not applicable	0.40% [8]	Yes, if any [9]	USD	HKD
– Chinese Equity [15]	AC	4 p.m.	USD1,000	5.25%	1.50%	Not applicable	0.40% [8]	-	USD	USD
	AD	4 p.m.	USD1,000	5.25%	1.50%	Not applicable	0.40% [8]	Yes, if any [9]	USD	USD
	ADHKD	4 p.m.	HKD10,000	5.25%	1.50%	Not applicable	0.40% [8]	Yes, if any [9]	USD	HKD
– Hong Kong Equity [15]	PD	4 p.m.	USD1,000	5.25%	1.00%	Not applicable	0.35% [8]	Yes, if any [9]	USD	USD
– Indian Equity	ACCHF	4 p.m.	CHF1,000	5.25%	1.50%	Not applicable	0.40%[8]	-	USD	CHF
	ACEUR	4 p.m.	EUR850	5.25%	1.50%	Not applicable	0.40%[8]	-	USD	EUR
	AD	4 p.m.	USD1,000	5.25%	1.50%	Not applicable	0.40%[8]	Yes, if any [9]	USD	USD
	ADHKD	4 p.m.	HKD10,000	5.25%	1.50%	Not applicable	0.40%[8]	Yes, if any [9]	USD	HKD
– Japanese Equity	PD	4 p.m.	USD1,000	5.25%	1.00%	Not applicable	0.35% [8]	Yes, if any [9]	JPY [13]	USD [13]
– Korean Equity [15]	AD	4 p.m.	USD1,000	5.25%	1.50%	Not applicable	0.40% [8]	Yes, if any [9]	USD	USD
– Russia Equity	AD	4 p.m.	USD1,000	5.25%	1.75%	Not applicable	0.40% [8]	Yes, if any [9]	USD	USD
	ADHKD	4 p.m.	HKD10,000	5.25%	1.75%	Not applicable	0.40% [8]	Yes, if any [9]	USD	HKD
– Singapore Equity	PD	4 p.m.	USD1,000	5.25%	1.00%	Not applicable	0.40% [8]	Yes, if any [9]	USD	USD
– Taiwan Equity [15]	AD	4 p.m.	USD1,000	5.25%	1.50%	Not applicable	0.40% [8]	Yes, if any [9]	USD	USD
– Thai Equity	AD	4 p.m.	USD1,000	5.25%	1.50%	Not applicable	0.35% [8]	Yes, if any [9]	USD	USD
– UK Equity [15]	AD	4 p.m.	USD1,000	5.25%	1.50%	Not applicable	0.31% [8]	Yes, if any [9]	GBP	GBP
– US Equity	PD	4 p.m.	USD1,000	5.25%	1.00%	Not applicable	0.35% [8]	Yes, if any [9]	USD	USD
HSBC Investment Funds Trust										
HSBC China Growth Fund	AC-USD	4 p.m.	USD1,000	5.25%	1.50% [3]	0.10 - 0.125% [6]	Not applicable	-	USD	USD
	AC-HKD	4 p.m.	HKD10,000	5.25%	1.50% [3]	0.10 - 0.125% [6]	Not applicable	-	USD	HKD
HSBC China Momentum Fund	AC-USD	4 p.m.	USD3,000	5.25%	1.75% [3]	0.10% [6]	Not applicable	-	USD	USD
Managed solutions funds:										
HSBC Global Investment Funds										
– Managed Solutions – Asia Focused Conservative [15]	AC	4 p.m.	USD1,000	5.25%	0.70%	Not applicable	0.35% [8]	-	USD	USD
	ACHKD	4 p.m.	HKD10,000	5.25%	0.70%	Not applicable	0.35% [8]	-	USD	HKD
	ACHAUD [1]	4 p.m.	AUD1,500	5.25%	0.70%	Not applicable	0.35% [8]	-	USD	AUD
	ACHEUR [1]	4 p.m.	EUR850	5.25%	0.70%	Not applicable	0.35% [8]	-	USD	EUR
	AM	4 p.m.	USD1,000	5.25%	0.70%	Not applicable	0.35% [8]	Yes, monthly, if any [9][10][11]	USD	USD
	AMHKD	4 p.m.	HKD10,000	5.25%	0.70%	Not applicable	0.35% [8]	Yes, monthly, if any [9][10][11]	USD	HKD
	AMHAUD [1]	4 p.m.	AUD1,500	5.25%	0.70%	Not applicable	0.35% [8]	Yes, monthly, if any [9][10][11]	USD	AUD
	AMHCAD [1]	4 p.m.	CAD1,000	5.25%	0.70%	Not applicable	0.35% [8]	Yes, monthly, if any [9][10][11]	USD	CAD
	AMHEUR [1]	4 p.m.	EUR850	5.25%	0.70%	Not applicable	0.35% [8]	Yes, monthly, if any [9][10][11]	USD	EUR
	AMHGBP [1]	4 p.m.	GBP650	5.25%	0.70%	Not applicable	0.35% [8]	Yes, monthly, if any [9][10][11]	USD	GBP
– Managed Solutions – Asia Focused Growth [15]	AC	4 p.m.	USD1,000	5.25%	1.50%	Not applicable	0.35% [8]	-	USD	USD
	ACHKD	4 p.m.	HKD10,000	5.25%	1.50%	Not applicable	0.35% [8]	-	USD	HKD
	ACHAUD [1]	4 p.m.	AUD1,500	5.25%	1.50%	Not applicable	0.35% [8]	-	USD	AUD
	ACHEUR [1]	4 p.m.	EUR850	5.25%	1.50%	Not applicable	0.35% [8]	-	USD	EUR
	AM	4 p.m.	USD1,000	5.25%	1.50%	Not applicable	0.35% [8]	Yes, monthly, if any [9][10][11]	USD	USD
	AMHKD	4 p.m.	HKD10,000	5.25%	1.50%	Not applicable	0.35% [8]	Yes, monthly, if any [9][10][11]	USD	HKD
	AMHAUD [1]	4 p.m.	AUD1,500	5.25%	1.50%	Not applicable	0.35% [8]	Yes, monthly, if any [9][10][11]	USD	AUD
	AMHCAD [1]	4 p.m.	CAD1,000	5.25%	1.50%	Not applicable	0.35% [8]	Yes, monthly, if any [9][10][11]	USD	CAD
	AMHEUR [1]	4 p.m.	EUR850	5.25%	1.50%	Not applicable	0.35% [8]	Yes, monthly, if any [9][10][11]	USD	EUR
	AMHGBP [1]	4 p.m.	GBP650	5.25%	1.50%	Not applicable	0.35% [8]	Yes, monthly, if any [9][10][11]	USD	GBP

	Class [1]	Dealing Deadline (Hong Kong time)	Minimum Investment [2]	Sales Charge	Management Fee (% per annum)	Trustee Fee (% per annum)	Operating, Administrative and Servicing Expenses (% per annum)	Dividends	Denomination Currency of the fund [12]	Dealing Currency available [12]
Managed solutions funds(continue):										
HSBC Global Investment Funds										
– Managed Solutions – Asia Focused Income [15]	AM	4 p.m.	USD1,000	5.25%	1.25%	Not applicable	0.35% [8]	Yes, monthly, if any [9] [10] [11]	USD	USD
	AMHKD	4 p.m.	HKD10,000	5.25%	1.25%	Not applicable	0.35% [8]	Yes, monthly, if any [9] [10] [11]	USD	HKD
	AMHAUD [1]	4 p.m.	AUD1,500	5.25%	1.25%	Not applicable	0.35% [8]	Yes, monthly, if any [9] [10] [11]	USD	AUD
	AMHCAD [1]	4 p.m.	CAD1,000	5.25%	1.25%	Not applicable	0.35% [8]	Yes, monthly, if any [9] [10] [11]	USD	CAD
	AMHEUR [1]	4 p.m.	EUR850	5.25%	1.25%	Not applicable	0.35% [8]	Yes, monthly, if any [9] [10] [11]	USD	EUR
	AMHGBP [1]	4 p.m.	GBP650	5.25%	1.25%	Not applicable	0.35% [8]	Yes, monthly, if any [9] [10] [11]	USD	GBP
The following classes are currently closed to new subscription or (if a date is specified) will be closed to new subscription with effect from the date specified below [16]:										
HSBC Global Investment Funds										
– BRIC Equity [14] [15] [16]	MC	4 p.m.	USD1,000	5.25%	1.00% [5]	Not applicable	0.40% [8]	-	USD	USD
– Global Bond [15] [16]	PD	4 p.m.	USD1,000	5.25%	0.50%	Not applicable	0.25% [8]	Yes, if any [9]	USD [13]	GBP [13]
– Global Emerging Markets Bond [15] [16]	PD	4 p.m.	USD1,000	5.25%	1.00%	Not applicable	0.35% [8]	Yes, if any [9]	USD	USD
– Global Emerging Markets Equity [15] [16]	PC	4 p.m.	USD1,000	5.25%	1.00%	Not applicable	0.40% [8]	-	USD	USD
– European Equity (class PD of this fund will be closed to new subscription with effect from 16 March 2015) [15] [16]	PD	4 p.m.	USD1,000	5.25%	1.00%	Not applicable	0.35% [8]	Yes, if any [9]	EUR	EUR

Please read the Notes on page 60, the prevention of market timing and other shareholder protection mechanisms in relation to the sub-funds of HSBC Global Investment Funds on page 66, the pricing adjustment mechanism in relation to HSBC Global Investment Funds on page 67, the pricing adjustment mechanism in relation to HSBC Investment Funds Trust on page 67 and the fees and expenses information of various funds on page 67 to page 68 for further information.

Notes:

1. A class may be denominated in different currencies. Except for the currency hedged classes mentioned in this Note below, while a class may be denominated in different currencies, it does not represent that hedging will be undertaken in relation to the relevant currencies, and the underlying portfolio of the relevant fund remains exposed to the currencies of the underlying holdings.

   The following classes are currency hedged classes, which are suffixed by "H" and the currency into which the base currency of the fund is hedged or the currency into which the currency the fund's total assets are primarily invested in, is hedged:

Name of fund	Currency hedged class
HSBC Global Investment Funds – Euro High Yield Bond	AMHAUD, AMHCAD, AMHGBP, AMHHKD, AMHUSD
HSBC Global Investment Funds – Euroland Equity	ADHUSD
HSBC Global Investment Funds – European Equity	ADHUSD
HSBC Global Investment Funds – Global Emerging Markets Bond	AMHAUD, AMHCAD, AMHEUR, AMHGBP
HSBC Global Investment Funds – Global Equity Volatility Focused	AMHAUD, AMHCAD, AMHEUR, AMHGBP, AMHSGD
HSBC Global Investment Funds – Global High Income Bond	AMHAUD, AMHCAD, AMHEUR, AMHGBP
HSBC Global Investment Funds – Global High Yield Bond	AMHAUD, AMHCAD, AMHEUR, AMHGBP
HSBC Global Investment Funds – Managed Solutions – Asia Focused Conservative	ACHAUD, ACHEUR, AMHAUD, AMHCAD, AMHEUR, AMHGBP
HSBC Global Investment Funds – Managed Solutions – Asia Focused Growth	ACHAUD, ACHEUR, AMHAUD, AMHCAD, AMHEUR, AMHGBP
HSBC Global Investment Funds – Managed Solutions – Asia Focused Income	AMHAUD, AMHCAD, AMHEUR, AMHGBP
HSBC Investment Funds Trust – HSBC Asian Bond Fund	AMH-AUD, AMH-CAD, AMH-EUR, AMH-GBP
HSBC Investment Funds Trust – HSBC Asian High Yield Bond Fund	AMH-AUD, AMH-CAD, AMH-EUR, AMH-GBP

Currency hedged 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. Any gains or losses from the currency hedging shall also accrue to the relevant currency hedged class. Subscriptions and redemptions are only accepted in the currency of the currency hedged class.

For the currency hedged classes of HSBC Global Investment Funds, HSBC Global Investment Funds pays to the Management Company a fee to cover the fees of the Administration Agent relating to the execution of the currency hedging policy for the hedged share classes and such fees will be borne by the relevant currency hedged class. These fees are in addition to the Operating, Administrative and Servicing Expenses of HSBC Global Investment Funds. Where the Administration Agent takes these fees, the maximum rate for fees relating to the execution of the currency hedging policy is 0.06% per annum subject to a minimum annual fee of EUR 15,000 per each currency hedged class. Currency hedged share classes are offered for sub-funds which are: (i) wholly, or almost wholly, exposed to their denomination currency (or another currency to which the sub-fund is predominately exposed); or (ii) managed with the aim to obtain a total return calculated in their denomination currency whilst the underlying investments of the sub-fund are exposed to multiple currencies.

For the currency hedged classes of HSBC Investment Funds Trust, the Trustee is entitled to any fees arising from the execution of the currency hedging policy which involve fees in valuing the assets of the relevant sub-fund and such fees will be borne by the relevant currency hedged class.

2. Minimum Investment is applicable to both initial investment and, except HSBC Global Money Funds – Hong Kong Dollar, subsequent investment. For HSBC Global Money Funds – Hong Kong Dollar, the minimum amount of subsequent investment is HKD10,000.

3. The fee may be increased up to a maximum of 2.5% per annum on three months' notice.

4. The fee currently charged by the Manager is not exceeding the rate set out in the table "Summary of principal features, fees and expenses" and the fee rate disclosed in such table may be increased up to a maximum of 1.5% per annum on three months' notice.

5. The fee may be increased up to a maximum of 3.5% per annum on one months' notice.

6. The fee may be increased up to a maximum of 0.25% per annum on one month's notice. For HSBC Asian High Yield Bond Fund, the trustee fee is subject to a minimum of USD52,000 for the first 12 months and thereafter USD72,000 per annum. For HSBC Managed Balanced Fund, HSBC Managed Growth Fund and HSBC Managed Stable Fund, the trustee fee is subject to a minimum of HKD10,000 per month per fund.

7. The fee currently charged by the Trustee is not exceeding the rate set out in the table "Summary of principal features, fees and expenses" and the fee rate disclosed in such table may be increased up to a maximum of 0.15% per annum on one month's notice.

8. The fee may be increased up to a maximum of 1.0% per annum on one month's notice.

9. The funds that are intended to distribute dividends are indicated by a "Yes" under the "Dividends" column in the table above. Unless otherwise specified in the table above, dividends, if any, are normally paid on an annual or semi-annual basis. Dividends may or may not be paid depending on the recommendations of the Manager or Board of Directors of a fund. With the exception of Class A monthly distribution shares (such as Class AM shares) of HSBC Global Investment Funds, dividends will be automatically reinvested unless the investor indicates otherwise. For Class A monthly distribution shares (such as Class AM shares) of HSBC Global Investment Funds, all dividends and distributions declared will be paid to investors automatically and will not be reinvested.

10. For these classes, if the investment income is not sufficient, the Board of Directors or the Manager of the relevant fund (as the case may be) may determine if, and to what extent, the dividend may be paid out of capital or paid gross of expenses. 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.

    Investors should however note that the Board of Directors or the Manager of the relevant fund (as the case may be) may in its discretion decide not to declare dividends, and there is no guarantee on regular distribution of dividends.

    Investors should note that the payment of dividends out of capital or effectively out of capital represents a 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 unit or share of the relevant fund.

11. The composition of the latest dividends of these classes (i.e. the relative amounts paid from income and capital) (if any) for the last 12 months is available from HSBC Investment Funds (Hong Kong) Limited on request and

on the website www.assetmanagement.hsbc.com/hk[2].

12. The financial statements of a fund are expressed in the denomination currency of such fund. Subject to the terms of the constitutive documents of a fund, a fund may issue unit or share classes denominated in a currency other than the denomination currency of such fund. Offer and redemption prices of the units or shares of the relevant class of a fund are quoted in the dealing currencies available from the Manager or the Hong Kong Representative (as the case may be) of such fund. Unless otherwise specified in Note 13 below, the denomination currency of a class of a fund is same as the dealing currency available from the Manager or the Hong Kong Representative (as the case may be) in relation to such fund. All transactions between investors and a fund are to be settled in the dealing currency of the relevant units or shares. Unless otherwise agreed by us, units or shares of the relevant class of a fund subscribed in one dealing currency cannot be changed to another dealing currency of the same class at the investor's request. Except for the currency hedged classes mentioned in Note 1 above, while offer and redemption prices of the units or shares may be quoted in different dealing currencies, it does not represent that hedging will be undertaken in relation to the relevant dealing currencies, and the underlying portfolio of the relevant fund remains exposed to the currencies of the underlying holdings. For sub-funds of HSBC Global Investment Funds, in exceptional circumstances, such as during an event of very significant currency markets disruption, should it not be possible for HSBC Global Investment Funds to make payments for redemptions in the denomination currency of the class, dealing currency or currency of any currency hedged share class, HSBC Global Investment Funds reserves the right to make such payment only in the denomination currency of the sub-fund.

13. Unless otherwise specified in the table below, the denomination currency of a class of a fund is same as the dealing currency available from the Manager or Hong Kong Representative (as the case may be) in relation to such fund:

	Class	Denomination Currency of the fund (12)	Denomination Currency of the class (12)	Dealing Currency available (12)
HSBC Global Investment Funds – Global High Income Bond	AC	USD	USD	USD / HKD
	AC	USD	USD	USD / HKD
HSBC Global Investment Funds – Japanese Equity	PD	JPY	JPY	USD
HSBC Global Investment Funds – Global Bond	PD	USD	USD	GBP

14. For HSBC Global Investment Funds – BRIC Equity, performance fee calculations for class M has been terminated from 22 January 2010. Class M is currently closed to new subscription. Please see Note 16 below.

15. These funds may, from time to time, reach a size above which they may, in the view of the relevant Investment Advisers, become difficult to manage in an optimal manner. If this occurs, no new investors will be entitled to subscribe shares in these funds. Existing shareholders should contact us to enquire on opportunities for ongoing subscriptions (if any). All existing investors wishing to subscribe on a given Dealing Day will be treated equitably.

16. These unit or share classes are currently closed to new subscription in Hong Kong or (if a date is specified in the table above) will be closed to new subscription in Hong Kong with effect from the date specified in the table above (except monthly contributions from existing Monthly Investment Plans in relation to the relevant classes of the relevant funds). However, this will not affect investors' right to redeem their holdings under the constitutive documents of the relevant funds.

Foreign Account Tax Compliance Act (FATCA) and similar measures

HSBC Global Investment Funds

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

Beginning 1 July 2014, this withholding tax applies to payments to HSBC Global Investment Funds that constitute interest, dividends and other types of income from U.S. sources (such as dividends paid by a U.S. corporation) and beginning on 1 January 2017, this withholding tax is extended to the proceeds received from the sale or disposition of assets that give rise to U.S. source dividend or interest payments.

These FATCA withholding taxes may be imposed on payments to HSBC Global Investment Funds unless (i) HSBC Global Investment Funds becomes FATCA compliant pursuant to the provisions of FATCA and the

[2] The website has not been reviewed by the SFC.

relevant regulations, notices and announcements issued thereunder, or (ii) HSBC Global Investment Funds is subject to an appropriate Intergovernmental Agreement to improve international tax compliance and to implement FATCA ("IGA"). HSBC Global Investment Funds intends to comply with FATCA in good time to ensure that none of its income is subject to FATCA withholding.

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

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

If an investor or an intermediary through which it holds its interest in HSBC Global Investment Funds fails to provide HSBC Global Investment Funds, its agents or authorised representatives with any correct, complete and accurate information that may be required for HSBC Global Investment Funds to comply with FATCA, the investor may be subject to withholding on amounts otherwise distributable to the investor, may be compelled to sell its shares or, in certain situations, the investor' shares may be sold involuntarily (if legally permitted). Such withholding is required by the applicable laws and regulations and the Management Company, on behalf of HSBC Global Investment Funds, will act in good faith and on reasonable grounds in exercising its discretion to withhold amounts otherwise distributable to the investor.

HSBC Global Investment Funds may at its discretion enter into any supplemental agreement without the consent of investors to provide for any measures that HSBC Global Investment Funds deems appropriate or necessary to comply with FATCA.

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

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

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

For HSBC Global Money Funds, HSBC Investment Funds Trust, HSBC Managed Balanced Fund, HSBC Managed Growth Fund and HSBC Managed Stable Fund

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

Beginning 1 July 2014, this withholding tax applies to payments that constitute interest, dividends and other types of income from U.S. sources (such as dividends paid by a U.S. corporation) and beginning on 1 January 2017, this withholding tax is extended to the proceeds received from the sale or disposition of assets that give rise to U.S. source dividend or interest payments.

The Cayman Islands has signed a Model 1(b) (non-reciprocal) inter-governmental agreement with the United States (the "US IGA") to give effect to the US Foreign Account Tax Compliance Act. Although the US IGA has been signed and came into force on 14 April 2014. Cayman Islands legislation and regulations are still necessary to provide guidance on the application of the US IGA and to clarify, inter alia, the powers and responsibilities of the Cayman Islands Tax Information Authority (the "Cayman TIA"). Cayman Islands financial institutions ("FIs") that comply with the US IGA and the enabling legislation will be treated as satisfying the due diligence and reporting requirements of FATCA and accordingly will be "deemed compliant" with the requirements of FATCA, will not be subject to withholding tax, and will not be required to close recalcitrant accounts.

The US IGA categorises FIs as either "Reporting FIs" or "Non-Reporting FIs". By default, all Cayman FIs will be Reporting FIs, unless they qualify as Non-Reporting FIs. The categories of Non-Reporting FIs are specified in Annex II to the US IGA. A Reporting FI is (i) not required to enter an "FFI agreement" with the US Internal Revenue Service ("IRS"), (ii) required to register with the IRS to obtain a Global Intermediary Identification Number, (iii) required to conduct due diligence on its investors to identify whether accounts are held directly or indirectly by "Specified US Persons", and (iv) required to report information on such Specified US Persons to the Cayman TIA. The Cayman TIA will exchange the information reported to it with the IRS annually on an automatic basis. While a Non-Reporting FI will not be subject to these requirements, it will need to provide self-certification, on US tax forms, to withholding agents to avoid the imposition of the 30% withholding tax.

Under the terms of the US IGA and the relevant regulations, FATCA withholding tax will not be imposed on payments made to the funds except to the extent the funds, their investors or any other account holder fail to comply with its obligations under FATCA or the US IGA, or otherwise fail to comply with any other obligations it may have to the funds with respect to the funds' obligations under FATCA and/or the US IGA, as applicable. If the funds are subject to such withholding tax, this will generally be at the rate of 30% of the relevant payment. Under the terms of the US IGA (as currently drafted), the funds will not be required to withhold tax on payments made by the funds to an account holder. The funds intend to comply with the US IGA in good time to ensure that none of its income is subject to FATCA withholding.

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

If an investor or an intermediary through which it holds its interest in the funds fails to provide the funds, their agents or authorised representatives with any correct, complete and accurate information that may be required for the funds to comply with FATCA, the investor may be subject to withholding on amounts otherwise distributable to the investor, may be compelled to sell its interest in the funds or, in certain situations, the investor's interest in the funds may be sold involuntarily (provided that the Manager shall observe relevant legal requirements and shall act in good faith and on reasonable grounds). The funds may at its discretion enter into any supplemental agreement without the consent of investors to provide for any measures that the funds deem appropriate or necessary to comply with FATCA.

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

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

The Cayman Islands has also signed with the UK a separate inter-governmental agreement (the "UK IGA") in broadly similar form to the US IGA. The UK IGA imposes similar requirements to the US IGA, so that the funds will be required to identify accounts held directly or indirectly by "Specified United Kingdom Persons" and report information on such Specified United Kingdom Persons to the Cayman TIA, which will exchange such information annually with HM Revenue & Customs ("HMRC"), the United Kingdom tax authority. It is possible that further inter-governmental agreements ("future IGAs") similar to the US IGA and the UK IGA may be entered into with other third countries by the Cayman Islands Government to introduce similar regimes for reporting to such third countries fiscal authorities ("foreign fiscal authorities").

By investing (or continuing to invest) in the funds, investors shall be deemed to acknowledge that:

(i) the funds (or their agent) may be required to disclose to the Cayman TIA certain confidential information in relation to the investor, including but not limited to the investor's name, address, tax identification number (if any), social security number (if any) and certain information relating to the investor's investment;

(ii) the Cayman TIA may be required to automatically exchange information as outlined above with the IRS, HMRC and other foreign fiscal authorities;

(iii) the funds (or their agent) may be required to disclose to the IRS, HMRC and other foreign fiscal authorities certain confidential information when registering with such authorities and if such authorities contact the funds (or their agent directly) with further enquiries;

(iv) the funds may require the investor to provide additional information and/or documentation which the funds may be required to disclose to the Cayman TIA;

(v) in the event an investor does not provide the requested information and/or documentation, whether or not that actually leads to compliance failures by the funds, or a risk of the funds or their investors being subject to withholding tax under the relevant legislative or inter-governmental regime, the funds reserve the right to take any action and/or pursue all remedies at its disposal including, without limitation, compulsory redemption or withdrawal of the investor concerned, to the extent permitted by applicable laws and the funds' constitutional documents and the Manager shall observe relevant legal requirements and shall act in good faith and on reasonable grounds; and

(vi) no investor affected by any such action or remedy shall have any claim against the funds (or their agent) for any form of damages or liability as a result of actions taken or remedies pursued by or on behalf of the funds in order to comply with any of the US IGA, the UK IGA or any future IGAs, or any of the relevant underlying legislation.

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

Prevention of market timing and other shareholder protection mechanisms in relation to HSBC Global Investment Funds

HSBC Global Investment Funds does not knowingly allow investments which are associated with market timing practices, as such practices may adversely affect the interests of the shareholders of HSBC Global Investment Funds.

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 HSBC Global Investment Funds 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:

(1) The Registrar and Transfer Agent may combine shares of HSBC Global Investment Funds 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 HSBC Global Investment Funds 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.

(2) If a sub-fund of HSBC Global Investment Funds is primarily invested in markets which are closed for business at the time the sub-fund is valued, the Management Company of HSBC Global Investment Funds 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 that sub-fund to reflect more accurately the fair value of the sub-fund's investments or, in certain circumstances, to suspend the calculation of the net asset value per share and the issue, allocation, redemption and conversion of shares relating to that sub-fund (see the section headed "Suspension and deferral of dealings" on page 8).

(3) If a sub-fund of HSBC Global Investment Funds is primarily invested in markets that are closed or operate with substantially restricted or suspended dealings, the Management Company of HSBC Global Investment Funds may suspend the calculation of the net asset value per share of that sub-fund and the issue allocation and the redemption and repurchase of shares relating to that sub-fund (see the section headed "Suspension and deferral of dealings" on page 8).

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

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

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

In addition to the fees listed elsewhere in this Summary of the Explanatory Memoranda, the Management Company of HSBC Global Investment Funds may impose a charge of up to 2.00% of the net asset value of the shares redeemed or exchanged where the Management Company of HSBC Global Investment Funds 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 relevant sub-fund.

Pricing adjustment mechanism in relation to HSBC Global Investment Funds

If it is in the interests of shareholders, when the net capital inflows or outflows in a sub-fund exceeds a predefined threshold agreed from time to time by the Board of Directors of HSBC Global Investment Funds, the net asset value per share may be adjusted by a maximum of 2% in order to mitigate the effects of transaction costs, in particular but not exclusively, bid-offer spreads, brokerage and taxes on transactions. Where net capital inflows in Brazil Equity and Latin American Equity exceed a predefined threshold, the Net Asset Value per share may be adjusted by a maximum of 7% to additionally mitigate the effects of a financial transactions tax ("IOF") payable in Brazil.

The adjustment of the net asset value per share will apply equally to each class of share in a specific sub-fund on any particular valuation. For the avoidance of doubt it is clarified that fees (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 a 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.

Pricing adjustment mechanism in relation to HSBC Investment Funds Trust

If the Manager of HSBC Investment Funds Trust considers it in the interest of unitholders, it may, when the net subscription or redemption requests in a sub-fund of HSBC Investment Funds Trust exceed a threshold determined by the Manager, require the Trustee of HSBC Investment Funds Trust to adjust the offer price or redemption prices of such sub-fund in order to mitigate the effects of transaction costs, in particular but not limited to, bid-offer spreads, brokerage, taxes and government charges. Under normal market conditions, the Manager expects that the adjustment will not exceed 2%. However, the percentage may be significantly higher in special circumstances, for example, when a tax or levy is imposed on a large proportion of the assets of a sub-fund by a regulator or tax authority or where market spreads widen due to a financial crisis.

The management fee and trustee fee will continue to be calculated on the basis of the unadjusted net asset value of the relevant sub-fund. The preliminary charge will be calculated on the basis of the adjusted net asset value of the relevant sub-fund.

Fees and expenses for the sub-funds of HSBC Global Investment Funds

Sales Charge

Shares in each of the funds are purchased at their quoted offer prices. Included in the offer price is a sales charge up to 5.25% of the offer price. Please refer to the table on page 54 above for more details.

Management Fee

The management fee of each fund is set out in the table on page 55 above. The Management Company is responsible for discharging, out of such fee, the fee of the Investment Adviser.

Performance Fee

Performance fees are not applicable to the share classes of the sub-funds of HSBC Global Investment Funds currently offered to the public in Hong Kong.

Operating, Administrative and Servicing Expenses

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

This fee is set, for each class of a fund, at a fixed percentage of the net asset value of the relevant class at the rate specified in the table on page 55 above. The excess of the expenses above such annual rate will be borne directly by the Management Company or its affiliates, and equally the Management Company or its affiliates may retain any surplus.

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

Operating, Administrative and Servicing Expenses also cover expenses relating to the creation of new sub-funds; the cost of the subsidiaries relating to Global Emerging Markets Equity and Indian Equity sub-funds of HSBC Global Investment Funds, the Luxembourg asset-based taxe d'abonnement (currently up to 0.05% per annum); attendance fees and reasonable out-of-pocket expenses incurred by a 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 a fund's offering documents, financial reports, statements and other documents made available directly or through intermediaries to investors.

For the currency hedged classes of HSBC Global Investment Funds, HSBC Global Investment Funds pays to the Management Company a fee to cover the fees of the Administration Agent relating to the execution of the currency hedging policy for the currency hedged share classes and such fees will be borne by the relevant currency hedged class. These fees are in addition to the Operating, Administrative and Servicing Expenses of HSBC Global Investment Funds.

Other Expenses

The funds also bear the following expenses in addition to the fees and expenses mentioned above.

The preliminary expenses of the funds have already been fully amortised.

Each fund bears the cost and expenses of buying and selling portfolio securities and financial instruments, brokerage fees and commissions, interest or taxes payable, and other transaction-related expenses.

Each 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.

Each 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.

Fees and expenses for the sub-funds of HSBC Global Money Funds and HSBC Investment Funds Trust, and for HSBC Managed Balanced Fund, HSBC Managed Growth Fund and HSBC Managed Stable Fund

Sales Charge

Units in each of the funds are purchased at their quoted offer prices. Included in the offer price is a sales charge up to 5.5% of the offer price. Please refer to the table on page 54 above for more details.

Management Fee and Distribution Charge

The management fee and distribution charge of each fund is set out in the table on page 55 above. The Manager is responsible for discharging, out of such fee, the fee of the Investment Adviser.

Trustee Fee

The trustee fee of each fund is set out in the table on page 55 above. Trustee fee may subject to an annual minimum fee.

Other Expenses

In addition to the fees and charges mentioned above, each fund also bears the costs and expenses set out in the relevant Trust Deed. Such costs include, but are not limited to the costs of holding, investing and realising investments of the fund; the fees and expenses of custodians of the assets of the fund; out-of-pocket expenses of the Trustee; the fees and expenses of the auditors; the costs and expenses incurred in the preparation, printing and dispatch of statements, notices, accounts and reports to investors; the fees and expenses of the registrar of the fund; valuation costs and costs in connection with publishing the realisation price of units in the media; legal fees; the costs incurred in connection with any listing or regulatory approval; the costs of convening and holding meetings of holders and the costs incurred in the preparation and printing of any offering document; the costs incurred in the preparation of supplemental deeds or any agreements and the costs of terminating the fund.

The preliminary expenses of HSBC Asian High Yield Bond Fund are around USD60,000 which will be borne by such fund and amortised over a period of 5 years commencing from the launch of the fund. For HSBC Asian Bond Fund and HSBC Asia High Yield Bond Fund, the costs and expenses incurred in establishing the currency hedged units Class AMH and Class ACH are respectively estimated to be around USD15,000 and HKD15,000; such costs shall be borne by the relevant currency hedged units and amortised over a period of 5 years commencing from the date of establishment of the currency hedged units. The preliminary expenses of other funds have already been fully amortised.

Each fund will pay brokerage at normal market rates. Transactions of the fund may be entered into through associates of the Manager. The Manager 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

HSBC Global Investment Funds:

Fund name	Management Company	Investment Adviser	Hong Kong Representative	Depositary Bank and Administration Agent	Registrar and Transfer Agent	Domiciliary Agent	Auditors
HSBC Global Investment Funds	HSBC Investment Funds (Luxembourg) SA		HSBC Investment Funds (Hong Kong) Ltd	HSBC Securities Services (Luxembourg) S.A.[1]	HSBC Securities Services (Luxembourg) S.A.[1]	HSBC Securities Services (Luxembourg) S.A.[1]	KPMG Audit S. à.r.l.
BRIC Markets Equity Euro High Yield Bond Euroland Equity Euroland Equity Smaller Companies Global Equity US Equity		HSBC Global Asset Management (France)					
Asia ex Japan Equity Asia ex Japan Equity Smaller Companies Asia Pacific ex Japan Equity High Dividend Chinese Equity Hong Kong Equity Indian Equity Korean Equity Managed Solutions – Asia Focused Conservative Managed Solutions – Asia Focused Growth Managed Solutions – Asia Focused Income Singapore Equity Taiwan Equity Thai Equity		HSBC Global Asset Management (Hong Kong) Ltd					
BRIC Equity [2] China Consumer Opportunities Global Equity Climate Change Global Equity Volatility Focused Emerging Wealth European Equity Global Bond Global Emerging Markets Equity Japanese Equity Russia Equity UK Equity US Dollar Bond		HSBC Global Asset Management (UK) Ltd					
Global Emerging Markets Bond Global High Income Bond [3] Global High Yield Bond [4]		HSBC Global Asset Management (USA) Inc.					
Brazil Equity Latin American Equity		HSBC Bank Brasil S.A. – Banco Múltiplo					

All shares purchased in HSBC Global Investment Funds 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) Ltd.

HSBC Investment Funds Trust, HSBC Investment Highlight Series, HSBC Managed Balanced Fund, HSBC Managed Growth Fund, HSBC Managed Stable Fund and HSBC Global Money Funds:

Fund name	Manager	Investment Adviser	Investment Sub-Adviser	Trustee	Registrar	Registrar's Agent	Auditors
HSBC Investment Funds Trust	HSBC Investment Funds (Hong Kong) Ltd			HSBC Trustee (Cayman) Ltd [5]	HSBC Trustee (Cayman) Ltd [5]	HSBC Investment Funds (Hong Kong) Ltd	KPMG
HSBC Asian Bond Fund		HSBC Global Asset Management (Hong Kong) Ltd	Not applicable				
HSBC Asian High Yield Bond Fund		HSBC Global Asset Management (Hong Kong) Ltd	Not applicable				
HSBC China Growth Fund		HSBC Global Asset Management (Hong Kong) Ltd	Not applicable				
HSBC China Momentum Fund		HSBC Global Asset Management (Hong Kong) Ltd	Not applicable				
HSBC Managed Balanced Fund	HSBC Investment Funds (Hong Kong) Ltd	HSBC Global Asset Management (Hong Kong) Ltd	HSBC Global Asset Management (France) HSBC Global Asset Management (UK) Ltd	HSBC Trustee (Cayman) Ltd [6]	HSBC Trustee (Cayman) Ltd [6]	HSBC Investment Funds (Hong Kong) Ltd	KPMG
HSBC Managed Growth Fund	HSBC Investment Funds (Hong Kong) Ltd	HSBC Global Asset Management (Hong Kong) Ltd	HSBC Global Asset Management (France) HSBC Global Asset Management (UK) Ltd	HSBC Trustee (Cayman) Ltd [6]	HSBC Trustee (Cayman) Ltd [6]	HSBC Investment Funds (Hong Kong) Ltd	KPMG
HSBC Managed Stable Fund	HSBC Investment Funds (Hong Kong) Ltd	HSBC Global Asset Management (Hong Kong) Ltd	HSBC Global Asset Management (France) HSBC Global Asset Management (UK) Ltd	HSBC Trustee (Cayman) Ltd [6]	HSBC Trustee (Cayman) Ltd [6]	HSBC Investment Funds (Hong Kong) Ltd	KPMG
HSBC Global Money Funds	HSBC Investment Funds (Hong Kong) Ltd	HSBC Global Asset Management (Hong Kong) Ltd	Not applicable	HSBC Trustee (Cayman) Ltd [7]	HSBC Investment Funds (Hong Kong) Ltd	Not applicable	KPMG
Hong Kong Dollar			HSBC Global Asset Management (USA) Inc.				
US Dollar							

All units purchased under the Monthly Investment Plan will be held in the name of a nominee company HSBC Global Asset Management Holdings (Bahamas) Ltd.

Note:

1. In relation to HSBC Global Investment Funds:

Depositary Bank of HSBC Global Investment Funds:

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

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

Unless HSBC Securities Services (Luxembourg) S.A. has acted fraudulently, negligently or with wilful default, HSBC Securities Services (Luxembourg) S.A. shall not be liable to HSBC Global Investment Funds or to any shareholder of HSBC Global Investment Funds for any act or omission in the course of or in connection with the discharge by HSBC Securities Services (Luxembourg) S.A. of its duties. HSBC Global Investment Funds has agreed to indemnify HSBC Securities Services (Luxembourg) S.A. or any persons appointed by it from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever (other than those resulting from the fraud, negligence or wilful default on the part of HSBC Securities Services (Luxembourg) S.A. or any persons appointed by it, the "Correspondents") which may be imposed on, incurred by or asserted against HSBC Securities Services (Luxembourg) S.A. or any Correspondent in performing its obligations or duties hereunder.

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

Administration for HSBC Global Investment Funds:

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

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

HSBC Securities Services (Luxembourg) S.A. has been appointed as Registrar and Transfer Agent of HSBC Global Investment Funds pursuant to an agreement, which may be terminated by a notice given not less than 90 days in advance by either party to the other. HSBC Securities Services (Luxembourg) S.A. will act as Registrar and Transfer Agent from a date decided by the Board of Directors of HSBC Global Investment Funds and notified to shareholders.

HSBC Securities Services (Luxembourg) S.A. has been appointed by HSBC Global Investment Funds as Domiciliary Agent.

2. In relation to HSBC Global Investment Funds – BRIC Equity, HSBC Global Asset Management (UK) Ltd (the Investment Adviser of such fund) has an arrangement with HSBC Bank Brasil S.A. – Banco Múltiplo to provide non-binding investment advice in respect of such fund's Brazilian investments. The Investment Adviser has also appointed HSBC Global Asset Management (Hong Kong) Ltd to provide discretionary investment management services in respect of such fund's Chinese and Indian investments.

3. In relation to HSBC Global Investment Funds – Global High Income Bond, HSBC Global Asset Management (USA) Inc (the Investment Adviser of such fund) has appointed HSBC Global Asset Management (UK) Limited and HSBC Global Asset Management (France) to provide discretionary investment management services in respect of a part of such fund's portfolio.

4. In relation to HSBC Global Investment Funds – Global High Yield Bond, HSBC Global Asset Management (USA) Inc (the Investment Adviser of such fund) has appointed HSBC Global Asset Management (France) to provide discretionary investment management services in respect of part of the fund's portfolio.

5. In relation to HSBC Investment Funds Trust, HSBC Trustee (Cayman) Limited is the Trustee of the fund. The Trustee is a trust corporation incorporated in the Cayman Islands.

   Under the Trust Deed of HSBC Investment Funds Trust, the Trustee is responsible for the safekeeping of the assets of the fund. The Trustee may, however, appoint any person or persons to be custodian of such securities. The Trustee shall remain liable for any act or omission of any agent, nominee, custodian or joint custodian (other than Euro-clear Clearing System Limited or Cedel, S.A. or any other depositary, institutions or clearing system which may from time to time be approved by SFC).

The Trustee also acts as the Registrar of HSBC Investment Funds Trust.

Subject as provided in the Trust Deed of HSBC Investment Funds Trust, the Trustee is entitled to be indemnified from the assets of the relevant sub-fund of HSBC Investment Funds Trust from and against any and all actions, costs, claims, damages, expenses, including all reasonable legal, professional and other similar expenses (other than those resulting from the fraud, negligence or breach of trust or duty on the part of the Trustee or any of its officers, employees, agents or delegates for which the Trustee would be liable under the Trust Deed of HSBC Investment Funds Trust), which may be incurred by or asserted against the Trustee in performing its obligations or duties in connection with any sub-fund of HSBC Investment Funds Trust.

The Trustee may retire in the circumstances set out in the Trust Deed of HSBC Investment Funds Trust.

The Trustee is entitled to the fees set out below under the section headed "Summary of principal features, fees and expenses" and to be reimbursed for other costs and expenses permitted under the Trust Deed of HSBC Investment Funds Trust.

The Trustee, in its capacities as trustee and registrar respectively, has delegated certain of its functions and duties to HSBC Institutional Trust Services (Asia) Limited. However, the Trustee in its capacity as registrar will maintain the original register of unitholders in the Cayman Islands.

The Manager of HSBC Investment Funds Trust has sole responsibility for making investment decisions in relation to HSBC Investment Funds Trust and/or each sub-fund of HSBC Investment Funds Trust and the Trustee (including its delegate) is not responsible or has no liability for any investment decision made by the Manager. The Trustee and its delegate will not participate in transactions or activities or make any payments denominated in US dollars, which, if carried out by a U.S. Person, would be subject to the United States Office of Foreign Assets Control (OFAC) sanctions.

Neither the Trustee nor its delegate is involved directly or indirectly with the sponsorship or investment management of HSBC Investment Funds Trust or any sub-fund. In addition, neither the Trustee nor its delegate is responsible for the preparation of this document and therefore they accept no responsibility for any information contained in this document other than information relating to themselves and the HSBC Group.

6. In relation to HSBC Managed Balanced Fund, HSBC Managed Growth Fund and HSBC Managed Stable Fund, HSBC Trustee (Cayman) Limited is the Trustee of the respective funds. The Trustee is a trust corporation incorporated in the Cayman Islands.

Under the respective Trust Deeds of HSBC Managed Balanced Fund, HSBC Managed Growth Fund and HSBC Managed Stable Fund, the Trustee is responsible for the safekeeping of the assets of the respective funds. The Trustee may, however, appoint any person or persons to be custodian of such securities. The Trustee shall remain liable for any act or omission of any agent, nominee, custodian or joint custodian (other than Euro-clear Clearing System Limited or Clearstream (in the case of any investment other than a physical commodity) or (in the case of any physical commodity) any institution with which such commodity may customarily be stored where dealings in respect of such commodity take place on any relevant market).

Subject as provided in the relevant Trust Deeds, the Trustee is entitled to be indemnified from the assets of the relevant funds from and against any and all actions, costs, claims, damages, expenses, including all reasonable legal, professional and other similar expenses (other than those resulting from the fraud, negligence or breach of trust or duty on the part of the Trustee or any of its officers, employees, agents or delegates for which the Trustee would be liable under the relevant Trust Deeds), which may be incurred by or asserted against the Trustee in performing its obligations or duties in connection with any fund.

The Trustee may retire in the circumstances set out in the respective Trust Deeds of HSBC Managed Balanced Fund, HSBC Managed Growth Fund and HSBC Managed Stable Fund.

The Trustee is entitled to the fees set out below under the section headed "Summary of principal features, fees and expenses" and to be reimbursed for other costs and expenses permitted under the respective Trust Deeds of HSBC Managed Balanced Fund, HSBC Managed Growth Fund and HSBC Managed Stable Fund.

The Trustee, in its capacities as trustee and registrar respectively, has delegated certain of its functions and duties to HSBC Institutional Trust Services (Asia) Limited. However, the Trustee in its capacity as registrar will maintain the original register of unitholders in the Cayman Islands.

The Manager of HSBC Managed Balanced Fund, HSBC Managed Growth Fund and HSBC Managed Stable Fund has sole responsibility for making investment decisions in relation to HSBC Managed Balanced Fund, HSBC Managed Growth Fund and HSBC Managed Stable Fund and the Trustee (including its delegate) is not responsible or has no liability for any investment decision made by the Manager. The Trustee and its delegate will not participate in transactions or activities or make any payments denominated in US dollars, which, if carried out by a U.S. Person, would be subject to the United States Office of Foreign Assets Control (OFAC) sanctions.

Neither the Trustee nor its delegate is involved directly or indirectly with the sponsorship or investment management of HSBC Managed Balanced Fund, HSBC Managed Growth Fund and HSBC Managed Stable Fund. In addition, neither the Trustee nor its delegate is responsible for the preparation of this document and therefore they accept no responsibility for any information contained in this document other than information relating to themselves and the HSBC Group.

7. In relation to HSBC Global Money Funds, HSBC Trustee (Cayman) Limited is the Trustee of the fund. The Trustee is a trust corporation incorporated in the Cayman Islands.

All the assets of HSBC Global Money Funds are held independently of the Managers, Investment Adviser and Investment Sub-Advisers, by or to the order of the Trustee. The Trustee may, however, appoint any person or persons to be custodian of such assets. The Trustee shall remain liable for any act or omission of any agent, nominee, custodian or joint custodian, except in relation to anything done or suffered in good faith in accordance with or in pursuance of any request or advice of the Manager and except where the Trustee has exercised all reasonable care in selecting such person.

Subject as provided in the Trust Deed of HSBC Global Money Funds, the Trustee is entitled to be indemnified from the assets of the relevant sub-fund of HSBC Global Money Funds from and against any and all actions, costs, claims, damages, expenses, including all reasonable legal, professional and other similar expenses (other than those resulting from the fraud, negligence or breach of trust or duty on the part of the Trustee or any of its officers, employees, agents or delegates for which the Trustee would be liable under the Trust Deed of HSBC Global Money Funds), which may be incurred by or asserted against the Trustee in performing its obligations or duties in connection with any sub-fund of HSBC Global Money Funds.

The Trustee may retire in the circumstances set out in the Trust Deed of HSBC Global Money Funds.

The Trustee is entitled to the fees set out below under the section headed "Summary of principal features, fees and expenses" and to be reimbursed for other costs and expenses permitted under the Trust Deed of HSBC Global Money Funds.

The Trustee, in its capacities as trustee, has delegated certain of its functions and duties to HSBC Institutional Trust Services (Asia) Limited.

The Manager of HSBC Global Money Funds has sole responsibility for making investment decisions in relation to HSBC Global Money Funds and/or each sub-fund and the Trustee (including its delegate) is not responsible or has no liability for any investment decision made by the Manager. The Trustee and its delegate will not participate in transactions or activities or make any payments denominated in US dollars, which, if carried out by a U.S. Person, would be subject to the United States Office of Foreign Assets Control (OFAC) sanctions.

Neither the Trustee nor its delegate is involved directly or indirectly with the sponsorship or investment management of HSBC Global Money Funds or any sub-fund. In addition, neither the Trustee nor its delegate is responsible for the preparation of this document and therefore they accept no responsibility for any information contained in this document other than information relating to themselves and the HSBC Group.

Administration

HSBC Global Investment Funds
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Directors:
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Michael Boehm
Thies Clemenz
George Efthimiou
Dean Lam
Edgar K M Ng
David Silvester
Sylvie Vigneaux

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Pedro Augusto Botelho Bastos
Patrice Conxicoeur
Julie J Koo
Guillermo Eduardo Maldonado-Codina
Ng Kai Man Edgar
Tam Chun Pong Stephen
Yip Sze Ki

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Directors:
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KPMG Audit S.à.r.l.
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L-2520 Luxembourg
Grand-Duchy of Luxembourg

KPMG
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George Town
Grand Cayman KY1-1106
Cayman Islands

Fund details: Bond and money funds

HSBC Asian Bond Fund

The fund is a sub-fund of HSBC Investment Funds Trust.

Investment objective and policy

Investment objective:

The fund aims to achieve a reasonably high income whilst maintaining a prudent policy of capital conservation through primarily investing in fixed interest securities within the Asian region.

Investment policy:

The fund will normally invest in a broad spread of quoted bonds. It may also invest in government bonds, other unquoted fixed-interest securities, monetary instruments and may hold cash on deposit pending reinvestment, if the Manager considers this course of action appropriate to the goal of maximising capital growth.

In order to achieve its investment objective, in addition to the above-mentioned investments, the fund may also invest in financial derivative instruments such as futures, swaps (including but not limited to total return swaps and credit default swaps), forward currency contracts and in other currency derivatives such as non-delivery forwards for investment purposes or for hedging purposes. The fund may invest in financial derivative instruments on an unhedged basis provided that, subject to the provisions set out under the chapter "Investment Restrictions", the total exposure relating to the use of financial derivative instruments on an unhedged basis shall not exceed 20% of the total net asset value of the fund and the mark to market value of swaps entered into on an unhedged basis shall not exceed 10% of the total net asset value of the fund. The Investment Adviser is of a view that the investments in financial derivative instruments will assist the fund in achieving its investment objectives.

At least 70% of the non-cash assets of the fund will be invested in bonds issued in or issued by issuers established in the regions referred to in the fund's name, or in bonds denominated in the currency/currencies referred to or relating to the regions referred to in the fund's name.

Summary of risk factors

Investments of the fund may include both investment grade and non-investment grade bonds in Asia. The fund is subject to the risks of investing in emerging markets. Non-investment grade bonds are subject to higher risk than investment grade bonds.

The fund's investments may involve substantial credit/counterparty, downgrading, market, currency, volatility, liquidity, regulatory and political risks. Investors may suffer substantial loss of their investments in the fund. The fund may invest in futures, forwards, options and swaps (such as total return swaps and credit default swaps) and other financial derivative instruments which may involve higher risk.

Please refer to the chapter headed "Risk factors" for more information on these and other risks.

HSBC Asian High Yield Bond Fund

The fund is a sub-fund of HSBC Investment Funds Trust.

Investment objective and policy

Investment objective:

The fund aims to achieve a higher level of income and capital appreciation through investing primarily in a diversified portfolio of higher yielding fixed income securities including investment grade, non-investment grade and unrated bonds that are primarily denominated in USD, traded or issued by issuers in the Asian markets.

Investment policy:

The fund will normally invest in a broad range of fixed income securities and instruments including government bonds, corporate bonds, convertible bonds and monetary instruments.

In order to achieve its investment objective, the fund will invest in high-yield securities including, but not limited to, investment grade and non-investment grade bonds and other similar securities (rated and unrated). The fund may also invest in financial derivative instruments for investment and hedging purposes, subject to the provisions set out under the section "Investment restrictions". Financial derivative instruments which may be used for investment purposes are futures, options and warrants. The fund may also hold cash on deposit pending reinvestment.

Summary of risk factors

Investments of the fund may include investment grade, non-investment grade and unrated bonds in Asia. The fund is subject to the risks of investing in emerging markets. High yield bonds, non-investment grade bonds and unrated bonds may be subject to higher risk than investment grade bonds. Investment of the fund may involve substantial credit / counterparty, market, currency, volatility, liquidity, regulatory, downgrading and political risks. Investors may suffer substantial loss of their investments in the fund. The fund may invest in financial derivative instruments which may involve higher risk.

Please refer to the chapter headed "Risk factors" for more information on these and other risks.

HSBC Global Investment Funds – Euro High Yield Bond

The fund is a sub-fund of HSBC Global Investment Funds.

Investment objective and policy

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

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

Risk management

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

Summary of risk factors

Non-Investment Grade bonds are subject to higher risk than Investment Grade bonds.

The fund may invest in futures, options, swaps (such as credit default swaps), forward currency contracts and other financial derivative instruments which may involve embedded leverage.

The fund's investments may involve substantial credit/counterparty, downgrading, market, volatility, liquidity, regulatory and political risks. If the issuers default, or the relevant securities or their underlying assets cannot be realised, or perform badly, investors may suffer total loss of their investments.

Please refer to the chapter headed "Risk factors" for more information on these and other risks. Please also refer to "Glossary for HSBC Global Investment Funds" on page 47 for the defined terms of HSBC Global Investment Funds.

HSBC Global Investment Funds – Global Bond

The fund is a sub-fund of HSBC Global Investment Funds.

Investment objective and policy

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

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

Investment Grade refers to the fixed income securities that are at least rated Baa3/BBB- by Moody's, Standard & Poor's or another recognised credit rating agency.

Risk management

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

Summary of risk factors

The credit quality and liquidity of the fund's investment portfolio may deteriorate when any investment held by the fund falls below Investment Grade.

The fund may invest in futures, options, swaps, forward currency contracts and other financial derivative instruments which may involve embedded leverage.

The fund's investments may involve substantial credit/counterparty, downgrading, market, currency, volatility, liquidity, regulatory and political risks. If the issuers default, or the relevant securities or their underlying assets cannot be realised, or perform badly, investors may suffer total loss of their investments.

Please refer to the chapter headed "Risk factors" for more information on these and other risks. Please also refer to "Glossary for HSBC Global Investment Funds" on page 47 for the defined terms of HSBC Global Investment Funds.

HSBC Global Investment Funds – Global Emerging Markets Bond

The fund is a sub-fund of HSBC Global Investment Funds.

Investment objective and policy

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

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

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

The fund does not intend to use financial derivative instruments extensively for investment purposes. However, the fund may also invest in financial derivative instruments such as futures, forwards (including non-deliverable forwards), swaps, options, credit default swaps, as well as other structured products. The fund intends to use such financial derivative instruments for, inter alia, return enhancement, hedging, tax-efficient access to instruments and whenever the Investment Adviser believes the investment in financial derivative instruments will assist the fund in achieving its investment objectives.

Investment Grade refers to the fixed income securities that are at least rated Baa3/BBB- by Moody's, Standard & Poor's or another recognised credit rating agency. Non-Investment Grade refers to the fixed income securities that are rated Ba1/BB+ or lower by Moody's, Standard & Poor's or another recognised credit rating agency.

Risk management

The global exposure relating to this fund will be calculated using a relative Value-at-Risk approach benchmarked against the JP Morgan Emerging Market Bond index. The average leverage of the fund, under normal market conditions, calculated as the sum of the notionals of the financial derivative instruments used, is expected to be 100%, although higher levels are possible under certain circumstances, including but not limited to, during high levels of market volatility (when financial derivative instruments are generally used to manage the risk of the portfolio) or stability (when financial derivative instruments are generally used to access the relevant markets or securities in a more cost efficient way).

Summary of risk factors

The fund is subject to the risks of investing in emerging markets and Non-Investment Grade bonds are subject to higher risk than Investment Grade bonds.

The fund may invest in futures, options, swaps (such as credit default swaps), forward currency contracts and other financial derivative instruments which may involve embedded leverage.

The fund's investments may involve substantial credit/counterparty, downgrading, market, volatility, liquidity, regulatory and political risks. If the issuers default, or the relevant securities or their underlying assets cannot be realised, or perform badly, investors may suffer total loss of their investments.

Please refer to the chapter headed "Risk factors" for more information on these and other risks. Please also refer to "Glossary for HSBC Global Investment Funds" on page 47 for the defined terms of HSBC Global Investment Funds.

HSBC Global Investment Funds – Global High Income Bond

The fund is a sub-fund of HSBC Global Investment Funds.

Investment objective and policy

The fund invests for high income primarily in a diversified portfolio of higher yielding fixed income bonds and other similar securities from around the world denominated in a range of currencies. This may include Investment Grade bonds, high yield bonds and Asian and Emerging Markets debt instruments. Investment in mortgage and asset backed securities will be limited to a maximum of 20% of the fund net assets.

The fund may also invest in financial derivative instruments such as futures, options, swaps (including, but not limited to, credit default swaps and Total Return Swaps) and forward currency contracts and in other currency and credit derivatives.

The fund intends to use such financial derivative instruments for, inter alia, the purposes of managing interest and credit risks and currency positioning but also to enhance return when the Investment Adviser believes the investment in financial derivative instruments will assist the fund in achieving its investment objectives.

In particular, the fund will use foreign currency forward contracts or other financial derivative instruments to substantially protect the fund from losses arising from currency depreciation against the USD.

Investment Grade refers to the fixed income securities that are at least rated Baa3/BBB- by Moody's, Standard & Poor's or another recognised credit rating agency. Non-Investment Grade refers to the fixed income securities that are rated Ba1/BB+ or lower by Moody's, Standard & Poor's or another recognised credit rating agency.

Risk management

The global exposure relating to this fund will be calculated using a relative Value-at-Risk approach benchmarked against the following composite benchmark; 35% Barclays USD Emerging Markets, 20% Barclays US Aggregate Corporate Baa, 15% Barclays US High Yield Ba, 15% Barclays Euro Aggregate Corporate Baa Hedged USD and 15% Barclays Euro High Yield BB Hedged USD. The average leverage of the fund, under normal market conditions, calculated as the sum of the notionals of the financial derivative instruments used, is expected to be 100%, although higher levels are possible under certain circumstances, including but not limited to, during high levels of market volatility (when financial derivative instruments are generally used to manage the risk of the portfolio) or stability (when financial derivative instruments are generally used to access the relevant markets or securities in a more cost efficient way).

Summary of risk factors

The fund is subject to the risks of investing in emerging markets and Non-Investment Grade bonds are subject to higher risk than Investment Grade bonds.

The fund may invest in futures, options, swaps (such as credit default swaps), forward currency contracts and other financial derivative instruments which may involve embedded leverage.

The fund's investments may involve substantial credit/counterparty, downgrading, market, volatility, liquidity, regulatory and political risks. If the issuers default, or the relevant securities or their underlying assets cannot be realised, or perform badly, investors may suffer total loss of their investments.

Please refer to the chapter headed "Risk factors" for more information on these and other risks. Please also refer to "Glossary for HSBC Global Investment Funds" on page 47 for the defined terms of HSBC Global Investment Funds.

HSBC Global Investment Funds – Global High Yield Bond

The fund is a sub-fund of HSBC Global Investment Funds.

Investment objective and policy

The 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 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 fund will be invested in Non-Investment Grade and other higher yielding bonds (including unrated bonds). However, for liquidity management purposes, the fund may also invest up to 30% in Investment Grade fixed income securities.

The 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 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 funds of HSBC Global Investment Funds) with similar debt securities as that of the fund.

The fund does not intend to use financial derivative instruments extensively for investment purposes. However, the 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 fund in achieving its investment objectives. The fund may be leveraged through the use of financial derivative instruments.

Investment Grade refers to the fixed income securities that are at least rated Baa3/BBB- by Moody's, Standard & Poor's or another recognised credit rating agency. Non-Investment Grade refers to the fixed income securities that are rated Ba1/BB+ or lower by Moody's, Standard & Poor's or another recognised credit rating agency.

Risk management

The global exposure relating to this 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 fund, under normal market conditions, calculated as the sum of the notionals of the financial derivative instruments used, is expected to be 100%, although higher levels are possible, under certain circumstances, including but not limited to, during high levels of market volatility (when financial derivative instruments are generally used to manage the risk of the portfolio) or stability (when financial derivative instruments are generally used to access the relevant markets or securities in a more cost efficient way).

* Source Bank Of America Merrill Lynch, used with permission. BANK OF AMERICA MERRILL LYNCH IS LICENSING THE BANK OF AMERICA MERRILL LYNCH INDICES "AS IS," MAKES NO WARRANTIES REGARDING SAME, DOES NOT GUARANTEE THE QUALITY,ACCURACY AND/OR COMPLETENESS OF THE BANK OF AMERICA MERRILL LYNCH INDICES OR ANY DATA INCLUDED THEREIN OR DERIVED THEREFROM,AND ASSUMES NO LIABILITY IN CONNECTION WITH THEIR USE.

Summary of risk factors

The 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 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 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.

The fund's investments may involve substantial credit/counterparty, downgrading, market, volatility, liquidity, regulatory and political risks. If the issuers default, or the relevant securities or their underlying assets cannot be realised, or perform badly, investors may suffer total loss of their investments.

Please refer to the chapter headed "Risk factors" for more information on these and other risks. Please also refer to "Glossary for HSBC Global Investment Funds" on page 47 for the defined terms of HSBC Global Investment Funds.

HSBC Global Investment Funds – US Dollar Bond

The fund is a sub-fund of HSBC Global Investment Funds.

Investment objective and policy

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

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

Investment Grade refers to the fixed income securities that are at least rated Baa3/BBB- by Moody's, Standard & Poor's or another recognised credit rating agency.

Risk management

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

Summary of risk factors

The credit quality and liquidity of the fund's investment portfolio may deteriorate when any investment held by the fund falls below Investment Grade.

The fund may invest in futures, options, swaps, forward currency contracts and other financial derivative instruments which may involve embedded leverage.

The fund's investments may involve substantial credit/counterparty, downgrading, market, volatility, liquidity, regulatory and political risks. If the issuers default, or the relevant securities or their underlying assets cannot be realised, or perform badly, investors may suffer total loss of their investments.

Please refer to the chapter headed "Risk factors" for more information on these and other risks. Please also refer to "Glossary for HSBC Global Investment Funds" on page 47 for the defined terms of HSBC Global Investment Funds.

HSBC Global Money Funds

- **Hong Kong Dollar**
- **US Dollar**

The funds are sub-funds of HSBC Global Money Funds.

Investment objective and policy

The funds aim to achieve a rate of return significantly higher than that normally available for personal deposits of the relevant currency.

The funds invest in high grade monetary instruments such as treasury bills, bills of exchange, commercial paper, certificates of deposit or interbank deposits. On average, investments will have a life to maturity of less than 90 days.

Purchasing units in a money market fund is not the same as placing money on deposit with a bank or deposit taking company. Units in the funds may fall in value, and the funds are not subject to the supervision of the Hong Kong Monetary Authority.

Summary of risk factors

The fund's investments may involve credit and counterparty risks.

The purchase of the units of the fund is not the same as placing funds on deposit with a bank or deposit taking company. The fund has no obligation to redeem units at their offering value and the fund is not subject to the supervision of the Hong Kong Monetary Authority. Investors may not recoup the original amount invested in the fund.

Please refer to the chapter headed "Risk factors" for more information on these and other risks.

Fund details: Managed funds

HSBC Managed Balanced Fund

Investment objective and policy

The fund aims to achieve steady long-term capital growth that will at least exceed Hong Kong inflation.

The assets of the fund are invested in a range of quoted first class equities, government and corporate bonds, other fixed interest securities, and cash deposits in proportions determined by the Manager.

Summary of risk factors

The fund's investments may involve substantial market, currency, volatility, liquidity, credit / counterparty, regulatory and political risks. Investors may suffer substantial loss of their investments in the fund.

Please refer to the chapter headed "Risk factors" for more information on these and other risks.

HSBC Managed Growth Fund

Investment objective and policy

The fund aims to maximise capital growth, whilst keeping risk at medium level.

The fund has a bias towards investment in global equities. Exposure to bonds and to cash deposits will be kept to a minimum.

Summary of risk factors

The fund's investments may involve substantial market, currency, volatility, liquidity, credit / counterparty, regulatory and political risks. Investors may suffer substantial loss of their investments in the fund.

Please refer to the chapter headed "Risk factors" for more information on these and other risks.

HSBC Managed Stable Fund

Investment objective and policy

The fund aims to achieve long-term stable growth, whilst minimising the risk to investors. The aim is to provide stable returns without taking too much risks.

The assets of the fund will be invested in a diversified portfolio, with a bias towards global bonds. There will be a limited exposure to international and Hong Kong equities. The fund will maintain cash deposits if appropriate. The investment policy is conservative.

Summary of risk factors

The fund's investments may involve substantial market, currency, volatility, liquidity, credit / counterparty, regulatory and political risks. Investors may suffer substantial loss of their investments in the fund.

Please refer to the chapter headed "Risk factors" for more information on these and other risks.

Fund details: International and regional equity funds

HSBC Global Investment Funds – Asia ex Japan Equity

The fund is a sub-fund of HSBC Global Investment Funds.

Investment objective and policy

The fund seeks long-term capital growth by investing primarily in a well-diversified portfolio of investments in equity and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of any Asian country (excluding Japan) as well as companies which carry out a preponderant part of their economic activities in the Asian region (excluding Japan). As the fund will seek to invest in companies throughout Asia (excluding Japan), these can be both companies with a registered office in, and with an official listing in developed markets such as the Asian OECD countries and also those in emerging Asian countries. Whilst there are no capitalisation restrictions, it is anticipated that the fund will seek to invest primarily in larger, established companies. At least 60% of the fund's assets will be invested in securities denominated in currencies other than the Korean Won.

Risk management

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

Summary of risk factors

The fund is subject to the risks of investing in emerging markets.

The fund's investments may involve substantial market, currency, volatility, regulatory and political risks. Investors may suffer substantial loss of their investments in the fund.

Please refer to the chapter headed "Risk factors" for more information on these and other risks. Please also refer to "Glossary for HSBC Global Investment Funds" on page 47 for the defined terms of HSBC Global Investment Funds.

HSBC Global Investment Funds – Asia ex Japan Equity Smaller Companies

The fund is a sub-fund of HSBC Global Investment Funds.

Investment objective and policy

The fund seeks long-term capital growth by investing primarily in a diversified portfolio of investments in equity and equity equivalent securities of smaller, less-established companies (being defined as those with a maximum market capitalization of USD 2 billion at the time of purchase) which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of any Asian country (excluding Japan) as well as companies which carry out a preponderant part of their economic activities in the Asian region (excluding Japan). As the fund will seek to invest in companies throughout Asia (excluding Japan), these will be both companies with a registered office in and with an official listing in, developed markets such as the Asian OECD countries, and also those in emerging Asian countries.

Risk management

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

Summary of risk factors

The fund is subject to the risks of investing in emerging markets and smaller companies.

The fund's investments may involve substantial market, currency, volatility, regulatory and political risks. Investors may suffer substantial loss of their investments in the fund.

Please refer to the chapter headed "Risk factors" for more information on these and other risks. Please also refer to "Glossary for HSBC Global Investment Funds" on page 47 for the defined terms of HSBC Global Investment Funds.

HSBC Global Investment Funds – Asia Pacific ex Japan Equity High Dividend

The fund is a sub-fund of HSBC Global Investment Funds.

Investment objective and policy

The fund seeks long-term capital growth and a high level of income by investing primarily in a diversified portfolio of investments in equity and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of any Asia Pacific country (excluding Japan) as well as companies which carry out a preponderant part of their economic activities in the Asia Pacific region (excluding Japan), that offer short-term sustainable dividend yields above the market average and / or the potential for dividend growth above the market average over the short-term. As the fund will seek to invest in companies throughout the Asia Pacific region (excluding Japan), these can be both companies with a registered office in, and with an official listing in developed markets, and also those in emerging Asian countries. Whilst there are no capitalisation restrictions, it is anticipated that the fund will seek to invest primarily in larger, established companies. At least 60% of the fund's assets will be invested in securities denominated in currencies other than the Korean Won.

For the avoidance of doubt, the investment policy does not represent the fund's distribution policy nor any particular level of dividend to be paid by the fund.

Risk management

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

Summary of risk factors

The fund is subject to the risks of investing in emerging markets.

The fund's investments may involve substantial market, currency, volatility, regulatory and political risks. Investors may suffer substantial loss of their investments in the fund.

Please refer to the chapter headed "Risk factors" for more information on these and other risks. Please also refer to "Glossary for HSBC Global Investment Funds" on page 47 for the defined terms of HSBC Global Investment Funds.

HSBC Global Investment Funds – BRIC Equity

The fund is a sub-fund of HSBC Global Investment Funds.

Investment objective and policy

The fund seeks long-term returns from capital growth and income by investing primarily in a concentrated portfolio of investments in equity and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market in Brazil, Russia, India and China (including Hong Kong SAR) ("BRIC") as well as those companies with significant operations or carrying out a preponderant part of their business activities in these countries provided that investments in securities dealt in on the Russian markets other than those recognised by the Luxembourg regulator as Regulated Markets are subject to the 10 % limit set forth in the chapter "Investment Restrictions" in relation to HSBC Global Investment Funds. These companies will be those that at the time of purchase have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of a BRIC country, as well as those companies which carry out a preponderant part of their business activities in any of the BRIC countries. Whilst there are no capitalisation restrictions, it is anticipated that the fund will seek to invest across a range of capitalisations. The portfolio will be actively managed, aiming to achieve total returns to investors without reference to market index weightings.

Risk management

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

Summary of risk factors

The fund is subject to the risks of investing in emerging markets.

The fund's investments may involve substantial market, currency, volatility, regulatory and political risks. Investors may suffer substantial loss of their investments in the fund.

Please refer to the chapter headed "Risk factors" for more information on these and other risks. Please also refer to "Glossary for HSBC Global Investment Funds" on page 47 for the defined terms of HSBC Global Investment Funds.

Net asset value calculation

Each Dealing Day, as defined on page 3 for sub-funds of HSBC Global Investment Funds, except business days immediately preceding January 1st and December 25th.

HSBC Global Investment Funds – BRIC Markets Equity

The fund is a sub-fund of HSBC Global Investment Funds.

Investment objective and policy

The fund will invest primarily in equity and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market in Brazil, Russia, India and China (including Hong Kong SAR) ("BRIC") as well as those companies with significant operations or carrying out a preponderant part of their business activities in these countries. The fund will strategically allocate between the BRIC countries and the Investment Adviser may over or underallocate between the BRIC countries as considered appropriate. Within each BRIC country, the fund will seek to outperform the total return performance of indices. The major factors taken into consideration in selecting indices include availability and transparency of the indices, liquidity of the constituent securities of the indices and how well the indices represent their respective markets. The indices will typically be dominated by large company stocks in terms of their aggregate weight in the relevant index. The fund may acquire local currencies by means of back-to-back loans with highly rated credit institutions.

The fund may also invest in financial derivative instruments such as futures, equity swaps, options and forward currency contracts and in other currency and equity derivatives. The fund intends to use such financial derivative instruments for, inter alia, the purposes of managing market exposure (up to a maximum of 110% of the fund's net asset value) and currency positioning but also to enhance return when the Investment Adviser believes the investment in financial derivative instruments will assist the fund in achieving its investment objectives.

Risk management

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

Summary of risk factors

The fund is subject to the risks of investing in emerging markets.

The fund may invest in futures, swaps, options, forward currency contracts and other financial derivative instruments which may involve embedded leverage.

The fund's investments may involve substantial market, currency, volatility, liquidity, credit / counterparty, regulatory and political risks. If the issuers default, or the relevant securities or their underlying assets cannot be realized, or perform badly, investors may suffer total loss of their investments in the fund.

Please refer to the chapter headed "Risk factors" for more information on these and other risks. Please also refer to "Glossary for HSBC Global Investment Funds" on page 47 for the defined terms of HSBC Global Investment Funds.

HSBC Global Investment Funds – China Consumer Opportunities

The fund is a sub-fund of HSBC Global Investment Funds.

Investment objective and policy

The fund seeks long-term total return by investing at least 90% of its net assets in a diversified portfolio of investments in equity and equity equivalent securities of mid to large cap companies around the world, positioned to benefit from the growing middle class and changing consumer behaviour in China.

The investment universe mainly comprises of mid to large cap global companies with growing revenues in the luxury sector as well as consumer discretionary and staples sectors that have appeal and recognition by Chinese consumers. The reference to "mid to large cap" generally refers to the top 85% of each market's free-float adjusted market capitalisation. Such percentage may differ from market to market and may be subject to change from time to time.

The fund will invest in the consumer discretionary and consumer staples sector which includes, but is not limited to automobiles & components, consumer durables & apparel, consumer services, media, retailing, food & staples retailing, food, beverage & tobacco, household & personal products industries.

The fund may use financial derivative instruments for hedging purposes only.

Risk management

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

Summary of risk factors

The portfolio of the fund may have a high concentration in companies with growing revenues in the luxury and consumer sectors that have appeal to consumers in China; a decrease in purchasing power of the consumers in China may negatively impact the value of the assets of the fund.

The fund invests in global companies with exposure to emerging markets such as China. Exposure to emerging markets involves a greater risk of loss than exposure to more developed markets due to, among other factors, greater political, tax, economic, foreign exchange, liquidity, market volatility (such as interest rate and price volatility) and regulatory risks.

Please refer to the chapter headed "Risk factors" for more information on these and other risks. Please also refer to "Glossary for HSBC Global Investment Funds" on page 47 for the defined terms of HSBC Global Investment Funds.

HSBC Global Investment Funds – Emerging Wealth

The fund is a sub-fund of HSBC Global Investment Funds.

Investment objective and policy

The fund seeks long term capital growth by investing primarily in a well diversified portfolio of investments in equity and equity equivalent securities of companies which have their registered office in, and / or with an official listing on a major stock exchange or other Regulated Market of any country. The fund will seek to benefit from the growing consumer economy in Emerging Markets. The fund will seek to invest in companies with registered office in, and / or with an official listing in, developed markets such as OECD countries, and also those in Emerging Markets. There are no capitalisation restrictions, and it is anticipated that the fund will seek to invest across a range of market capitalisations.

Risk management

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

Summary of risk factors

The fund is subject to the concentration risks associated with concentrating investment in specific sector and emerging markets risks.

The fund's investments may involve substantial market, currency, volatility, regulatory and political risks. Investors may suffer substantial loss of their investments in the fund.

Please refer to the chapter headed "Risk factors" for more information on these and other risks. Please also refer to "Glossary for HSBC Global Investment Funds" on page 47 for the defined terms of HSBC Global Investment Funds.

HSBC Global Investment Funds – Euroland Equity

The fund is a sub-fund of HSBC Global Investment Funds.

Investment objective and policy

The fund seeks long-term capital growth by investing primarily in a well-diversified portfolio of investments in equity and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of any European Monetary Union (EMU) member country. Initially this will be the 12 member countries but if others join the EMU in the future then investments in these countries may also be considered. Whilst there are no capitalisation restrictions, it is anticipated that the fund will seek to invest primarily in larger, established companies.

The fund may also invest in financial derivative instruments such as futures, options and swaps (including, but not limited to, credit default swaps) and in other currency and equity derivatives. The fund intends to use such financial derivative instruments for, inter alia, the purposes of managing market exposure and currency positioning but also to enhance return when the Investment Adviser believes the investment in financial derivative instruments will assist the fund in achieving its investment objectives.

Risk management

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

Summary of risk factors

The fund may invest in futures, options, swaps (such as credit default swaps) and other financial derivative instruments which may involve embedded leverage.

The fund's investments may involve substantial market, currency, volatility, liquidity, credit / counterparty, regulatory and political risks. If the issuers default, or the relevant securities or their underlying assets cannot be realised, or perform badly, investors may suffer total loss of their investments.

Please refer to the chapter headed "Risk factors" for more information on these and other risks. Please also refer to "Glossary for HSBC Global Investment Funds" on page 47 for the defined terms of HSBC Global Investment Funds.

HSBC Global Investment Funds – Euroland Equity Smaller Companies

The fund is a sub-fund of HSBC Global Investment Funds.

Investment objective and policy

The fund seeks long-term total return by investing (normally a minimum of 90% of its net assets) in a portfolio of equity and equity equivalent securities of smaller and mid-sized companies which are based in any Eurozone member country.

Smaller and mid-sized companies are those companies whose market capitalisation generally comprises the lowest tier of the aggregate Eurozone market, defined as companies whose market capitalisation falls below EUR 10 billion.

The fund does not intend to use financial derivative instruments extensively for investment purposes. However, the fund may also invest in financial derivative instruments such as futures, options and forward currency contracts and in other currency and equity derivatives. The fund intends to use such financial derivative instruments for, inter alia, the purposes of managing market exposure and currency positioning but also to enhance return when the Investment Adviser believes the investment in financial derivative instruments will assist the fund in achieving its investment objectives.

Risk management

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

Summary of risk factors

The fund is subject to the risks of investing in smaller companies.

The fund may invest in futures, options, forward currency contracts and other financial derivative instruments which may involve embedded leverage.

The fund's investments may involve substantial market, currency, volatility, liquidity, credit/counterparty, regulatory and political risks. If the issuers default, or the relevant securities or their underlying assets cannot be realised, or perform badly, investors may suffer total loss of their investments.

Please refer to the chapter headed "Risk factors" for more information on these and other risks. Please also refer to "Glossary for HSBC Global Investment Funds" on page 47 for the defined terms of HSBC Global Investment Funds.

HSBC Global Investment Funds – European Equity

The fund is a sub-fund of HSBC Global Investment Funds.

Investment objective and policy

The fund seeks long-term capital growth by investing primarily in a diversified portfolio of investments in equity and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of any developed European country. The portfolio is diversified by sector and individual stock exposure.

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

Risk management

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

Summary of risk factors

The fund's investments may involve substantial market, currency, volatility, regulatory and political risks. Investors may suffer substantial loss of their investments in the fund.

Please refer to the chapter headed "Risk factors" for more information on these and other risks. Please also refer to "Glossary for HSBC Global Investment Funds" on page 47 for the defined terms of HSBC Global Investment Funds.

HSBC Global Investment Funds – Global Emerging Markets Equity

The fund is a sub-fund of HSBC Global Investment Funds.

Investment objective and policy

The fund seeks long-term capital growth by investing primarily in a well-diversified portfolio of investments in equity and equity equivalent securities issued by companies which have their registered office in, and with an official listing in, an emerging market, as well as companies which carry out a preponderant part of their economic activities in emerging markets. The fund will seek to invest primarily in securities listed on a Regulated Market, but may also invest up to 10% of the fund's net assets in securities listed on markets that are not Regulated Markets. Investment in interest bearing securities is also permitted either for short-term cash surpluses or in response to unfavourable equity market conditions and this is limited to one third of the total assets of the fund. Whilst there are no capitalisation restrictions, it is anticipated that the fund will invest primarily in larger, established companies.

To the extent that the fund may invest in India, the fund intends to invest part of the net proceeds of the issue of shares in HSBC GIF Mauritius No.2 Limited, Rogers House, 5 President John Kennedy Street, Port Louis, Mauritius (the "Subsidiary") which is a Mauritian company wholly-owned by HSBC Global Investment Funds. Under normal market conditions, that part of the net proceeds allocated to the Subsidiary will be invested substantially in Indian equities and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of India. The remainder of the net proceeds of the issue of shares will be invested directly in equity and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of Emerging Markets. The investment objectives of the Subsidiary are in line with those of Global Emerging Markets Equity to the extent the fund may invest in India and the Subsidiary will apply HSBC Global Investment Funds' investment restrictions as outlined in this Summary of the Explanatory Memoranda.

The Subsidiary was incorporated in Mauritius on 21 November 2007. It is wholly-owned by HSBC Global Investment Funds. It will issue ordinary shares and redeemable preference shares only to HSBC Global Investment Funds' Global Emerging Markets Equity sub-fund. The Subsidiary is registered with the Financial Services Commission and has obtained a certificate of tax residency from the Mauritius Revenue Authority in Mauritius (please refer to the chapter headed "Risk factors" for further information).

The directors of the Subsidiary are responsible, inter alia, for establishing the investment objectives and policy of the Subsidiary, for monitoring the Subsidiary's investments and performance and for providing advisory services to the exclusive benefit of HSBC Global Investment Funds, including in relation to massive redemptions in the fund.

The Subsidiary has appointed CIM Fund Services (previously known as Multiconsult Limited), Rogers House, 5 President John Kennedy Street, Port Louis, Mauritius, to provide administrative services to the Subsidiary in Mauritius, including maintenance of its accounts, books and records. The Subsidiary has appointed KPMG Mauritius of KPMG Centre, 30 St George Street, Port Louis, Mauritius, as auditors of the Subsidiary in Mauritius to perform the auditor's duties required by Mauritius law.

The Subsidiary has appointed the Depositary Bank of HSBC Global Investment Funds as custodian over its assets. Based on its custodian arrangements with HSBC Global Investment Funds, the Depositary Bank has entered into a Mauritius Cash Custodian Agreement with HSBC Bank (Mauritius), a bank incorporated under the laws of Mauritius and a wholly owned subsidiary of The Hongkong and Shanghai Banking Corporation Limited, and duly licensed to do business in Mauritius, and having an office at HSBC Centre, 18 Cybercity, Ebene, Mauritius, for the remittance of all cash and currency of the Subsidiary for the purpose of inward investment into India by the Subsidiary and in respect of remittances from such investments.

HSBC Global Investment Funds and the Subsidiary shall issue consolidated accounts.

Risk management

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

Summary of risk factors

The fund is subject to the risks of investing in emerging markets.

The fund's investments may involve substantial market, currency, volatility, regulatory and political risks. Investors may suffer substantial loss of their investments in the fund.

Please refer to the chapter headed "Risk factors" for more information on these and other risks. Please also refer to "Glossary for HSBC Global Investment Funds" on page 47 for the defined terms of HSBC Global Investment Funds.

Net asset value calculation

Each Dealing Day, as defined on page 3 for sub-funds of HSBC Global Investment Funds, except business days immediately preceding January 1st and December 25th.

HSBC Global Investment Funds – Global Equity

The fund is a sub-fund of HSBC Global Investment Funds.

Investment objective and policy

The fund seeks long-term capital growth by investing primarily in a well diversified portfolio of investments in equity and equity equivalent securities of companies which have their registered office in, and / or with an official listing on a major stock exchange or other Regulated Market of any country.

The fund will seek to invest in companies with their registered office in, and / or with an official listing in, developed markets such as OECD countries, and also those in emerging markets. Whilst there are no capitalisation restrictions, it is anticipated that the fund will invest primarily in larger, established companies.

Risk management

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

Summary of risk factors

The fund's investments may involve substantial market, currency, volatility, regulatory and political risks. Investors may suffer substantial loss of their investments in the fund.

Please refer to the chapter headed "Risk factors" for more information on these and other risks. Please also refer to "Glossary for HSBC Global Investment Funds" on page 47 for the defined terms of HSBC Global Investment Funds.

HSBC Global Investment Funds – Global Equity Climate Change

The fund is a sub-fund of HSBC Global Investment Funds.

Investment objective and policy

The fund invests for long term total return primarily in a concentrated portfolio of equity and equity equivalent securities of companies that aim to be the market-leaders in their respective sectors at managing their businesses in the face of climate change to maintain or enhance their competitive advantage and which have their registered office in, and/or with an official listing on a major stock exchange or other Regulated Market of any country. The fund will seek to invest in companies with registered office in, and / or with an official listing in, developed markets such as OECD countries, and also those in Emerging Markets. There are no capitalisation restrictions, and it is anticipated that the fund will seek to invest across a range of market capitalisations.

The fund does not intend to use financial derivative instruments extensively for investment purposes. However, the fund intends to use such financial derivative instruments for, inter alia, the purposes of managing market exposure (up to a maximum of 110% of the fund's net asset value) and currency positioning but also to enhance return when the Investment Adviser believes the investment in financial derivative instruments will assist the fund in achieving its investment objectives.

Risk management

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

Summary of risk factors

The fund is subject to the concentration risks associated with concentrating investment in specific sector.

The fund may invest in futures, swaps, options, forward currency contracts and other financial derivative instruments which may involve embedded leverage.

The fund's investments may involve substantial market, currency, volatility, liquidity, credit/counterparty, regulatory and political risks. If the issuers default, or the relevant securities or their underlying assets cannot be realized, or perform badly, investors may suffer total loss of their investments in the fund.

Please refer to the chapter headed "Risk factors" for more information on these and other risks. Please also refer to "Glossary for HSBC Global Investment Funds" on page 47 for the defined terms of HSBC Global Investment Funds.

HSBC Global Investment Funds – Global Equity Volatility Focused

The fund is a sub-fund of HSBC Global Investment Funds.

Investment objective and policy

The fund aims to provide long term total return by investing in a portfolio of equities.

The fund invests (normally a minimum 90% of its net assets) in equities and equity equivalent securities of companies domiciled or operating in both developed markets, such as OECD countries, and Emerging Markets. The fund may invest the remaining assets in financial derivative instruments and/or temporarily in fixed income securities, money market instruments, cash instruments and cash.

The fund aims for lower portfolio volatility relative to that of the MSCI All Country World Index through portfolio construction. The fund uses portfolio optimisation to lower overall portfolio volatility by selecting a combination of lower volatility stocks and higher volatility stocks that are less correlated and thereby diversifying the portfolio. The fund may rely on market research and quantitative analysis to estimate individual stock volatility and intra-stock correlation as part of its portfolio optimisation process.

The fund normally invests across a range of market capitalisations without any capitalisation restriction.

The fund will not invest more than 10% of its net assets in a combination of participation notes and convertibles.

The fund will invest in China through H shares.

The 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 fund may enter into securities lending transactions for up to 30% of its net assets. The fund will not enter into repurchase or reverse repurchase transactions.

The fund may achieve its investment objective by investing in financial derivative instruments. However, the fund does not intend to invest in financial derivative instruments extensively for investment purposes, including cash flow management (i.e. Equitisation) and their primary use will be for hedging purposes.

Financial derivative instruments that the fund may use include, but are not limited to, foreign exchange forwards (including non-deliverable forwards) and on-exchange traded index futures. Financial derivative instruments may also be embedded in other instruments used by the fund (for example, participation notes and convertibles).

Risk management

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

Summary of risk factors

Investors should note the risks relating to investment in equity. The value of equity securities are affected by many factors, such as activities of individual companies and general market conditions. Investment in equity securities is subject to market volatility risk. Investors should note the risk in connection with the investment strategy and risks linked to securities lending and repurchase or reverse repurchase transactions. Exposure to emerging markets involves a greater risk of loss than exposure to more developed markets due to, among other factors, greater political, tax, economic, foreign exchange, liquidity, market volatility (such as interest rate and price volatility) and regulatory risks.

Please refer to the chapter headed "Risk factors" for more information on these and other risks. Please also refer to "Glossary for HSBC Global Investment Funds" on page 47 for the defined terms of HSBC Global Investment Funds.

HSBC Global Investment Funds – Latin American Equity

The fund is a sub-fund of HSBC Global Investment Funds.

Investment objective and policy

The fund seeks long-term returns from capital growth and income by investing primarily in a concentrated portfolio of investments in equity and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of any Latin American country, as well as companies which carry out a preponderant part of their economic activities in Latin America.

The fund will seek to invest primarily in securities listed on a Regulated Market but may also invest up to 10% of the fund's net assets in securities listed on markets that are not Regulated Markets.

Latin America consists of South America, Central America, Mexico and parts of the Caribbean.

Risk management

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

Summary of risk factors

The fund is subject to the risks of investing in emerging markets.

The fund's investments may involve substantial market, currency, volatility, regulatory and political risks. Investors may suffer substantial loss of their investments in the fund.

Please refer to the chapter headed "Risk factors" for more information on these and other risks. Please also refer to "Glossary for HSBC Global Investment Funds" on page 47 for the defined terms of HSBC Global Investment Funds.

Net Asset Value Calculation

Each Dealing Day, as defined on page 3 for sub-funds of HSBC Global Investment Funds, except business days immediately preceding January 1st and December 25th.

Fund details: Market specific equity funds

HSBC Global Investment Funds – Brazil Equity

The fund is a sub-fund of HSBC Global Investment Funds.

Investment objective and policy

The fund seeks long-term capital growth by investing primarily in a well diversified portfolio of investments in equity and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of Brazil, as well as those companies which carry out a preponderant part of their business activities in Brazil. There are no capitalisation restrictions, and it is anticipated that the fund will seek to invest across a range of capitalisations.

Risk management

The global exposure relating to this fund will be calculated using a relative Value-at-Risk approach benchmarked against the MSCI Brazil Index. The average leverage of the fund, under normal market conditions, calculated as the sum of the notionals of the financial derivative instruments used, is expected to be 10%, although higher levels are possible. Generally the use of financial derivative instruments may have leverage effect, however, in the case of this fund, under normal market conditions, the use of financial derivative instruments by the fund is not expected to create any leverage on average, although higher levels are possible under certain circumstances, including but not limited to, during high levels of market volatility (when financial derivative instruments are generally used to manage the risk of the portfolio) or stability (when financial derivative instruments are generally used to access the relevant markets or securities in a more cost efficient way).

Summary of risk factors

The fund is subject to the concentration and emerging market risks of investing in a single emerging market.

The fund's investments may involve substantial market, currency, volatility, regulatory and political risks. Investors may suffer substantial loss of their investments in the fund.

Please refer to the chapter headed "Risk factors" for more information on these and other risks. Please also refer to "Glossary for HSBC Global Investment Funds" on page 47 for the defined terms of HSBC Global Investment Funds.

HSBC Global Investment Funds – Chinese Equity

The fund is a sub-fund of HSBC Global Investment Funds.

Investment objective and policy

The fund seeks long-term capital growth by investing primarily in a well diversified portfolio of investments in equity and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of the People's Republic of China ("China"), including Hong Kong SAR, as well as those companies which carry out a preponderant part of their business activities in China. There are no capitalisation restrictions, and it is anticipated that the fund will seek to invest across a range of capitalisations.

Risk management

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

Summary of risk factors

The fund is subject to the concentration and emerging market risks of investing in a single emerging market.

The fund's investments may involve substantial market, volatility, regulatory and political risks. Investors may suffer substantial loss of their investments in the fund.

Please refer to the chapter headed "Risk factors" for more information on these and other risks. Please also refer to "Glossary for HSBC Global Investment Funds" on page 47 for the defined terms of HSBC Global Investment Funds.

HSBC Global Investment Funds – Hong Kong Equity

The fund is a sub-fund of HSBC Global Investment Funds.

Investment objective and policy

The fund seeks long-term capital growth by investing primarily in a well diversified portfolio of investments in equity and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of Hong Kong SAR as well as those companies which carry out a preponderant part of their business activities in Hong Kong SAR. Whilst there are no capitalisation restrictions, it is anticipated that the fund will seek to invest primarily in larger, established companies.

Risk management

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

Summary of risk factors

The fund is subject to the concentration risks of investing in a single market.

The fund's investments may involve substantial market, volatility, regulatory and political risks. Investors may suffer substantial loss of their investments in the fund.

Please refer to the chapter headed "Risk factors" for more information on these and other risks. Please also refer to "Glossary for HSBC Global Investment Funds" on page 47 for the defined terms of HSBC Global Investment Funds.

HSBC Global Investment Funds – Indian Equity

The fund is a sub-fund of HSBC Global Investment Funds.

Investment objective and policy

The fund seeks long-term capital growth by investing primarily in a diversified portfolio of investments in equity and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of India, as well as those companies which carry out a preponderant part of their business activities in India. Whilst there are no capitalisation restrictions, it is anticipated that the fund will seek to invest across a range of market capitalisations with a bias to medium and large companies.

The fund intends to invest part or all of the net proceeds of the issue of shares in HSBC GIF Mauritius Limited, Rogers House, 5 President John Kennedy Street, Port Louis, Mauritius (the "Subsidiary") which is a Mauritian company wholly-owned by HSBC Global Investment Funds. Under normal market conditions, the Subsidiary will invest substantially all of its assets in Indian equities and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of India.

The remainder of the net proceeds of the issue of shares will be invested directly in equity and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of India. The investment objectives of the Subsidiary are in line with those of the fund and the Subsidiary will apply HSBC Global Investment Funds' investment restrictions as outlined in this Summary of the Explanatory Memoranda.

The Subsidiary was incorporated in Mauritius on 3 October 1995. It is wholly-owned by HSBC Global Investment Funds. It will issue ordinary shares and redeemable preference shares only to the fund. The Subsidiary is registered with the Mauritius Financial Services Commission and has obtained a certificate of tax residency from the Mauritius Revenue Authority in Mauritius (please refer to the chapter headed "Risk factors" for further information).

The directors of the Subsidiary are responsible, inter alia, for establishing the investment objectives and policy of the Subsidiary, for monitoring the Subsidiary's investments and performance and for providing advisory services to the exclusive benefit of HSBC Global Investment Funds, including in relation to massive redemptions in the fund.

The Subsidiary has appointed CIM Fund Services (previously known as Multiconsult Limited), Rogers House, 5 President John Kennedy Street, Port Louis, Mauritius, to provide administrative services to the Subsidiary in Mauritius, including maintenance of its accounts, books and records. The Subsidiary has appointed KPMG Mauritius of KPMG Centre, 30 St George Street, Port Louis, Mauritius, as auditors of the Subsidiary in Mauritius to perform the auditor's duties required by Mauritius law.

The Subsidiary has appointed the Depositary Bank of HSBC Global Investment Funds as custodian over its assets. Based on its custodian arrangements with HSBC Global Investment Funds, the Depositary Bank has entered into a Mauritius Cash Custodian Agreement with HSBC Bank (Mauritius), a bank incorporated under the laws of Mauritius and a wholly owned subsidiary of The Hongkong and Shanghai Banking Corporation Limited, and duly licensed to do business in Mauritius, and having an office at HSBC Centre, 18 Cybercity, Ebene, Mauritius, for the remittance of all cash and currency of the Subsidiary for the purpose of inward investment into India by the Subsidiary and in respect of remittances from such investments.

HSBC Global Investment Funds and the Subsidiary shall issue consolidated accounts.

Risk management

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

Summary of risk factors

The fund is subject to the concentration and emerging market risks of investing in a single emerging market.

The fund's investments may involve substantial market, currency, volatility, regulatory and political risks. Investors may suffer substantial loss of their investments in the fund.

Please refer to the chapter headed "Risk factors" for more information on these and other risks. Please also refer to "Glossary for HSBC Global Investment Funds" on page 47 for the defined terms of HSBC Global Investment Funds.

HSBC Global Investment Funds – Japanese Equity

The fund is a sub-fund of HSBC Global Investment Funds.

Investment objective and policy

The fund seeks long-term capital growth by investing primarily in a well-diversified portfolio of investments in equity and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of Japan as well as those companies which carry out a preponderant part of their business activities in Japan. Whilst there are no capitalisation restrictions, it is anticipated that the fund will seek to invest primarily in larger, established companies.

The fund may also invest in financial derivative instruments such as futures, equity swaps options and forward currency contracts and in other currency and equity derivatives. The fund intends to use such financial derivative instruments for, inter alia, the purposes of managing market exposure (up to a maximum of 110% of the sub-fund's net asset value) and currency positioning but also to enhance return when the Investment Adviser believes the investment in financial derivative instruments will assist the fund in achieving its investment objectives.

Risk management

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

Summary of risk factors

The fund is subject to the concentration risks of investing in a single market.

The fund may invest in futures, swaps, options, forward currency contracts and other financial derivative instruments which may involve embedded leverage.

The fund's investments may involve substantial market, currency, volatility, liquidity, credit/counterparty, regulatory and political risks. If the issuers default, or the relevant securities or their underlying assets cannot be realized, or performed badly, investors may suffer total loss of their investments in the fund.

Please refer to the chapter headed "Risk factors" for more information on these and other risks. Please also refer to "Glossary for HSBC Global Investment Funds" on page 47 for the defined terms of HSBC Global Investment Funds.

HSBC Global Investment Funds – Korean Equity

The fund is a sub-fund of HSBC Global Investment Funds.

Investment objective and policy

The fund seeks long-term capital growth by investing primarily in a diversified portfolio of investments in equity and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of Korea, as well as those companies which carry out a preponderant part of their business activities in Korea. There are no capitalisation restrictions and it is anticipated that the fund will seek to invest across a range of capitalisations.

Risk management

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

Summary of risk factors

The fund is subject to the concentration and emerging market risks of investing in a single emerging market.

The fund's investments may involve substantial market, currency, volatility, regulatory and political risks. Investors may suffer substantial loss of their investments in the fund.

Please refer to the chapter headed "Risk factors" for more information on these and other risks. Please also refer to "Glossary for HSBC Global Investment Funds" on page 47 for the defined terms of HSBC Global Investment Funds.

HSBC Global Investment Funds – Russia Equity

The fund is a sub-fund of HSBC Global Investment Funds.

Investment objective and policy

The fund seeks long term capital growth by investing primarily in a concentrated portfolio of investments in equity and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market in Russia as well as those companies with significant operations or carrying out a preponderant part of their business activities in this country provided that investments in securities dealt in on the Russian markets other than those recognised by the Luxembourg regulator as Regulated Markets are subject to the 10% limit set forth in the chapter "Investment Restrictions" in relation to HSBC Global Investment Funds. There are no capitalisation restrictions, and it is anticipated that the fund will seek to invest across a range of capitalisations.

Risk management

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

Summary of risk factors

The fund is subject to the concentration and emerging market risks of investing in a single emerging market.

The fund's investments may involve substantial market, currency, volatility, regulatory and political risks. Investors may suffer substantial loss of their investments in the fund.

Please refer to the chapter headed "Risk factors" for more information on these and other risks. Please also refer to "Glossary for HSBC Global Investment Funds" on page 47 for the defined terms of HSBC Global Investment Funds.

HSBC Global Investment Funds – Singapore Equity

The fund is a sub-fund of HSBC Global Investment Funds.

Investment objective and policy

The fund seeks long-term capital growth by investing primarily in a well-diversified portfolio of investments in equity and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of Singapore as well as those companies which carry out a preponderant part of their business activities in Singapore. There are no capitalisation restrictions and it is anticipated that the fund will seek to invest across a range of capitalisations.

Risk management

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

Summary of risk factors

The fund is subject to the concentration risks of investing in a single market.

The fund's investments may involve substantial market, currency, volatility, regulatory and political risks. Investors may suffer substantial loss of their investments in the fund.

Please refer to the chapter headed "Risk factors" for more information on these and other risks. Please also refer to "Glossary for HSBC Global Investment Funds" on page 47 for the defined terms of HSBC Global Investment Funds.

HSBC Global Investment Funds – Taiwan Equity

The fund is a sub-fund of HSBC Global Investment Funds.

Investment objective and policy

The fund seeks long-term capital growth by investing primarily in a diversified portfolio of investments in equity and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of Taiwan, as well as those companies which carry out a preponderant part of their business activities in Taiwan. There are no capitalisation restrictions and it is anticipated that the fund will seek to invest across a range of capitalisations.

Risk management

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

Summary of risk factors

The fund is subject to the concentration and emerging market risks of investing in a single emerging market.

The fund's investments may involve substantial market, currency, volatility, regulatory and political risks. Investors may suffer substantial loss of their investments in the fund.

Please refer to the chapter headed "Risk factors" for more information on these and other risks. Please also refer to "Glossary for HSBC Global Investment Funds" on page 47 for the defined terms of HSBC Global Investment Funds.

HSBC Global Investment Funds – Thai Equity

The fund is a sub-fund of HSBC Global Investment Funds.

Investment objective and policy

The fund seeks long-term capital growth by investing primarily in a well diversified portfolio of investments in equity and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of Thailand as well as those companies which carry out a preponderant part of their business activities in Thailand. There are no capitalization restrictions and it is anticipated that the fund will seek to invest across a range of capitalizations.

Risk management

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

Summary of risk factors

The fund is subject to the concentration and emerging market risks of investing in a single emerging market.

The fund's investments may involve substantial market, currency, volatility, regulatory and political risks. Investors may suffer substantial loss of their investments in the fund.

Please refer to the chapter headed "Risk factors" for more information on these and other risks. Please also refer to "Glossary for HSBC Global Investment Funds" on page 47 for the defined terms of HSBC Global Investment Funds.

HSBC Global Investment Funds – UK Equity

The fund is a sub-fund of HSBC Global Investment Funds.

Investment objective and policy

The fund seeks long-term capital growth by investing primarily in a diversified portfolio of investments in equity and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market in the UK as well as those companies which carry out a preponderant part of their business activities in the UK. The portfolio is diversified by sector and individual stock exposure.

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

Risk management

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

Summary of risk factors

The fund is subject to the concentration risks of investing in a single market.

The fund's investments may involve substantial market, currency, volatility, regulatory and political risks. Investors may suffer substantial loss of their investments in the fund.

Please refer to the chapter headed "Risk factors" for more information on these and other risks. Please also refer to "Glossary for HSBC Global Investment Funds" on page 47 for the defined terms of HSBC Global Investment Funds.

HSBC Global Investment Funds – US Equity

The fund is a sub-fund of HSBC Global Investment Funds.

Investment objective and policy

The fund seeks long-term capital growth by investing primarily in a well-diversified portfolio of investments in equity and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of the US as well as those companies which carry out a preponderant part of their business activities in the US. Whilst there are no capitalisation restrictions, it is anticipated that the fund will seek to invest primarily in larger, established companies.

The fund may also invest in financial derivative instruments such as futures, equity swaps, options and forward currency contracts and in other currency and equity derivatives. The fund intends to use such financial derivative instruments for, inter alia, the purposes of managing market exposure (up to a maximum of 110% of the sub-fund's net asset value) and currency positioning but also to enhance return when the Investment Adviser believes the investment in financial derivative instruments will assist the fund in achieving its investment objectives.

Risk management

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

Summary of risk factors

The fund is subject to the concentration risks of investing in a single market.

The fund may invest in futures, swaps, options, forward currency contracts and other financial derivative instruments which may involve embedded leverage.

The fund's investments may involve substantial market, volatility, liquidity, credit/counterparty, regulatory and political risks. If the issuer default, or the relevant securities or their underlying assets cannot be realized, or perform badly, investors may suffer total loss of their investments in the fund.

Please refer to the chapter headed "Risk factors" for more information on these and other risks. Please also refer to "Glossary for HSBC Global Investment Funds" on page 47 for the defined terms of HSBC Global Investment Funds.

HSBC China Growth Fund

The fund is a sub-fund of HSBC Investment Funds Trust.

Investment objective and policy

Investment objective:

The fund seeks long-term capital growth by mainly investing in a portfolio of equities issued by companies located in the mainland China ("China") or deriving a preponderant part of their income and/or assets from China, and instruments linked to such investments. The fund will be actively managed, aiming to achieve the investment objective without reference to market index weightings.

Investment Policy

The securities which the fund will invest in may be listed or traded on one or more recognized exchanges located in China or the Hong Kong Special Administrative Region ("Hong Kong"). To some extent the fund may also invest in securities listed or traded on recognised exchanges located outside China and Hong Kong. There are no capitalisation restrictions, and it is anticipated that the fund will seek to invest across a range of capitalisations.

The fund may invest in A- and B-shares (and such other securities as may be available) listed on stock exchanges in China, H-shares listed on the Hong Kong Stock Exchange and shares of red-chip companies listed on the Hong Kong Stock Exchange or on other exchanges outside of China (including but not limited to shares of Chinese private enterprises deriving a preponderant part of their income and/or assets from China ("P-chip companies")), shares of other companies deriving a preponderant part of their income and/or assets from China and securities linked to such shares. The intended initial allocation of the net asset value of the fund is 5% to 30% in China A-shares or securities linked to the China A-shares and the remaining assets in other assets in line with the fund's Investment Objective and Investment Restrictions. This allocation is indicative only and may be changed from time to time depending on market conditions and the availability of appropriate investment opportunities. The fund will invest at least 70% of its non-cash assets in A-, B- and H shares, shares of red-chip companies, shares of companies deriving a preponderant part of their income and/or assets from China and securities linked to such shares.

As of the date of this Explanatory Memorandum, the fund and the Manager are not QFIIs in China. However, the fund will invest in the China A-share market indirectly through Equity Linked Notes and other similar equity linked securities and instruments issued by institutions that have obtained the QFII status (collectively referred to as "ELN"). Where the fund invests in the China A-share market through ELN that are not listed nor quoted on any stock exchange or over-the-counter market or other organized securities market that is open to the international public and on which the ELN are regularly traded, such ELN should comprise no more than 15% of the fund's net asset value.

The fund may also directly invest in China A-shares through the Shanghai-Hong Kong Stock Connect, as and when it is eligible to participate in such programme, subject to applicable quota limitations.

The following table illustrates the fund's maximum investment in China A-shares as a percentage of the fund's net asset value:

Type of investment	Maximum investment
Indirect investment in equity linked instruments linked to China A-shares*	30%
Direct investment through the Shanghai-Hong Kong Stock Connect%*	10%

*The maximum total investment in China A-shares including all types of investments is 30% of the fund's net asset value.

The investment portfolio held by the fund will comprise mainly of equities and equity-related investments. The portfolio may also include deposits and other money market instruments up to 49% of the net asset value of the fund. The intended asset allocation aforesaid is for indication only and may be changed as and when the Manager considers appropriate. The fund may have up to 30% of its assets invested in equity linked instruments linked to China A-shares.

For efficient portfolio management, the fund may acquire financial derivatives instruments and other investments vehicles allowed under the Investment Restrictions.

Summary of risk factors

The fund is subject to the concentration and emerging market risks arising from exposures to investments in a single emerging market. The fund is subject to the credit risk of the issuers of the equity linked instruments held by the fund. When the issuer of an investment defaults, the fund may suffer a loss amounting to the value of such investment. The fund may have up to 30% of its net asset value invested in equity linked instruments linked to China A-shares. The fund may also invest up to 10% of its net asset value in China A-shares through Shanghai-Hong Kong Stock Connect, provided that the fund's total direct and indirect investment in China A-shares shall not more than 30% of the fund's net asset value. There are risks and uncertainties associated with China's tax rules and practices. In particular, in relation to the realised and unrealised capital gains the fund gains from its investments in ELN linked to China A-shares, the fund has implemented a tax provisions practice set out in detail under the section headed "Risk Factors". Such provisions may be more than or less than the fund's actual tax liabilities and investors may be advantaged or disadvantaged depending upon the final tax outcome as and when they subscribed and/or redeemed the units of the fund. Investment of the fund may involve substantial market, currency, volatility, liquidity, credit/counterparty, regulatory and political risks. Investors may suffer substantial loss of their investments in the fund.

Please refer to the chapter headed "Risk factors" for more information on these and other risks.

HSBC China Momentum Fund

The fund is a sub-fund of HSBC Investment Funds Trust.

Investment objective and policy

Investment objective:

The fund aims to achieve long-term capital appreciation by investing in securities issued by or linked to the companies that are positioned to benefit from the strong economic growth and rising investment opportunities in mainland China ("China").

Investment Policy

The fund seeks long-term capital growth through a portfolio of investments in equity and equity related securities of Chinese companies or companies deriving a significant proportion of their revenue from operations in China. The fund may invest in shares and securities linked to the shares of China related companies listed or quoted in China, Hong Kong Special Administrative Region ("Hong Kong") and other jurisdictions, including, for example, A- and B-shares (and such other securities as may be available) listed on stock exchanges in China, and H-shares and shares of red-chip companies listed on the Hong Kong Stock Exchange. The fund will invest at least 70% of its non-cash assets in the above-mentioned securities.

The fund may invest up to 100% in H-shares and red-chip, up to 30% in B-shares, and up to 40% in A-shares which includes investment in securities linked to the relevant type of shares. This allocation is indicative only and may be changed from time to time depending on market conditions and the availability of appropriate investment opportunities. The fund may have up to 50% of its net asset value invested in China A-shares and equity linked instruments linked to China A-shares.

As of the date of this Explanatory Memorandum, the fund and the Manager are not QFIIs in China. However, the fund will invest in the China A-share market indirectly through Equity Linked Notes and other similar equity linked securities and instruments issued by institutions that have obtained the QFII status (collectively referred to as "ELN"). Where the fund invests in the China A-share market through ELN that are not listed nor quoted on a market that is open to the international public and on which the ELN are regularly traded, such ELN should comprise no more than 15% of the fund's net asset value.

The fund may also directly invest in China A-shares through the Shanghai-Hong Kong Stock Connect, subject to applicable quota limitations.

The following table illustrates the fund's maximum investment in China A-shares as a percentage of the fund's net asset value:

Type of investment	Maximum investment
Indirect investment in equity linked instruments linked to China A-shares*	50%
Direct investment through the Shanghai-Hong Kong Stock Connect%*	10%

*The maximum total investment in China A-shares including all types of investments is 50% of the fund's net asset value.

Summary of risk factors

The fund is subject to the concentration and emerging market risks arising from exposures to investments in a single emerging market. The fund is subject to the credit risk of the issuers of the equity linked instruments held by the fund. When the issuer of an investment defaults, the fund may suffer a loss amounting to the value of such investment. The fund may have up to 50% of its net asset value invested in equity linked instruments linked to China A-shares. The fund may also invest up to 10% of its net asset value in China A-shares through Shanghai-Hong Kong Stock Connect, provided that the fund's total direct and indirect investment in China A-shares shall not more than 50% of the fund's net asset value. There are risks and uncertainties associated with China's tax rules and practices. In particular, in relation to the realised and unrealised gains the fund gains from its investments in ELN linked to China A-shares, the fund has implemented a tax provisions practice set out in detail under the section headed "Risk Factors". Such provisions may be more than or less than the fund's actual tax liabilities and investors may be advantaged or disadvantaged depending upon the final tax outcome as and when they subscribed and/or redeemed the units of the fund. Investment of the fund may involve substantial market, currency, volatility, liquidity, credit/counterparty, regulatory and political risks. Investors may suffer substantial loss of their investments in the fund. Please refer to the section "Risk Factors" below for more information on these and other risks.

Please refer to the chapter headed "Risk factors" for more information on these and other risks.

Fund details: Managed solutions funds

HSBC Global Investment Funds – Managed Solutions – Asia Focused Conservative

The fund is a sub-fund of HSBC Global Investment Funds.

Investment objective and policy

The fund invests for long term total return through an active asset allocation in a diversified portfolio of fixed income and equity securities as well as money market and cash instruments. The fund will normally invest a minimum of 70% of its net assets in Asian (including Asia Pacific and excluding Japan) based assets in both fixed income and equity markets including, but not limited to Asia Pacific (excluding Japan) equities, sovereign bonds and corporate bonds. The fund may also invest in other non-Asian based assets such as global emerging market bonds and US Treasuries. Exposure to these assets may be achieved through direct investments and/or investments in units or shares of UCITS and/or other UCIs.

The fund will invest in Investment Grade, Non-Investment Grade and unrated fixed income securities issued or guaranteed by governments, government agencies or supranational bodies worldwide or companies in both developed and Emerging Markets. The 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 fund will also invest in equity and equity equivalent securities. Such securities will predominantly be listed securities that are selected based on their market capitalisation, sector, country and stock valuation. There are no capitalisation restrictions, and the fund will normally invest across a range of market capitalisations.

The fund may invest up to 50% of its net assets in units or shares of UCITS and/or other UCIs (including other sub-funds of HSBC Global Investment Funds).

The asset allocation may change over time depending on the Investment Adviser's view on market opportunities. The fund will normally be exposed to currencies of Asia Pacific (excluding Japan) as well as other emerging and developed market currencies.

The fund may use financial derivative instruments for hedging purposes only. However, the fund may also invest in units or shares of UCITS and/or other UCIs which may use financial derivative instruments for investment and/or hedging purposes.

Asset Class Exposure Limits

For the specific group of asset classes described in the table below, the fund will have a total maximum exposure limit as follows:

Asset classes*	Maximum exposure
Equity	30%
Fixed Income, including bonds, money market instruments, other fixed income instruments and cash	100%

* Exposure to these asset classes may be achieved through direct investments and/or investment in units or shares of UCITS and/or other UCIs.

The Investment Adviser will seek to maximize the portfolio's risk-adjusted expected long term total return by investing in a diversified portfolio of fixed income and equity securities as well as money market and cash instruments. Exposure to each asset class will be determined by taking into account valuation, risk and liquidity. In principle, the Investment Adviser will overweight asset classes with the most attractive growth prospects and underweight those that appear as overvalued, by taking into account the risk profile. Asset allocation to various asset classes will be managed with a view to grow capital throughout a market cycle. The fund will remain diversified to maintain a balance between risk and return. Within each asset class, the Investment Adviser seeks to add further value through security selection.

Investment Restrictions

In addition to the applicable restrictions under the sections headed "Restrictions on the use of techniques and instruments" and "Additional restrictions", the fund's investment in units or shares of UCITS and/or other UCIs shall be subject to the following restrictions:-

(1) Not more than 10% of the net asset value of the fund may be invested in units or shares of UCITS and/or other UCIs that are non-recognised jurisdiction schemes (as defined under the Code) and not authorised by the SFC.

(2) No investment may be made in any UCITS or other UCI which invests primarily in investments prohibited by Chapter 7 of the Code; and where the objective of the UCITS or other UCI is to invest primarily in investments restricted by Chapter 7 of the Code, such holdings may not be in contravention of the relevant limitation.

Risk management

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

Summary of risk factors

The portfolio of the fund may have a high concentration in Asian (including Asia Pacific and excluding Japan) based portfolio of fixed income and equity securities, biased towards fixed income securities.

Investors should note the risks relating to investment in equity. The value of equity securities are affected by many factors, such as activities of individual companies and general market conditions. Investment in equity securities is subject to market volatility risk.

Investors should also note the risks relating to investment in fixed income, including but not limited to interest rate risk, credit risk and liquidity risk.

The fund will invest in Investment Grade, Non-Investment Grade and unrated fixed income securities issued or guaranteed by governments, government agencies or supranational bodies worldwide or companies in both developed and Emerging Markets. Exposure to emerging markets involves a greater risk of loss than exposure to more developed markets due to, among other factors, greater political, tax, economic, foreign exchange, liquidity, market volatility (such as interest rate and price volatility) and regulatory risks.

Please refer to the chapter headed "Risk factors" for more information on these and other risks. Please also refer to "Glossary for HSBC Global Investment Funds" on page 47 for the defined terms of HSBC Global Investment Funds.

HSBC Global Investment Funds – Managed Solutions – Asia Focused Growth

The fund is a sub-fund of HSBC Global Investment Funds.

Investment objective and policy

The fund invests for long-term total return through an active asset allocation in a diversified portfolio of equity and fixed income securities as well as money market and cash instruments. The fund will normally invest a minimum of 70 % of its net assets in Asian (including Asia Pacific excluding Japan) based assets in both equity and fixed income markets including, but not limited to Asia Pacific (excluding Japan) equities, sovereign bonds, and corporate bonds. The fund may also invest in other non-Asian based assets such as global developed and emerging market equities, US Treasuries and global closed-ended REITs. Exposure to these assets may be achieved through direct investments and/or investments in units or shares of UCITS and/or other UCIs.

The fund will invest in equity and equity equivalent securities. Such securities will predominantly be listed securities that are selected based on their market capitalisation, sector, country and stock valuation. There are no capitalisation restrictions, and the fund will normally invest across a range of market capitalisations.

The fund will also invest in Investment Grade, Non-Investment Grade and unrated fixed income securities issued or guaranteed by governments, government agencies or supranational bodies worldwide or companies in both developed and Emerging Markets. The 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 fund may invest up to 50% of its net assets in units or shares of UCITS and/or other UCIs (including other sub-funds of HSBC Global Investment Funds).

The asset allocation may change over time depending on the Investment Adviser's view on market opportunities.

The fund will normally be exposed to currencies of Asia Pacific (excluding Japan) countries as well other emerging and developed market currencies.

The fund may use financial derivative instruments for hedging purposes only. However, the fund may also invest in units or shares of UCITS and/or other UCIs which may use financial derivative instruments for investment and/or hedging purposes.

Asset Class Exposure Limits

For the specific group of asset classes described in the table below, the fund will have a total maximum exposure limit as follows:

Asset classes*	Maximum exposure
Equity	100%
Fixed Income, including bonds, money market instruments, other fixed income instruments and cash	50%
Others, including real estate (REITs)	30%

* Exposure to these asset classes may be achieved through direct investments and/or investment in units or shares of UCITS and/or other UCIs.

The Investment Adviser will seek to maximize the portfolio's risk-adjusted expected return in investing in a diversified portfolio of bonds, equity and currency. Exposure to each asset class will be determined taking into account valuation, risk and liquidity. In principle, the Investment Adviser will mainly focus on overweighting asset classes with the most attractive growth prospects and underweighting those that appear as overvalued. Asset allocation to various asset classes will be managed with a view to grow capital throughout a market cycle. The fund will remain diversified among different asset classes to maintain a balance between risk and return. Within each asset class, the Investment Adviser seeks to add further value through security selection.

Investment Restrictions

In addition to the applicable restrictions under the sections headed "Restrictions on the use of techniques and instruments" and "Additional restrictions", the fund's investment in units or shares of UCITS and/or other UCIs shall be subject to the following restrictions:-

(1) Not more than 10% of the net asset value of the fund may be invested in units or shares of UCITS and/or other UCIs that are non-recognised jurisdiction schemes (as defined under the Code) and not authorised by the SFC.

(2) No investment may be made in any UCITS or other UCI which invests primarily in investments prohibited by Chapter 7 of the Code; and where the objective of the UCITS or other UCI is to invest primarily in investments restricted by Chapter 7 of the Code, such holdings may not be in contravention of the relevant limitation.

Risk management

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

Summary of risk factors

The portfolio of the fund may have a high concentration in Asian (including Asia Pacific excluding Japan) based portfolio of fixed income and equity securities, biased towards equity securities.

Investors should note the risks relating to investment in equity. The value of equity securities are affected by many factors, such as activities of individual companies and general market conditions. Investment in equity securities is subject to market volatility risk.

Investors should also note the risks relating to fixed income securities, including but not limited to interest rate risk, credit risk and liquidity risk.

Exposure to emerging markets involves a greater risk of loss than exposure to more developed markets due to, among other factors, greater political, tax, economic, foreign exchange, liquidity, market volatility (such as interest rate and price volatility) and regulatory risks. The fund will invest in Investment Grade, Non-Investment Grade and unrated fixed income securities issued or guaranteed by governments, government agencies or supranational bodies worldwide or companies in both developed and Emerging Markets.

Please refer to the chapter headed "Risk factors" for more information on these and other risks. Please also refer to "Glossary for HSBC Global Investment Funds" on page 47 for the defined terms of HSBC Global Investment Funds.

HSBC Global Investment Funds – Managed Solutions – Asia Focused Income

The fund is a sub-fund of HSBC Global Investment Funds.

Investment objective and policy

The fund invests for income and moderate capital growth through an active asset allocation in a diversified portfolio of fixed income and equity securities as well as money market and cash instruments. The fund will normally invest a minimum of 70% of its net assets in Asian ex-Japan based income oriented assets in both fixed income and equity markets including, but not limited to corporate bonds, sovereign bonds and higher yielding equities. The fund may also invest in other non-Asian based assets such as global emerging market bonds, US Treasuries and global closed-ended REITs. Exposure to these assets may be achieved through direct investments and/or investments in units or shares of UCITS and/or other UCIs.

The fund will invest in Investment Grade, Non-Investment Grade and unrated fixed income securities issued or guaranteed by governments, government agencies or supranational bodies worldwide or companies in both developed and Emerging Markets.

The fund will also invest in equity and equity equivalent securities, particularly those that offer above average dividend yields and/or the potential for sustainable dividend growth.

The fund may invest up to 50% of its net assets in units or shares of UCITS and/or other UCIs (including other sub-funds of HSBC Global Investment Funds).

The asset allocation may change over time depending on the Investment Adviser's view on market opportunities.

The fund will normally be exposed to currencies of Asian and Emerging Markets countries and USD.

The fund may use financial derivative instruments for hedging purposes only. However, the fund may also invest in units or shares of UCITS and/or other UCIs which may use financial derivative instruments for investment and/or hedging purposes.

Asset Class Exposure Limits

For the specific group of asset classes described in the table below, the fund will have a total maximum exposure limit as follows:

Asset classes*	Maximum exposure
Equity	50%
Fixed Income, including bonds, money market instruments, other fixed income instruments and cash	100%
Others, including REITs	30%

* Exposure to these asset classes may be achieved through direct investments and/or investment in units or shares of UCITS and/or other UCIs.

Asset allocation to different income oriented assets will be managed to maximize the fund's risk-adjusted yield and total return. Exposure to each asset class will be determined based on its level of expected yield premium (i.e. its yield above cash rate), risk and liquidity. In principle, the higher the risk-adjusted yield premium, the higher the exposure to such asset classes. Asset allocation will vary over market cycles as both the yield and risks of different asset classes evolve. The fund will remain diversified among different asset classes to maintain a balance between risk, return and income. Within each asset class, the Investment Adviser seeks to add further value through security selection.

Investment Restrictions

In addition to the applicable restrictions under the section headed "Restrictions on the use of techniques and instruments" and "Additional restrictions", the fund's investment in units or shares of UCITS and/or other UCIs shall be subject to the following restrictions:-

(1) Not more than 10% of the net asset value of the fund may be invested in units or shares of UCITS and/or other UCIs that are non-recognised jurisdiction schemes (as defined under the Code on Unit Trusts and Mutual Funds) and not authorised by the SFC.

(2) No investment may be made in any UCITS or other UCI which invests primarily in investments prohibited by Chapter 7 of the Code on Unit Trusts and Mutual Funds; and where the objective of the UCITS or other UCI is to invest primarily in investments restricted by Chapter 7 of the Code on Unit Trusts and Mutual Funds, such holdings may not be in contravention of the relevant limitation.

Risk management

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

Summary of risk factors

The portfolio of the fund may have a high concentration in Asian ex-Japan based income oriented portfolio of fixed income and equity securities, biased towards fixed income securities.

Investors should note the risks relating to investment in equity. The value of equity securities are affected by many factors, such as activities of individual companies and general market conditions. Investment in equity securities is subject to market volatility risk.

Investors should also note the risks relating to investment in fixed income, including but not limited to interest rate risk, credit risk and liquidity risk.

The fund will invest in Investment Grade, Non-Investment Grade and unrated fixed income securities issued or guaranteed by governments, government agencies or supranational bodies worldwide or companies in both developed and Emerging Markets. Exposure to emerging markets involves a greater risk of loss than exposure to more developed markets due to, among other factors, greater political, tax, economic, foreign exchange, liquidity, market volatility (such as interest rate and price volatility) and regulatory risks.

Please refer to the chapter headed "Risk factors" for more information on these and other risks. Please also refer to "Glossary for HSBC Global Investment Funds" on page 47 for the defined terms of HSBC Global Investment Funds.