

Flagship funds and strategies

A thematic approach to investment opportunities around the globe

Q1 2019



This brochure includes a selection of 30 funds, whereas there are 50+ funds in the HSBC Global Investment Funds range

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HSBC
Global Asset
Management

2019: back to reality

2018 saw a series of “crashing waves” driving investor fears on the pace of US interest rates, Brexit, trade tensions, and political turmoil, but underlying market volatility indicators have proven more sanguine. This suggests that, as we go into 2019, we will already have seen “peak anxiety”, so that economics and markets should be able to reconnect, with less distraction from the “noise” of general events.

**Stimulus should fade
Growth should remain
Noise will persist
Opportunities will arise**

Moderate growth – with two engines

The good news is that the underlying economic fundamentals remain sound, and we expect an eventual return to a new form of normalisation with moderate growth, diminishing fiscal stimulus but no obvious signs of immediate recession. The twin engines of global growth will remain the US – albeit with moderating growth – and, principally, China – with a managed economic slowdown. In this context, and because US interest-rate rises are already priced in to the end of 2019, we expect the US yield curve to be essentially flat.

**We are seeing pockets of
relative value in all asset
classes**

Meanwhile, credit spreads globally have widened, meaning investors are now compensated for the corporate risk, provided they are selective. We are seeing pockets of relative value in all asset classes and, in some of these areas, even absolute value. There are many economies with sustained higher growth rates, whose financial markets have underperformed over the last twelve months, notably in Asia and Emerging Markets. In addition, the inclusion of Chinese shares and bonds in major indices over the next 12 to 18 months presents a special opportunity to re-appraise the role of Chinese assets in long-term portfolios.

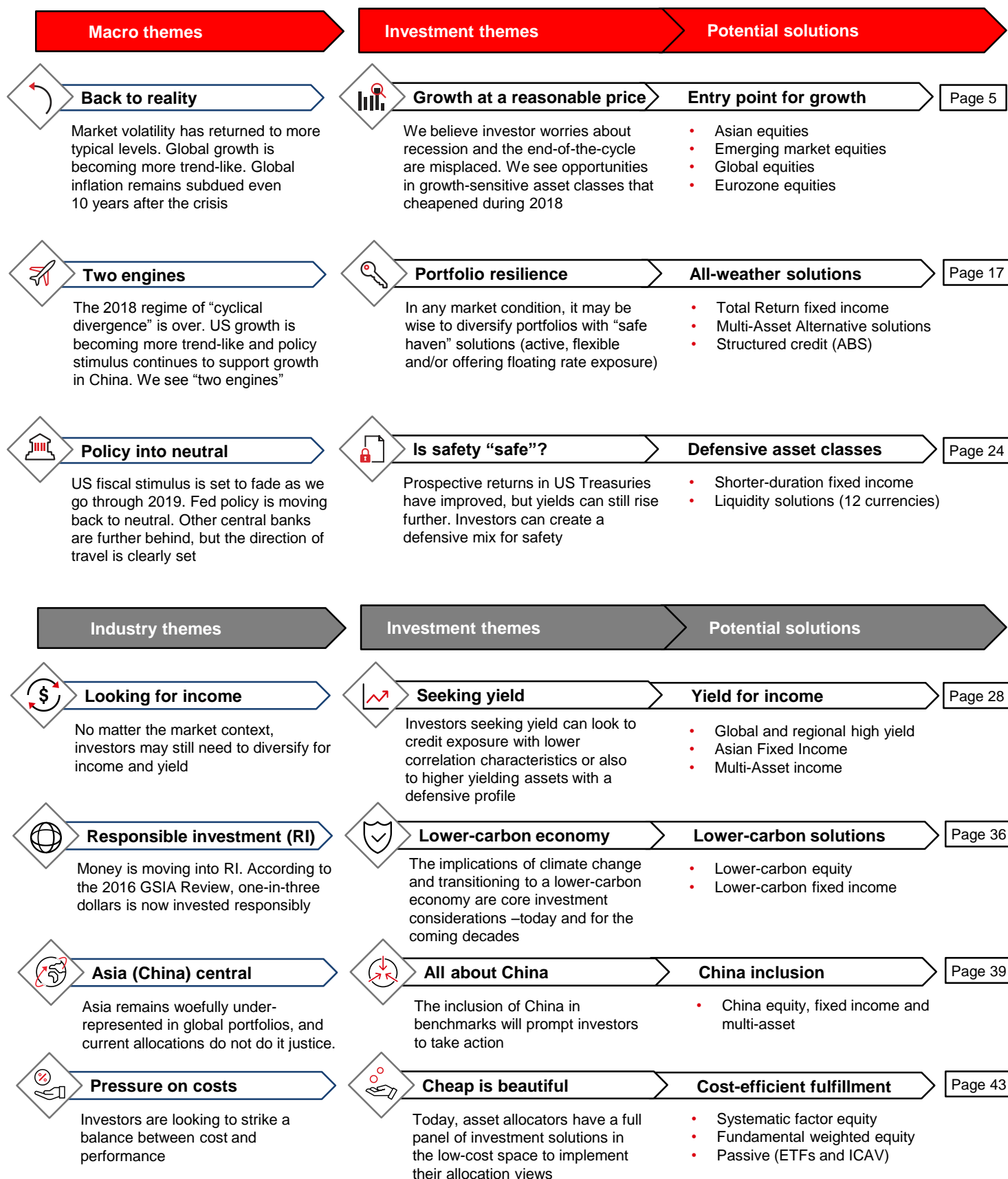
Overall, we expect the year to show economic growth and market ratings reverting to their longer-term trend levels, meaning that those markets and assets which fell out of favour in 2018 should benefit from reconsideration under circumstances of a return to relative normality.

We think some examples of such assets can be found in Asian and emerging-market equities and bonds, China, shorter-duration fixed income assets and selective approaches to global equities.

Investment involves risk. Past performance is not indicative of future performance.

Source: HSBC Global Asset Management. As at January 2019. The commentary and analysis presented in this document reflect the opinion of HSBC Global Asset Management on the markets, according to the information available to date. They do not constitute any kind of commitment from HSBC Global Asset Management. Consequently, HSBC Global Asset Management will not be held responsible for any investment or disinvestment decision taken on the basis of the commentary and/or analysis in this document. Any forecast, projection or target where provided is indicative only and is not guaranteed in any way. For illustrative purposes only

Key themes for 2019



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Investment Capabilities

Focus funds and expertise available by mandate

Fund	Morningstar category	Stars	Page
HSBC GIF Asia Pacific ex Japan Equity High Dividend	Asia-Pacific ex-Japan Equity Income	★★★★★	7
HSBC GIF RMB Fixed Income	RMB Bond	★★★★★	40
HSBC GIF Asia ex Japan Equity	Asia ex Japan Equity	★★★★★	6
HSBC GIF Asia ex Japan Equity Smaller Companies	Asia ex-Japan Small/Mid-Cap Equity	★★★★★	8
HSBC GIF Global High Income Bond	US Flexible Bond	★★★★★	29
HSBC GIF Euro High Yield Bond	EUR High Yield Bond	★★★★★	30
HSBC GIF Global Emerging Markets Local Debt	GEM Bond Local Currency	★★★★★	32
HSBC GIF Euro Credit Bond Total Return	EUR Flexible Bond	★★★★★	20
HSBC GIF Frontier Markets	Frontier Markets Equity	★★★★★	11
HSBC GIF Euroland Growth	Eurozone Large Cap Equity	★★★★★	13
HSBC GIF Euroland Equity	Eurozone Large Cap Equity	★★★★★	14
HSBC GIF Euroland Equity Smaller Companies	Eurozone Mid-Cap Equity	★★★★★	15
HSBC GIF Euro Convertible Bond	Convertible Bond - Europe	★★★★★	16
HSBC GIF Economic Scale GEM Equity	Global Emerging Markets Equity	★★★★★	47
HSBC GIF Indian Equity	Indian Equity	★★★★	9
HSBC GIF Chinese Equity	China Equity	★★★★	41
HSBC GIF Global Short Duration High Yield Bond	Global High Yield Bond	★★★★	25
HSBC GIF Global Emerging Markets Bond	Global Emerging Markets Bond	★★★★	31
HSBC GIF Global Real Estate Equity	Property - Indirect Global	★★★★	12
HSBC GIF Global Bond Total Return	Global Flexible Bond	★★★★	18
HSBC GIF Economic Scale US Equity	US Large-Cap Blend Equity	★★★★	45
HSBC GIF Economic Scale Japan Equity	Japan Large-Cap Equity	★★★★	46
HSBC GIF GEM Debt Total Return	Global Emerging Markets Bond	★★★	19
HSBC GIF Global Emerging Markets Equity	Global Emerging Markets Equity	★★★	10
HSBC GIF Asia Bond	Asia Bond	n.a. (launch 2016)	33
HSBC GIF India Fixed Income	Other Bond	n.a. (wide category)	34
HSBC GIF Multi-Asset Style Factors	Alt-Multistrategy	No stars are given to this Alt-UCITS category	21
HSBC GIF Multi-Strategy Target Return	Alt-Multistrategy		22
HSBC GIF Global Lower Carbon Bond	Global Corporate Bond – USD Hedged	n.a. (launch 2017)	37
HSBC GIF Global Lower Carbon Equity	Global Large – Cap Blend Equity	n.a. (launch 2017)	38
Other capabilities			
Global Emerging Markets Multi-Asset Income Strategy			35
China Multi-Asset Income Strategy			42
Floating Rate (ABS)			23
Systematic Factor Equity (multi-factor)			44
HSBC ETFs			48
HSBC Global Fund ICAV			49
Liquidity (12 currencies)			26-27
Multi-Asset capabilities			51-53
HSBC Global Asset Management			54-57
Key Risks to consider			58

Investment involves risk. Past performance should not be seen as an indication of future returns.

Source: HSBC Global Asset Management and Morningstar. As at end of December 2018. For illustrative purposes only.

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Macro themes

Back to reality

Growth at a reasonable price

Entry point for growth

Asian Equities	HSBC GIF Asia ex Japan Equity	★★★★
	HSBC GIF Asia Pacific ex Japan Equity High Dividend	★★★★★
	HSBC GIF Asia ex Japan Equity Smaller Companies	★★★★
	HSBC GIF Indian Equities	★★★
Emerging Market Equities	HSBC GIF Global Emerging Market Equity	★★
	HSBC GIF Frontier Markets	★★★★
Global Equities	HSBC GIF Global Real Estate Equity	★★★
Eurozone Equities	HSBC GIF Euroland Growth	★★★★
	HSBC GIF Euroland Equity	★★★★
	HSBC GIF Euroland Equity Smaller Companies	★★★★
	HSBC Euro Convertible Bond	★★★★

Investment involves risk. Past performance should not be seen as an indication of future returns.

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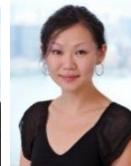
HSBC GIF Asia ex Japan Equity



(IC share)



**Sanjiv
Duggal**



**Arwen
Liu**

- ◆ The sub-fund aims to provide long term capital growth by investing in a portfolio of Asian (excluding Japanese) equities
- ◆ Our investment style is “blended” (combines growth and value), contrarian and diversified
- ◆ Our investment approach is bottom-up and fundamental. Focus is on stock selection with an aim to identify companies that are attractively valued given their sustainable profitability. The portfolio is managed on a country neutral basis (country weightings typically +/- 200bps vs benchmark), while style/factor biases are deliberately minimized
- ◆ Investment decisions are supported by sophisticated proprietary tools that reinforce discipline in the approach and provide real-time risk management

Fund details

Launch	1.04.1993 (IC)
Base currency	USD
AUM as at end Dec 2018	489.7 million
Comparative Index*	MSCI AC Asia ex Japan (net)
Morningstar category	Asia ex Japan Equity
Liquidity	Daily

Portfolio characteristics**

Regional exposure	10 markets in Asia (Hong Kong, China, Taiwan, S. Korea, Malaysia, Indonesia, India, Thailand, Philippines, Singapore)
Typical number of holdings	50-70 stocks
Individual stock weightings	+/- 3%
Sector diversification	+/- 7%
Country diversification	+/- 5%
Capitalisation constraints	none
Cash	0-5%
Target tracking	3-8%
Turnover	n.a.

Performance (%) as at end Dec 2018	2018	2017	2016	2015	2014	3Y ann.	5Y ann.
Fund (IC Net)	-15.94%	41.51%	9.22%	-8.37%	7.80%	9.12%	5.12%
Comparative index	-14.37%	41.72%	5.44%	-9.17%	4.80%	8.56%	4.02%
Excess return	-1.57%	-0.21%	3.78%	0.80%	3.00%	0.55%	1.09%
Quartile (I share)	1	2	1	3	1	1	2

Fund details

Domicile	UCITS Luxembourg SICAV	Min. initial investment	A share: USD5,000 or equivalent I share: USD1,000,000
Mgt. company	HSBC Investment Funds (Luxembourg) S.A.	Dealing	Daily at 10:00am (CET)
Investment advisor	HSBC Global Asset Management (HK) Ltd.	Valuation	Daily at 5:00pm (CET)
ISIN code	AC: LU0165289439; ACEUR: LU0622164928 ACOEUR: LU0212851702, AD: LU0043850808 ADOEUR: LU0212851884 IC: LU0165193169, ID: LU0149712548	Ongoing charge	Management fees A share: 1.50% I share: 0.75% Administration fees A share: 0.35% I share: 0.25%

Risk/Reward Profile¹



Main risks (see pg 62 for definitions)

Currency, emerging markets risk, derivatives, operational

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HSBC GIF Asia Pacific ex Japan Equity High Dividend



(ICEUR share)



**Michele
Mak**



**Tian
Chen**



**Sanjiv
Duggal**

- ◆ The sub-fund aims to provide long term total return by investing in a portfolio of Asia-Pacific (excluding Japan) equities
- ◆ This strategy aims to invest in companies that meet two criteria: (1) attractive according to our core profitability/valuation process and (2) demonstrate the potential to deliver a sustainable dividend yield above the market average
- ◆ The team looks to deliver a premium dividend yield at a portfolio level. There is no requirement for each stock to pay a higher yield versus the market
- ◆ A medium-to-long term horizon is recommended as the portfolio will look to exploit short-term swings in sentiment
- ◆ This strategy historically has (1) delivered lower volatility than the comparative index, (2) Beta < 1 and (3) delivered a dividend higher than the comparative index

Fund details

Launch	05.11.2004
Base currency	USD
AUM as at end Dec 2018	267.6 million
Comparative Index*	MSCI AC Asia Pacific ex Japan Net
Morningstar category	Asia-Pacific ex-Japan Equity Income
Liquidity	Daily

Portfolio characteristics**

Typical number of stocks	40-60
Relative country weight	+/- 5%
Relative sector weight	+/- 7%
Relative single company weight	+/- 3%
Tracking error	3 - 8%
Cash levels	0 - 5%

Performance (%) as at end Dec 2018	2018	2017	2016	2015	2014	3Y ann.	5Y ann.
Fund (IC Net)	-11.15%	34.01%	10.62%	-10.00%	1.75%	9.62%	3.82%
Comparative index	-13.92%	36.99%	6.75%	-9.37%	2.82%	7.97%	3.24%
Excess return	2.77%	-2.97%	3.87%	-0.63%	-1.07%	1.64%	0.58%
Quartile (I share)	2	1	1-	2-	3	1	1

Fund details

Domicile	UCITS Luxembourg SICAV	Min. initial investment	A share: USD5,000 or equivalent I share: USD1,000,000
Mgt. company	HSBC Investment Funds (Luxembourg) S.A.	Dealing	Daily at 10:00am (CET)
Investment advisor	HSBC Global Asset Management (HK) Ltd.	Valuation	Daily at 5:00pm (CET)
ISIN code	AC: LU0197773160 IC: LU0197774135, ICEUR: LU0622165578	Ongoing charge	Management fees A share: 1.50% I share: 0.75% Administration fees A share: 0.35% I share: 0.25%

Risk/Reward Profile¹



Main risks (see pg 62 for definitions)

Interest rate, emerging markets, derivatives, operational

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HSBC GIF Asia ex Japan Smaller Companies



(IC share)



Elina Fung



Alex Kwan

- ◆ The fund aims to capture growth opportunities in smaller and less-established Asia ex Japan equities by investing within a rigorously applied risk management framework
- ◆ A disciplined and repeatable investment process, is designed to drive long-term alpha by focusing on bottom-up stock selection
- ◆ Strong cooperation and daily communication between the fund manager and the equity analysts ensures the fund is reactive to market opportunities
- ◆ Portfolio construction based on conviction: balancing adequate diversification & sufficient level of relative risk

Fund details

Launch	24.07.2007 (IC)
Base currency	USD
AUM as at end Dec 2018	822 million
Comparative Index*	MSCI AC Asia ex Japan Small Cap Net
Morningstar category	Asia ex-Japan Small/Mid-Cap Equity
Liquidity	Daily

Portfolio characteristics**

Number of holdings	90-120
Relative country weight (bps)	± 500
Relative sector weight (bps)	± 700
Relative single company weight (bps)	± 300
Cash levels	0-5%
Tracking error	4-12%
Annual turnover	c. 60%
Limit on stocks larger than the defined small cap threshold ¹	30%

¹ Smaller companies are defined as those in the bottom 25% by market capitalisation of the Asia ex Japan universe (made of the combination of the MSCI AC Asia ex Japan index and the MSCI AC Asia ex Japan Small Cap index). As at Dec 2018 the threshold was at circa USD5bn but this level will vary with market movements

Performance (%) as at end Dec 2018	2018	2017	2016	2015	2014	3Y ann.	5Y ann.
Fund (IC Net)	-23.63%	38.48%	11.27%	1.51%	10.50%	5.58%	5.71%
Comparative index	-18.87%	33.52%	-2.28%	-3.52%	2.26%	1.91%	0.87%
Excess return	-4.76%	4.96%	13.56%	5.03%	8.24%	3.66%	4.84%
Quartile (I share)	3	1	1	1	2	1	1

Fund details

Domicile	UCITS Luxembourg SICAV	Min. initial investment	A share: USD5,000 or equivalent I share: USD1,000,000
Mgt. company	HSBC Investment Funds (Luxembourg) S.A.	Dealing	Daily at 10:00am (CET)
Investment advisor	HSBC Global Asset Management (HK) Ltd.	Valuation	Daily at 5:00pm (CET)
ISIN code	AC: LU0164939612 ; ACEUR: LU0622164845 AD: LU0082770016 IC: LU0164939885 ID: LU0149726845	Ongoing charge	Management fees A share: 1.50% I share: 0.75% Administration fees A share: 0.35% I share: 0.25%
Risk/Reward Profile ¹	<div><div>Lower risk</div><div>Higher risk</div><div>Typically lower rewards</div><div>Typically higher rewards</div><div><div>1</div><div>2</div><div>3</div><div>4</div><div>5</div><div>6</div><div>7</div></div></div> <div>Main risks (see pg 62 for definitions)</div> <div>Exchange rate, Emerging markets, Derivative, Operational</div>		

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HSBC GIF Indian Equity



(ICEUR share)



**Nilang
Mehta**



**Sanjiv
Duggal**

- ◆ The sub-fund aims to provide long-term total return by investing in a portfolio of Indian equities
- ◆ This strategy invests primarily in large cap, liquid stocks. The fund will invest in: (1) stocks from within S&P/IFCI Investable India index, (2) selected stocks outside of the S&P/IFCI Investable India index (liquidity dependent) and (3) companies operating in India, but listed on a developed market exchange
- ◆ Our investment approach is differentiated as we look to identify stocks which trade at an attractive valuation for a given level of profitability
- ◆ The portfolio is constructed from the bottom up, with sector positions reflecting our individual stock picks
- ◆ The fund has a value bias and is focused on longer term returns – the typical investment horizon is 3-5 years. Portfolio risk is actively managed, with an aim to reduce volatility from single stock and/or sector positions

Fund details		Portfolio characteristics**	
Launch	04.03.1996	Number of stocks	40-80
Base currency	USD	Active Sector weight ¹	+/-500bps
AUM as at end Dec 2018	1.4 billion	Active Single Stock weight ¹	+/-400bps
Comparative Index*	S&P/IFCI India Gross	Average Cash Levels	0-5%
Morningstar category	Indian Equity	Tracking error ¹	4-12%
Liquidity	Daily	Diversification rule	Sum of all stocks which are over 5% of portfolio should not exceed 40%

Performance (%) as at end Dec 2018	2018	2017	2016	2015	2014	3Y ann.	5Y ann.
Fund (IC Net)	-14.39%	44.18%	-0.51%	-11.50%	31.88%	7.09%	7.47%
Comparative index	-9.46%	45.32%	1.33%	-2.87%	32.17%	10.06%	11.35%
Excess return	-4.93%	-1.14%	-1.83%	-8.63%	-0.29%	-2.97%	-3.88%
Quartile (I share)	2	2	2	4	3	2	4

Fund details

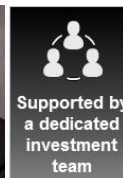
Domicile	UCITS Luxembourg SICAV	Min. initial investment	A share: USD5,000 or equivalent I share: USD1,000,000
Mgt. company	HSBC Investment Funds (Luxembourg) S.A.	Dealing	Daily at 10:00am (CET)
Investment advisor	HSBC Global Asset Management (HK) Ltd.	Valuation	Daily at 5:00pm (CET)
ISIN code	AC: LU0164881194; ACEUR: LU0551365645 AD: LU0066902890; ADEUR: LU0551366536 IC: LU0164881350; ICEUR: LU0551366700 ID: LU0149722851	Ongoing charge	Management fees A share: 1.50% I share: 0.75% Administration fees A share: 0.40% I share: 0.30%
Risk/Reward Profile ¹	<div><div>Lower risk</div><div>Higher risk</div><div>Typically lower rewards</div><div>Typically higher rewards</div><div><div>1</div><div>2</div><div>3</div><div>4</div><div>5</div><div>6</div><div>7</div></div></div> <div>Main risks (see pg 62 for definitions)</div> <div>Currency, liquidity, emerging markets, derivatives, operational, concentration</div>		

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HSBC GIF Global Emerging Markets Equity



(IC share)

Supported by
a dedicated
investment
team

Nick Timberlake

- ◆ The sub-fund aims to provide long term total return by investing in a portfolio of Emerging Market equities
- ◆ This strategy is managed by an experienced team, covering the full scope of EMs. The core of the team has worked together for over 20 years, over various market cycles. The team is part of a global investment platform, providing global perspective while leveraging local insights. The team applies a bottom-up investment approach focusing on Profitability and Valuation, driven by proprietary fundamental research
- ◆ Enhancements have been made to portfolio construction tools over the recent years. The team leverages proprietary and third-party decision support tools to construct portfolio with a perspective of contribution to risk from single names, while managing overall risk exposures in order to identify/avoid unrewarded risk

Fund details		Portfolio characteristics**		
Launch	15.11.2007 (IC)	Typical number of holdings	60-80	
Base currency	USD	Number of countries	>9	
AUM as at end Dec 2018	172 million	Capitalisation constraints	> USD 500 million	
Comparative Index*	MSCI Emerging Markets Net		Limit	Typical range
Morningstar category	Global Emerging Markets Equity	Country exposure	±10%	±5%
Liquidity	Daily	Sector exposure	Unconstrained	±10%
		Single stock exposure	±3%	±2%
		Tracking error	2-10%	3-6%

Performance (%) as at end Dec 2018	2018	2017	2016	2015	2014	3Y ann.	5Y ann.
Fund (IC Net)	-16.71%	37.13%	13.69%	-17.42%	-0.27%	9.10%	1.35%
Comparative index	-14.85%	37.28%	11.19%	-14.92%	-2.19%	9.13%	1.58%
Excess return	-1.86%	-0.15%	2.50%	-2.51%	1.92%	-0.03%	-0.23%
Quartile (I share)	3	2	1	4	1	1	2

Fund details

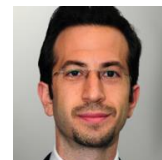
Domicile	UCITS Luxembourg SICAV	Min. initial investment	A share: USD5,000 or equivalent I share: USD1,000,000
Mgt. company	HSBC Investment Funds (Luxembourg) S.A.	Dealing	Daily at 10:00am (CET)
Investment advisor	HSBC Global Asset Management (UK) Ltd	Valuation	Daily at 5:00pm (CET)
ISIN code	AC: LU0164872284 ACEUR: LU0622167517 AD: LU0054450605 IC: LU0164872797	Ongoing charge	Management fees A share: 1.50% I share: 0.75% Administration fees A share: 0.40% I share: 0.30%
Risk/Reward Profile ¹	<div><div>Lower risk</div><div>Higher risk</div><div>Typically lower rewards</div><div>Typically higher rewards</div><div><div>1</div><div>2</div><div>3</div><div>4</div><div>5</div><div>6</div><div>7</div></div></div> <div>Main risks (see pg 62 for definitions)</div> <div>Foreign exchange, liquidity, emerging markets, derivatives, real estate,</div>		

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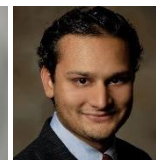
HSBC GIF Frontier Markets



(ICEUR share)™



Ramzi Sidani



Talib Saifee

- ◆ The sub-fund invests for long term total returns primarily in a diversified portfolio of investments in equity and equity equivalent securities of companies in Frontier Markets, as well as those companies with significant operations or carrying out a preponderant part of their business activities in these countries
- ◆ This fund provides exposure to countries that complements Global Emerging Market equity strategies. A strategic equity allocation could add diversification given low correlation with other asset classes
- ◆ The investment universe provides access domestic companies benefitting from attractive economic fundamentals that can support corporate profit growth. The countries within the universe are characterised by favorable demographics supporting increasing consumption. Productivity is expected to increase from industrialisation and infrastructure development
- ◆ We believe, as an active manager, we can potentially add value through proprietary, on-the-ground fundamental research

Fund details

Launch	1 December 2011
Base currency	USD
AUM as at end Dec 2018	240 million
Comparative Index*	MSCI Select Frontier & Emerging Markets Capped index
Morningstar category	Frontier Markets Equity
Liquidity	Monday, Tuesday, Wednesday and Thursday

Portfolio characteristics**

Number of stocks	50-70 holdings
Holding periods and turnover	Long-term holding periods and low turnover
Management style	Bottom-up stock selection driven by focus on company profitability and valuation
Corporate governance	Corporate governance and protection of minority investors interests is critical
Liquidity	Min. 6 months average daily trading volume of \$250k
Tracking Error*	3-8%
Cash	0-5%, not used strategically

Performance (%) as at end Dec 2018	2018	2017	2016	2015	2014	3Y ann.	5Y ann.
Fund (IC Net)	-19.25%	21.71%	9.24%	-9.37%	5.19%	2.39%	0.46%
Comparative index	-9.98%	22.52%	7.11%	-15.95%	5.70%	5.71%	0.97%
Excess return	-9.27%	-0.81%	2.13%	6.58%	-0.51%	-3.32%	-0.51%
Quartile (I share)	3	3	2	1	1	3	1

Fund details

Domicile	UCITS Luxembourg SICAV	Min. initial investment	A share: USD5,000 or equivalent I share: USD1,000,000
Mgt. company	HSBC Investment Funds (Luxembourg) S.A.	Dealing	Daily at 10:00am (CET)
Investment advisor	HSBC Global Asset Management (UK) Ltd	Valuation	Daily at 5:00pm (CET)
ISIN code	AC: LU0666199749; IC: LU0666200349; ICEUR: LU0708055537 ACEUR: LU0708055370	Ongoing charge	Management fees A share: 1.75% I share: 1.25% Administration fees A share: 0.50% I share: 0.40%
Risk/Reward Profile ¹			Main risks (see pg 62 for definitions)
			Foreign exchange, liquidity, emerging markets, derivatives, operational

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HSBC GIF Global Real Estate Equity



(I share)



Guy D. Morrell



Nick Leming

- ◆ The sub-fund aims to provide long term total return by investing worldwide in a portfolio of equities of companies related to the real estate industry
- ◆ The aim is to capture the long-run performance of income-producing real estate through investments in global real estate equities, diversified across major urban markets and real estate clusters such as residential, office, retail
- ◆ Targets investment in quality large cap companies with income-generating portfolios, conservative capital structures and efficient cost structures, led by strong and experience management teams
- ◆ Our investment process reflects our perspective as investors in both unlisted and listed property markets

Fund details

Launch	27.03.2015 (ID)
Base currency	USD
AUM as at end Dec 2018	1.1 billion
Comparative Index	n.a.
Morningstar category	Property - Indirect Global
Liquidity	Daily

Portfolio characteristics*

Exposure	Global developed markets only
Typical number of holdings	45-50; benchmark agnostic weighting approach
Target candidates	Targets investment in quality large cap companies with income-generating portfolios, conservative capital structures and efficient cost structures, led by strong and experience management teams
Cluster perspective	We take a cluster perspective when evaluating investment opportunity and constructing the portfolio. Cluster represent functional grouping, such as residential, industrial, retail, etc
Turnover	c. 25-50%

Performance (%) as at end Dec 2018	2018	2017	2016	2015	2014	3Y ann.	5Y ann.
Fund (ID Net)	-4.45%	7.43%	-0.12%	-	-	0.84%	-
Comparative index	-	-	-	-	-	-	-
Excess return	-	-	-	-	-	-	-
Quartile (I share)	1	4	3	-	-	3-	-

Fund details

Domicile	UCITS Luxembourg SICAV	Min. initial investment	A share: USD5,000 or equivalent I share: USD1,000,000
Mgt. company	HSBC Investment Funds (Luxembourg) S.A.	Dealing	Daily at 10:00am (CET)
Investment advisor	HSBC Global Asset Management (UK) Ltd	Valuation	Daily at 5:00pm (CET)
ISIN code	AC: LU1163227496 ACEUR: LU1600820895 AD: LU1163227579 ID: LU1163227736	Ongoing charge	Management fees A share: 1.50% I share: 0.75% Administration fees A share: 0.40% I share: 0.25%
Risk/Reward Profile ¹			Main risks (see pg 62 for definitions)
			Real estate sector, emerging markets, currency, liquidity, derivatives, operational

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HSBC GIF Euroland Growth



(IC share)

Patrick
GautierAbderrahman
Belcaid

- ◆ The sub-fund aims to provide long term capital growth by investing in a portfolio of Eurozone equities. This strategy can be considered by investors for core large-cap Eurozone equity allocation with a growth bias
- ◆ « Growth » as an investment style has natural biases: the fund will tend to be overweight consumer discretionary, healthcare and technology companies. At the same time, the fund will have less exposure to commodities, energy and financials when compared to « value » strategies
- ◆ Within a universe of some 500 large cap companies, stocks are selected based on a fundamental « Profitability / Valuation » process. The aim is to select companies with « high and stable » profitability
- ◆ Companies selected have « sustainable earnings growth », meaning they are in the growth phase of their capital cycle, thus characterised by strong economic returns and a high reinvestment rate

Fund details

Launch	05.11.2009 (IC)
Base currency	EUR
AUM as at end Dec 2018	135 million
Comparative Index*	MSCI EMU NR
Morningstar category	Eurozone Large Cap Equity
Liquidity	Daily

Portfolio characteristics**

Typical number of holdings	70-80 holdings
Individual stock weightings	1-4% average weights
Sector diversification	No sector constraints yet sector weights are monitored
Regional exposure	Primarily invested in the 10 developed Eurozone countries (Austria, Belgium, Finland, France, Germany, Ireland, Italy, Netherlands, Portugal, Spain)
Capitalisation constraints	Biased to large caps. with minimum market cap of €1 bn (at purchase)
Cash	0-10%
Tracking error	3-5%
Turnover	Expected to be moderate given the long term investment horizon (< 30%)

Performance (%) as at end Dec 2018	2018	2017	2016	2015	2014	3Y ann.	5Y ann.
Fund (IC Net)	-14.32%	15.65%	2.15%	13.55%	2.35%	0.40%	3.30%
Comparative index	-12.71%	12.49%	4.37%	9.81%	4.31%	0.82%	3.26%
Excess return	-1.61%	3.16%	-2.23%	3.75%	-1.96%	-0.42%	0.04%
Quartile (I share)	2	1	3	1	3	2	1

Fund details

Domicile	UCITS Luxembourg SICAV	Min. initial investment	A share: USD5,000 or equivalent I share: USD1,000,000
Mgt. company	HSBC Investment Funds (Luxembourg) S.A.	Dealing	Daily at 10:00am (CET)
Investment advisor	HSBC Global Asset Management (France)	Valuation	Daily at 5:00pm (CET)
ISIN code	AC: LU0362709346 IC: LU0362711326	Ongoing charge	Management fees A share: 1.50% I share: 0.75% Administration fees A share: 0.35% I share: 0.25%
Risk/Reward Profile ¹	<div><div>Lower risk</div><div>Higher risk</div><div>Typically lower rewards</div><div>Typically higher rewards</div><div><div>1</div><div>2</div><div>3</div><div>4</div><div>5</div><div>6</div><div>7</div></div></div> <div>Main risks (see pg 62 for definitions)</div> <div>Capital loss, equity, exchange rate, derivative, operational</div>		

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HSBC GIF Euroland Equity



(IC share)



**Frédéric
Lequay**



**Jeanne
Follet**

- ◆ The sub-fund aims to provide long term total return by investing in a portfolio of Eurozone equities. This strategy can be considered by investors for core large-cap Eurozone equity allocation
- ◆ It is characterized by high sensitivity to the « Value factor » and has extremely low bias to other factors: Dividend, Size, Quality and Market beta. The « Value bias » of the portfolio is fine-tuned to the economic cycle: to benefit from a potentially favorable environment for « Value » investing and to minimize the downside risk in a less favorable market environment
- ◆ The team applies a « Profitability / Valuation » process, implying high conviction fundamental stock selection
- ◆ In addition to a long standing investment process (since 2006), the strategy benefits from a stable fund management team that has demonstrated outperformance relative to peers

Fund details		Portfolio characteristics**	
Launch	14.12.2006 (IC)	Typical number of holdings	50-60 holdings
Base currency	EUR	Individual stock weightings	1-5% average weights
		Sector diversification	Min. of 15 out of 24 GICS industry groups
AUM as at end Dec 2018	577 million	Regional exposure	Primarily invested in the 10 developed Eurozone countries (Austria, Belgium, Finland, France, Germany, Ireland, Italy, Netherlands, Portugal, Spain)
Comparative Index*	MSCI EMU Net		
Morningstar category	Eurozone Large Cap Equity	Capitalisation constraints	Min. market cap of €1 bn (at purchase)
		Cash	Typically fully invested
Liquidity	Daily	Tracking error	3-5%
		Turnover	Expected to be moderate given the long term investment horizon (< 30%)

Performance (%) as at end Dec 2018	2018	2017	2016	2015	2014	3Y ann.	5Y ann.
Fund (IC Net)	-17.96%	13.91%	4.73%	11.78%	2.81%	-0.71%	2.38%
Comparative index	-12.71%	12.49%	4.37%	9.81%	4.31%	0.82%	3.26%
Excess return	-5.25%	1.42%	0.36%	1.97%	-1.50%	-1.54%	-0.88%
Quartile (I share)	4	1	1	2	2	3	2

Fund details

Domicile	UCITS Luxembourg SICAV	Min. initial investment	A share: USD5,000 or equivalent I share: USD1,000,000							
Mgt. company	HSBC Investment Funds (Luxembourg) S.A.	Dealing	Daily at 10:00am (CET)							
Investment advisor	HSBC Global Asset Management (France)	Valuation	Daily at 5:00pm (CET)							
ISIN code	AC: LU0165074666 AD: LU0165074740 IC: LU0165074823 ID: LU0165075127	Ongoing charge	Management fees A share: 1.50% I share: 0.75% Administration fees A share: 0.35% I share: 0.25%							
Risk/Reward Profile ¹	<div><div>Lower risk</div><div>Higher risk</div><div>Typically lower rewards</div><div>Typically higher rewards</div></div> <table><tr><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td>6</td><td>7</td></tr></table>			1	2	3	4	5	6	7
1	2	3	4	5	6	7				
		Main risks (see pg 62 for definitions)	Capital loss, equity, exchange rate, derivative, operational							

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HSBC GIF Euroland Equity Smaller Companies



(IC share)



**Pascal
Pierre**



**Christophe
Peroni**

- ◆ The sub-fund seeks long-term total return by investing in a portfolio of equity and equity equivalent securities of smaller and mid-sized companies which are based in any Eurozone member country
- ◆ This strategy gives access to a pool of industry leaders in niche industries. Companies with: (1) potentially higher growth rates, (2) capacity to adapt to new environments and (3) hands-on management teams
- ◆ Companies in this segment tend to be less mainstream, offering fund managers that can do the research greater stock picking opportunities. Companies within the universe can also become takeover targets by bigger companies
- ◆ The aim is to identify future outperformers within the universe: (1) companies with sustainable growth prospects and (2) restructuring or deep value stories. The investment strategy combines « Profitability / Valuation » methodology with fundamental high conviction stock picking

Fund details		Portfolio characteristics**	
Launch	02.08.2006 (IC)	Typical number of holdings	45-60
Base currency	EUR	Individual stock weightings	1-4%
AUM as at end Dec 2018	300 million	Sector diversification	Sectors are monitored, no strict constraints
Comparative Index*	MSCI EMU SMID	Regional exposure	10 developed Eurozone countries (Austria, Belgium, Finland, France, Germany, Ireland, Italy, Netherlands, Portugal, Spain)
Morningstar category	Eurozone Mid-Cap Equity	Capitalisation constraints	Biased to small and mid size companies; €500 ml to max. 10bn
Liquidity	Daily	Cash	0-10%
		Tracking error	3-7%
		Turnover	<70%

Performance (%) as at end Dec 2018	2018	2017	2016	2015	2014	3Y ann.	5Y ann.
Fund (IC Net)	-19.90%	24.94%	2.20%	20.47%	8.51%	0.75%	5.98%
Comparative index	-15.91%	21.13%	3.71%	19.88%	3.81%	1.85%	5.62%
Excess return	-3.99%	3.81%	-1.51%	0.59%	4.70%	-1.09%	0.35%
Quartile (I share)	3	2	2	3	1	2	2

Fund details

Domicile	UCITS Luxembourg SICAV	Min. initial investment	A share: USD5,000 or equivalent I share: USD1,000,000
Mgt. company	HSBC Investment Funds (Luxembourg) S.A.	Dealing	Daily at 10:00am (CET)
Investment advisor	HSBC Global Asset Management (France)	Valuation	Daily at 5:00pm (CET)
ISIN code	AC: LU0165073775 AD: LU0165073858 IC: LU0165074070 ID: LU0165074401	Ongoing charge	Management fees A share: 1.50% I share: 0.75% Administration fees A share: 0.35% I share: 0.25%
Risk/Reward Profile ¹	<div><div>Lower risk</div><div>Higher risk</div><div>Typically lower rewards</div><div>Typically higher rewards</div><div><div>1</div><div>2</div><div>3</div><div>4</div><div>5</div><div>6</div><div>7</div></div></div> <div>Main risks (see pg 62 for definitions)</div> <div>Capital loss, equity, exchange rate, derivative, operational, concentration</div>		

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HSBC GIF Euro Convertible Bond



(IC share)



Aline Thiel

- ◆ The sub-fund aims to provide long term total return by investing in a portfolio of Euro denominated and Euro-hedged convertible securities
- ◆ Allocating to convertible bonds is suited for investors wishing to take advantage of a fixed income asset class with the benefits of corporate bonds and also exposure to potential rising equity markets
- ◆ The fund is managed predominantly by bottom-up security selection based on fundamental and technical analysis. The emphasis is on balanced convertibles in order to take advantage of their convexity
- ◆ A top-down approach is then applied to adjust the portfolio structure (equity, interest rate and credit risk exposures)
- ◆ The objective is to build a diversified portfolio and to adapt it to difference market conditions throughout the various stages of the convertible's lifecycle

Fund details		Potential sources of performance**	Investment guidelines**	
Launch	12.05.2017*	Selection of issuers (fundamental analysis: equity and credit)	Convertible bonds denominated in Euros	75-100%
Base currency	EUR			
AUM as at end Dec 2018	108 million	Selection of securities (technical features and valuation)	European convertible bonds not denominated in Euros	0-25%
Comparative Index*	Exane Eurozone Convertible Index			
Morningstar category	Convertible Bond - Europe	Management of equity and credit risk exposure	Cash	0-10%
Liquidity	Daily		Fully hedged of foreign currency risk	

* The sub-fund was created on 12.05.2017 following the merger by absorption of the French FCP HSBC Europe Convertibles (the "Merging Fund")

Performance (%) as at end Dec 2018	2018	2017	2016	2015	2014	3Y ann.	5Y ann.
Fund (IC Net)	-7.37%	4.76%	0.23%	7.05%	4.31%	-0.92%	1.67%
Comparative index	-5.18%	6.99%	-0.21%	6.08%	3.06%	0.41%	2.05%
Excess return	-2.18%	-2.23%	0.44%	0.97%	1.25%	-1.33%	-0.38%
Quartile (I share)	2	2	2	2	1	2	1-

Fund details

Domicile	UCITS Luxembourg SICAV	Min. initial investment	A share: USD5,000 or equivalent I share: USD1,000,000
Mgt. company	HSBC Investment Funds (Luxembourg) S.A.	Dealing	Daily at 10:00am (CET)
Investment advisor	HSBC Global Asset Management (France)	Valuation	Daily at 5:00pm (CET)
ISIN code	AC: LU1460729418 IC: LU1460729681	Ongoing charge	Management fees A share: 1.20% I share: 0.60% Administration fees A share: 0.25% I share: 0.20%
Risk/Reward Profile ¹	<div> <div>Lower risk</div> <div>Higher risk</div> <div>Typically lower rewards</div> <div>Typically higher rewards</div> </div> <div> <div>1</div> <div>2</div> <div>3</div> <div>4</div> <div>5</div> <div>6</div> <div>7</div> </div>		Main risks (see pg 62 for definitions)

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Macro themes

Two engines

Portfolio resistance
All weather solutions

Total Return Fixed Income	HSBC GIF Global Bond Total Return	★★★
	HSBC GIF GEM Debt Total Return	★★
	HSBC GIF Euro Credit Total Return	★★★★
Multi-Asset Alternative solutions	HSBC GIF Multi-Asset Style Factors	No stars for Alts-UCITS.
	HSBC GIF Multit-Asset Target Return	
Structured credit	Floating Rate (ABS) Total Return Strategies	-

Investment involves risk. Past performance should not be seen as an indication of future returns.

Source: HSBC Global Asset Management and Morningstar. As at end of December 2018. For illustrative purposes only.

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HSBC GIF Global Bond Total Return



(I share)

Ernst
OslanderJulien
Renoncourt

- ◆ The sub-fund aims to provide long term total return by investing in a portfolio allocated across global bonds and other similar securities or instruments
- ◆ This invests in all the main global bond asset classes (governments, corporate IG, HY, EMD and ABS). The strategy takes active positions in rates, FX and issue selection. It is managed with a flexible, benchmark-agnostic, risk-controlled approach
- ◆ Currency management: local currency exposures are hedged into USD (unless the portfolio manager has a positive view on a particular currency). Active currency positions may also be taken in developed and emerging market currencies

Fund details		Potential sources of performance*		Rating limits*	
Launch	27.02.2015 (IC)	Asset allocation	40%	Government/Agency/Supra national	100%
Base currency	EUR	Rates	30%	Corporate investment grade	75%
AUM as at end Dec 2018	25.5 million	Issue selection	10%	Corporate high yield	30%
Comparative Index	n.a.	Currency	20%	Emerging Market Debt	30%
Morningstar category	Global Flexible Bond	Investment guidelines*		EMD and Corporate HY	40%
Liquidity	Daily	Target volatility	4-5%	Inflation-linked	30%
		Typical number of securities	c. 80	ABS	20%
				High Yield (BB+ and below)	40%
				B+ and below	20%

Performance (%) as at end Dec 2018	2018	2017	2016	2015	2014	3Y ann.	5Y ann.
Fund (IC Net)	-0.55%	3.23%	2.39%	-	-	1.67%	-
Comparative index	-	-	-	-	-	-	-
Excess return	-	-	-	-	-	-	-
Quartile (I share)	1	4	4	-	-	4	-

Fund details

Domicile	UCITS Luxembourg SICAV	Min. initial investment	A share: USD5,000 or equivalent I share: USD1,000,000
Mgt. company	HSBC Investment Funds (Luxembourg) S.A.	Dealing	Daily at 10:00am (CET)
Investment advisor	HSBC Global Asset Management (UK) Ltd	Valuation	Daily at 5:00pm (CET)
ISIN code	AC: LU1163225284 IC : LU1163225441	Ongoing charge	Management fees A share: 0.90% I share: 0.45% Administration fees A share: 0.25% I share: 0.20%
Risk/Reward Profile ¹			Main risks (see pg 62 for definitions)
			Interest rate, credit, currency, derivatives, ABS, CoCo, operational

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HSBC GIF GEM Debt Total Return



(L1C share)



**Nishant
Upadhyay**



**Vinyak
Potti**

- ◆ The sub-fund invests for long term total return in a portfolio allocated across the full spectrum of Emerging Markets bonds and other similar securities or instruments
- ◆ This strategy is managed with flexible allocation within the full emerging markets debt opportunity set, both hard and local currency with an ability to express short, medium, and long-term views irrespective of a benchmark
- ◆ An aim of the strategy is to offer average market returns of the EMD asset class while limiting the volatility to 50-75%
- ◆ Rigorous investment process that is integrated into the global investment process and research platform

Fund details		Potential sources of performance*		Investment guidelines*	
Launch	25.08.2008 (L1C)	Country allocation	35%	Net exposure	20-100%
Base currency	USD	Issuer selection	15%	Hard currency	Flexible
AUM as at end Dec 2018	1.6 billion	Currency selection	15%	Local currency	Flexible
Comparative Index	n.a.	Yield curve positioning	15%	USD cash	Flexible
Morningstar category	Global Emerging Markets Bond	Instrument selection	10%	Duration	1-4 years
Liquidity	Daily	Duration management	10%	Typical number of securities	100 – 300
				Typical number of countries	10 - 30

Performance (%) as at end Dec 2018	2018	2017	2016	2015	2014	3Y ann.	5Y ann.
Fund (LC1 Net)	-3.85%	-3.85%	2.48%	5.72%	-1.58%	1.37%	1.87%
Comparative index	-	-	-	-	-	-	-
Excess return	-	-	-	-	-	-	-
Quartile (I share)	1	4	4	2	1	4	3

Fund details

Domicile	UCITS Luxembourg SICAV	Min. initial investment	M share: USD5,000 or equivalent L share: USD1,000,000
Mgt. company	HSBC Investment Funds (Luxembourg) S.A.	Dealing	Daily at 10:00am (CET)
Investment advisor	HSBC Global Asset Management (USA) Inc.	Valuation	Daily at 5:00pm (CET)
ISIN code	AC: LU1455021284; ACEUR: LU1455022332 ACHEUR: LU1455023140; AD: LU1455021870 ADEUR: LU1455022415; ADHEUR: LU1455023223 M1C: LU0283739885; M1CEUR: LU0551372856 M1CHEUR: LU0795840619 M1D: LU0283740032 M1DHEUR: LU0795840700 L1C: LU0310511422 L1CEUR: LU0551372344	Ongoing charge	Management fees A share: 1.60%; I share: 0.80% M1 share ¹ : 1.00%; L1 share ¹ : 0.50% Administration fees A share: 0.35%; I share: 0.30% M1 share: 0.35%; L1 share: 0.25%
Risk/Reward Profile ¹			
	Main risks (see pg 62 for definitions)		
	Credit risk, interest rate risk, foreign exchange risk, liquidity risk, emerging markets risk, capital loss risk		

*Characteristics and weightings are for illustrative purposes only, are not guaranteed and are subject to change over time, and without prior notice, taking into account any changes in markets. Investment involves risks. Past performance is not indicative of future performance. ¹The Management Company is also entitled to a Performance Fee as further detailed in the Full Prospectus (20% above 5% annual performance or 5% of the NAV by share class – a hurdle rate). Representative overview of the investment process, which may differ by product, client mandate or market conditions. Source: HSBC Global Asset Management. Data Source - © Copyright 2018 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

¹Rating is based on price volatility over the last five years, and is an indicator of absolute risk; historical data may not be a reliable indication for the future; the rating is not guaranteed to remain unchanged and the categorization may shift over time; the lowest rating does not mean a risk-free investment.

HSBC GIF Euro Credit Bond Total Return



(IC share)

Jean-Olivier
NeyratErwan
Olivier

- ◆ The sub-fund invests for long term total return in a portfolio allocated across the full spectrum of Euro denominated corporate bonds and other similar securities or instruments
- ◆ This strategy benefits from bottom-up issuer selection based on the best ideas from our global credit platform as well as a dynamic and flexible top-down input to express our views on macroeconomic scenarios
- ◆ The strategy has been designed to give diversified exposure to euro fixed income markets through a broad investment universe (government bonds, agencies, covered, credit, hybrids, floaters, CDS)
- ◆ The fund's flexibility is also facilitated by using a broad range of sub-asset classes and instruments such as:
 - Euro or euro-hedged credit bonds (investment grade and high yield)
 - CDS (either on indices or single names), futures and options
 - Government bonds and cash (for beta and liquidity management)
- ◆ The strategy is long only and cannot be net short

Fund details		Potential sources of performance*		Investment guidelines*	
Launch	12.12.2013 (IC)	Issuer selection	20-25%	DM corporate & government bonds	90-100%
Base currency	EUR	Asset allocation	30-35%	EM government bonds	0-10%
AUM as at end Dec 2018	215 million	Duration & curve	35-40%	Government and cash	0-80%
Comparative Index	n.a.	Investment guidelines*		Investment grade	50%-100%
Morningstar category	EUR Flexible Bond	Target volatility	4 to 6%	High Yield (min B-)	0% - 50%
Liquidity	Daily	Target Sharpe ratio	0.6 – 0.8	ABS/MBS	0-10%
		Typical average portfolio turnover	150 - 250%	Convertible bonds	0-10%
		Typical number of securities	90-150	Contingent Convertible securities (CoCo)	0-15%
		Duration band	0-8 years	UCITS and/or other funds	0-10%

Performance (%) as at end Dec 2018	2018	2017	2016	2015	2014	3Y ann.	5Y ann.
Fund (IC Net)	-3.14%	3.93%	2.66%	-0.16%	7.57%	1.10%	2.11%
Comparative index	-	-	-	-	-	-	-
Excess return	-	-	-	-	-	-	-
Quartile (I share)	3	2	3	3	1	2	2

Fund details

Domicile	UCITS Luxembourg SICAV	Min. initial investment	A share: USD5,000 or equivalent I share: USD1,000,000
Mgt. company	HSBC Investment Funds (Luxembourg) S.A.	Dealing	Daily at 10:00am (CET)
Investment advisor	HSBC Global Asset Management (France)	Valuation	Daily at 5:00pm (CET)
ISIN code	AC : LU0988492970 AD : LU0988493192 IC : LU0988493606 ID : LU0988493788	Ongoing charge	Management fees A share: 0.90% I share: 0.45% Administration fees A share: 0.25% I share: 0.20%
Risk/Reward Profile ¹	<div> <div>Lower risk</div> <div>Higher risk</div> <div>Typically lower rewards</div> <div>Typically higher rewards</div> </div> <div> <div>1</div> <div>2</div> <div>3</div> <div>4</div> <div>5</div> <div>6</div> <div>7</div> </div>		
	Main risks (see pg 62 for definitions)		
	Interest rate, credit, currency, derivatives, ABS, CoCo, operational		

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HSBC GIF Multi-Asset Style Factors

No stars
for
Alts-UCITS



Mathieu
Guillemet



Karine
Desautly

- ◆ The sub-fund aims to provide long term total return with a low correlation to traditional asset classes
- ◆ This long/short strategy is exposed to 3 robust style factors (value, carry and momentum), invested across 3 main asset classes (equity, bond and currency) at an aggregate level (no single security selection)
- ◆ Objective: cash plus, absolute return
- ◆ The strategy is implemented using highly liquid derivatives only: index futures, interest rate swaps, currency forwards (including non-deliverable forwards). This makes the portfolio easy to look through in a Solvency II context
- ◆ Systematic and transparent investment process using simple metrics to ensure delivery of persistent risk premia
- ◆ Portfolio construction aims to maximize diversification across style factors and asset classes
- ◆ The portfolio is leveraged (up or down) to align the expected volatility with the targeted risk profile

Fund details

Launch	15.11.2016 (IC)
Base currency	EUR
AUM as at end Dec 2018	463 million
Comparative Index*	Eonia Capitalised
Morningstar category	Alt-Multistrategy
Liquidity	Daily

Portfolio characteristics**

Allocation	9 portfolios (3 asset classes x 3 style factors)		
	Equities	Bonds	Currencies
	Carry	Momentum	Value
Allocation guidelines	Equity: +/-150%; +/-75% on average Bond Duration: +/- 16 years; +/- 8 years on average Currency: +/-100%; +/-50% on average Total leverage: +/-375%; +/-250% on average		
Rebalancing	Weekly		
Volatility	6-8%		

Performance (%) as at end Dec 2018	2018	2017	2016	2015	2014	3Y ann.	5Y ann.
Fund (IC Net)	1.83%	1.73%	-	-	-	-	-
Comparative index	-0.26%	-0.25%	-	-	-	-	-
Excess return	2.08%	1.99%	-	-	-	-	-
Quartile (I share)	1	2	-	-	-	-	-

Fund details

Domicile	UCITS Luxembourg SICAV	Min. initial investment	I share: USD1,000,000*
Mgt. company	HSBC Investment Funds (Luxembourg) S.A.	Dealing	Daily at 10:00am (CET)
Investment advisor	HSBC Global Asset Management (France)	Valuation	Daily at 5:00pm (CET)
ISIN code	IC: LU1460782227	Ongoing charge	Management fees I share/ 0.70% Administration fees I share: 0.20%
Risk/Reward Profile ¹	<div style="display: flex; align-items: center;"> <div style="text-align: center; margin-right: 10px;"> <p>Lower risk Typically lower rewards</p> <p>←</p> </div> <div style="text-align: center; margin-right: 10px;"> <p>→</p> <p>Higher risk Typically higher reward</p> </div> <div style="display: flex; border: 1px solid black; padding: 2px;"> <div style="border: 1px solid black; padding: 2px 5px;">1</div> <div style="border: 1px solid black; padding: 2px 5px;">2</div> <div style="border: 1px solid black; padding: 2px 5px;">3</div> <div style="border: 1px solid black; padding: 2px 5px;">4</div> <div style="border: 1px solid black; padding: 2px 5px; background-color: red;">5</div> <div style="border: 1px solid black; padding: 2px 5px;">6</div> <div style="border: 1px solid black; padding: 2px 5px;">7</div> </div> </div>		
	Main risks (see pg 62 for definitions)		
	Interest rate, credit, currency, liquidity, derivatives, emerging markets, operational		

*Comparative index is for illustrative purposes only as the fund has no official benchmark. **Characteristics and weightings are for illustrative purposes only, are not guaranteed and are subject to change over time, and without prior notice, taking into account any changes in markets. **Investment involves risks. Past performance is not indicative of future performance.** Representative overview of the investment process, which may differ by product, client mandate or market conditions. Source: HSBC Global Asset Management. Data Source - © Copyright 2018 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. ¹Rating is based on price volatility over the last five years, and is an indicator of absolute risk; historical data may not be a reliable indication for the future; the rating is not guaranteed to remain unchanged and the categorization may shift over time; the lowest rating does not mean a risk-free investment.

HSBC GIF Multi-Strategy Target Return

No stars
for
Alts-UCITS

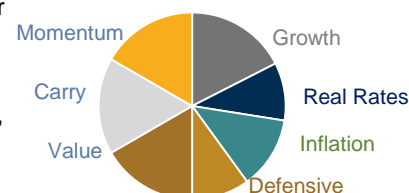


Stéphane
Mesnard

Mathieu
Guillemet

- ◆ The sub-fund targets annualised returns of 3 month EURIBOR plus 4% (gross of annual ongoing charges) over a rolling three year period
- ◆ This strategy is a flexible total return, max. diversification strategy, capturing all-factor risk premia. It applies a broad spread of geographic and asset classes (bonds, equities, currencies and commodities) on a global basis
- ◆ The strategy provides well diversified exposure to 4 macro factors (growth, real rates, inflation and defensive) and 3 style factors (value, carry and momentum)
- ◆ Average correlation to global bond and equity markets: 30% to 50%
- ◆ No net short aggregate exposure for a given asset class

HSBC MSTR All-factor-based Approach



Fund details		Asset class exposure		Portfolio characteristics**	
Launch	21.03.2017	Equity	50% max.	Directional exposure	Implemented mainly with derivatives, mutual funds and direct securities
Base currency	EUR	Fixed Income	100% max.	Long/short exposure	Implemented with highly liquid derivatives only
AUM as at end Dec 2018	23 million	Non-base currency exposure	50% max.	Objective	Cash plus, flexible total return
Comparative Index*	EUR 3 month EURIBOR	Cash and money market instruments	49% max.	Implementation	Mainly with derivatives, mutual funds and direct securities
Morningstar category	Alt-Multistrategy	Other UCITS eligible assets (including but not limited to, ABS and MBS)	10% max.	Rebalancing	Weekly
Liquidity	Daily			Volatility	6-8%
				Target information ratio	0.7 (gross of fees)

Performance (%) as at end Dec 2018	2018	2017	2016	2015	2014	3Y ann.	5Y ann.
Fund (IC Net)	-2.75%	-	-	-	-	-	-
Comparative index	-0.32%	-	-	-	-	-	-
Excess return	-2.43%	-	-	-	-	-	-
Quartile (I share)	2	-	-	-	-	-	-

Fund details

Domicile	UCITS Luxembourg SICAV	Min. initial investment	I share: USD1,000,000*
Mgt. company	HSBC Investment Funds (Luxembourg) S.A.	Dealing	Daily at 10:00am (CET)
Investment advisor	HSBC Global Asset Management (France)	Valuation	Daily at 5:00pm (CET)
ISIN code	IC: LU1574280472 ID: LU1574280555	Ongoing charge	Management fees I share: 0.75% Administration fees I share: 0.20%
Risk/Reward Profile ¹	<div> <div>Lower risk</div> <div>Higher risk</div> <div>Typically lower rewards</div> <div>Typically higher reward</div> <div> <div>1</div> <div>2</div> <div>3</div> <div>4</div> <div>5</div> <div>6</div> <div>7</div> </div> </div>		
	Main risks (see pg 62 for definitions)		
	capital loss risk, credit risk, equity risk, interest rate risk, foreign exchange risk, emerging market risk, derivative risk, counterparty risk, volatility risk, leverage risk, arbitrage risk, model risk, commodity risk		

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Floating Rate (ABS) Total Return Strategies



**Andrew
Jackson**



**Nick
Ventham**



**Cedric
Tchaban**

- ◆ This strategy is characterized by higher complexity and is credit intensive. An allocation provides an opportunity to gain a yield premium vs traditional fixed income
- ◆ This strategy can potentially provide protection in a rising interest rate environment as most of the universe is floating rate (coupons will rise as interest rates rise)
- ◆ The asset class has lower modified duration vs fixed rate bonds
- ◆ Our expertise is global and comprised of: investment grade, crossover and high yield strategies and covers all geographies and ratings

	Global Investment Grade	Global Crossover	Global High Yield
Strategy inception	June 2010	July 2010	August 2010
Investment Universe	Investment Grade ABS	BBB or BB rated ABS	Non-investment Grade ABS
Target Return	L+100 to 150bps	4 -6%%	6-8%
Average credit rating	AA	BBB+	BB+
Yield to maturity (as at 31.12.2018)	4.36%	5.44%	7.52%
Annualised return (since inception to 31.12.2018)	4.55%	7.76%	7.96%
Sharpe ratio (since inception to 31.12.2018)	1.69	1.32	1.54
Annualised volatility (since inception to 31.12.2018)	2.25%	5.28%	4.39%
Comparative Benchmark	N/A – Total Return	N/A – Total Return	N/A – Total Return
Dealing frequency	Daily	Weekly (with 3 days' notice for redemptions)	Weekly (with 5 days' notice for redemptions)
UCITS Fund AUM (as at 30.09.2018)	USD 506 ml	USD 33 ml (overall strategy AUM USD220m)	USD 197 ml
Availability	UCITS Fund / Segregated Mandates	UCITS Fund / Segregated Mandates	UCITS Fund / Segregated Mandates

Philosophy and approach

- ◆ Structured Credit offers substantial opportunities reflecting misunderstood or mispriced risks
 - We look to exploit these inefficiencies by combining a fundamental research-driven bottom-up approach with a rigorous yet flexible top-down investment process
- ◆ Our approach: disciplined and active management, backed by proprietary research

Three key values applied to Structured Credit investment management

Clear understanding of risk	In-depth research	Relative valuation
<ul style="list-style-type: none"> • Target best risk-adjusted returns through careful portfolio construction and risk measurement 	<ul style="list-style-type: none"> • Fundamental credit views are the primary driver in issuer and sector selection • Active monitoring of positions 	<ul style="list-style-type: none"> • Allocation Committee regularly updates sector positioning • Tools to identify pricing opportunities, monitor value in fund investments and to adjust allocations

Investment process



Investment involves risks. Past performance is not indicative of future performance. Characteristics and weightings are for illustrative purposes only, are not guaranteed and are subject to change over time, and without prior notice, taking into account any changes in markets. Source: HSBC Global Asset Management. Data as at end of June 2017. Representative overview of the investment process, which may differ by product, client mandate or market conditions. The above mentioned target/limits/objectives are to be considered on the recommended minimum investment period and do not constitute a commitment from HSBC Global Asset Management; there can be no assurance that the strategy will achieve this objective. For illustrative purposes only.



Macro themes

Policy into neutral

Is safety « safe »?

Defensive asset classes

Shorter-
duration fixed
income

HSBC GIF Global Short Duration High Yield Bond



Liquidity Solutions (12 Currencies)	US Dollar (USD)
	Euro
	UK (GBP)
	Turkey (TRY)
	Argentina (ARS)
	Canada (CAD)
	Egypt (EGP)
	Taiwan (TWD)
	India (INR)
	China (RMB)
	Hong Kong (HKD)
	Australia (AUD)

Investment involves risk. Past performance should not be seen as an indication of future returns.

Source: HSBC Global Asset Management and Morningstar. As at end of December 2018. For illustrative purposes only.

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HSBC GIF Global Short Duration High Yield Bond



(I share)



Mary Bowers



Ricky Liu

- ◆ The sub-fund invests for long term total return in a portfolio of global high yield securities while maintaining low interest rate risk
- ◆ This strategy is managed as a well-diversified non-investment grade and unrated bond portfolio with low interest rate exposure while benefiting from local specialised resources:
 - Holdings are in BB and B high yield corporate bonds, managed by specialist sleeve managers: USD and Euro
 - Issuers are limited to BB- and above: max. 5%; issuer limit B+ : max. 3%
 - The overall lead portfolio manager is responsible for fund and risk monitoring, overlay and tactical management
- ◆ The strategy has the ability to invest strategically or tactically in investment grade securities (max. 30% of the portfolio)
- ◆ At least 90% of bonds are denominated in USD or hedged into USD
- ◆ The team applies a rigorous fundamental bottom-up investment process

Fund details

Launch	12.06.2013 (IC)
Base currency	USD
AUM as at end Dec 2018	419.9 million
Comparative Index*	BOA ML Global HY 1-3 Year BB-B US and Euro Non Financial 2% Constrained (USD hedged)
Morningstar category	Global HY Bond
Liquidity	Daily

Portfolio characteristics**

Currency of assets (hedged to comparative index)	US dollar hedged for developed markets as we are looking to drive performance primarily from bottom-up credit selection
Allocation	BB and B high yield corporate bonds (USD and EUR)
Tactical allocation	Investment grade (max. 30%)

Performance (%) as at end Dec 2018	2018	2017	2016	2015	2014	3Y ann.	5Y ann.
Fund (IC Net)	1.04%	3.63%	7.16%	1.41%	1.72%	3.92%	2.97%
Comparative index	1.89%	4.96%	10.59%	-0.26%	2.31%	5.75%	3.83%
Excess return	-0.84%	-1.33%	-3.43%	1.67%	-0.59%	-1.83%	-0.86%
Quartile (I share)	1	4	4	1	2	4	1

Fund details

Domicile	UCITS Luxembourg SICAV	Min. initial investment	A share: USD5,000 or equivalent I share: USD1,000,000
Mgt. company	HSBC Investment Funds (Luxembourg) S.A.	Dealing	Daily at 10:00am (CET)
Investment advisor	HSBC Global Asset Management (USA) Inc.	Valuation	Daily at 5:00pm (CET)
ISIN code	AC: LU0922809933 AD: LU0780246079 IC: LU0922810196, ICEUR: LU0930306724 ICHEUR: LU0922810600	Ongoing charge	Management fees A share: 0.90% I share: 0.45% Administration fees A share: 0.25% I share: 0.20%
Risk/Reward Profile ¹	<div><div>Lower risk</div><div>Higher risk</div><div>Typically lower rewards</div><div>Typically higher rewards</div><div><div>1</div><div>2</div><div>3</div><div>4</div><div>5</div><div>6</div><div>7</div></div></div> <div>Main risks (see pg 62 for definitions)</div> <div>Currency, derivatives, ABS, EM, CoCos, operational, credit, interest rate</div>		

*Comparative index is for illustrative purposes only as the fund has no official benchmark. **Characteristics and weightings are for illustrative purposes only, are not guaranteed and are subject to change over time, and without prior notice, taking into account any changes in markets. **Investment involves risks. Past performance is not indicative of future performance.** Representative overview of the investment process, which may differ by product, client mandate or market conditions. Source: HSBC Global Asset Management. Data Source - © Copyright 2018 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. ¹Rating is based on price volatility over the last five years, and is an indicator of absolute risk; historical data may not be a reliable indication for the future; the rating is not guaranteed to remain unchanged and the categorization may shift over time; the lowest rating does not mean a risk-free investment.

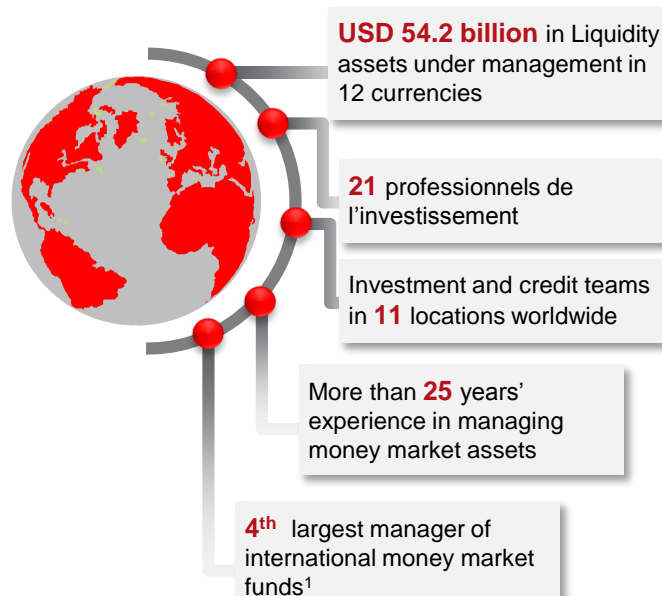
HSBC Global Asset Management

Your partner for liquidity

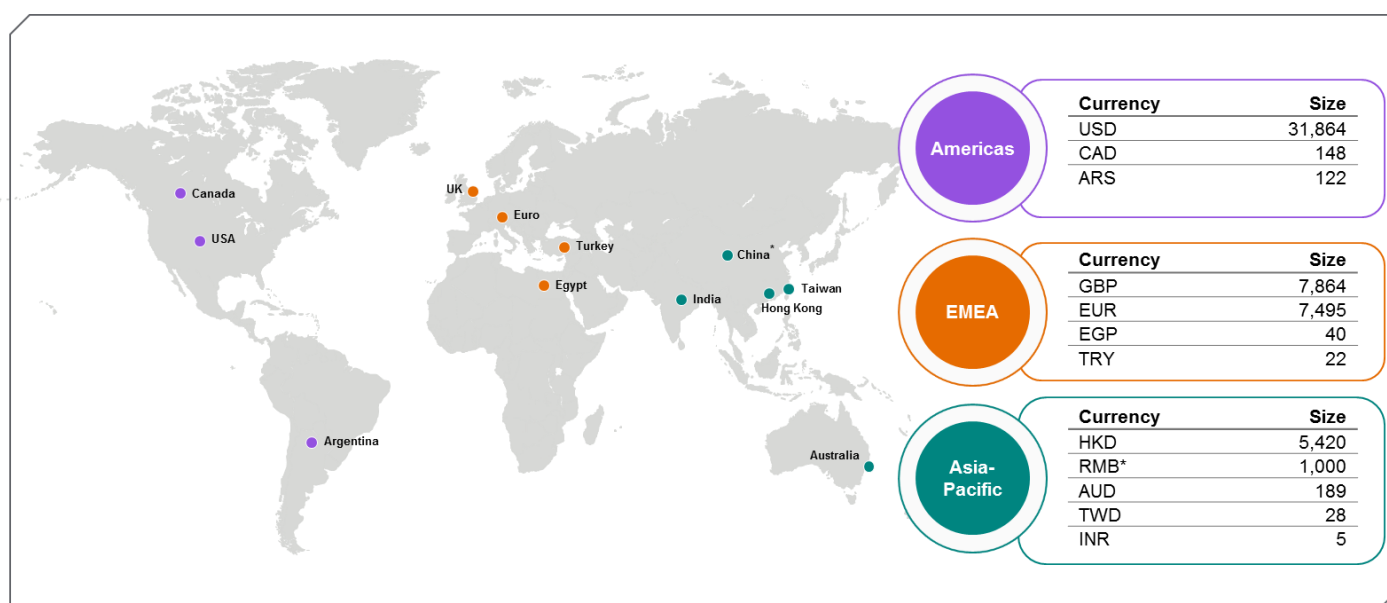
Highlights

- ◆ Solutions that target preservation of capital and liquidity
- ◆ Liquidity business strategy
 - Promotion of team culture and values
 - Determination of a common investment approach
 - Regional organisation for efficient coordination
- ◆ Liquidity treated as a distinct asset class in its own right, with high quality, dedicated investment and support resources
- ◆ Investment capabilities:
 - Liquidity funds including international money market funds, and US 2a-7 funds
 - Segregated mandates
 - Low duration
- ◆ Dedicated regional client service teams to provide timely support to clients
- ◆ A structured and methodical globally consistent investment process
- ◆ Distinctive credit approval and limit setting process
- ◆ Risk management approach: prudent, relatively low-risk cash management approach

Our expertise in numbers



HSBC manages USD54.2 billion in Liquidity assets in 12 currencies



Note: All local currencies have been converted to USD billion

1. Source: iMoneyNet as at 31 July 2018, International money market funds defined as funds that are members of the Institutional Money Market Fund Association.* (IMMFA), the trade association for European domiciled AAA rated money market funds offered for sale internationally. * RMB managed by HSBC Jintrust Fund Management, a joint venture between HSBC Global Asset Management and Shanxi Trust Corporation Limited

Source: HSBC Global Asset Management as at 30 September 2018. Any differences are due to rounding.

Investment involves risks. Past performance is not indicative of future performance.

HSBC Global Liquidity Funds

International AAA-rated and local capabilities

HSBC provides a range of global and local liquidity products in a range of currencies to suit differing client requirements. Depending on your location, you can invest and redeem using HSBCnet, a variety of 3rd party investment portals, direct via our client service teams, or through automated two-way sweeps connected to your HSBC cash operating accounts.

International AAA-rated Money Market Funds	Domestic Capabilities Global Currencies	Domestic Capabilities Local Currencies ¹	Segregated Mandates
HSBC Global Liquidity US Dollar <ul style="list-style-type: none"> • ISIN (A) : IE0009489620 • ISIN (I) : IE00BYJHS74 	Euro <ul style="list-style-type: none"> • Prime • Government 	<ul style="list-style-type: none"> • Argentina • Canada • China • Hong Kong • India • Taiwan • Turkey • Egypt 	<p>Customised portfolios can be tailored toward an investor's specific requirements</p> <p>Minimum size of USD100 million allows us to optimise diversification and enhance returns</p>
HSBC Global Liquidity Sterling <ul style="list-style-type: none"> • ISIN (A) : IE0007966447 	US Dollar <ul style="list-style-type: none"> • US Government • US Treasury 		
HSBC Global Liquidity Euro <ul style="list-style-type: none"> • ISIN (A) : IE0030028439 		¹ Funds managed to local requirements and only available to local domiciled entities.	

International AAA-rated money marketfunds

Quality	Liquidity
<ul style="list-style-type: none"> ◆ Aim to maintain a “triple A” rating from at least one recognised rating agency, currently: <ul style="list-style-type: none"> – Standard & Poor's AAAm – Moody's Aaa-mf ◆ Highest underlying creditquality <ul style="list-style-type: none"> – Minimum A-1 or P-1 rating per individual investment at time of purchase – 50% minimum in A-1+ for entire portfolio* ◆ Dedicated HSBC credit research supporting all liquidity products ◆ Managed to “Short Term Money Market Fund” definition as per European regulation 	<ul style="list-style-type: none"> ◆ Same day settlement ◆ Daily access in accordance to the following cut off times <ul style="list-style-type: none"> – Euro 1.00 pm (Dublin time) – Sterling 1.30 pm (Dublin time) – Dollar 4.30 pm (New Yorktime)
Yield	Service
<ul style="list-style-type: none"> ◆ Yields competitive with typical overnight or one week short-term interest rates (eg 7 day BBA LIBID) ◆ The cash portfolio is actively managed on a dailybasis <ul style="list-style-type: none"> – Utilising HSBC's purchasing power and leveraging areas within HSBC Global Asset Management 	<ul style="list-style-type: none"> ◆ Dedicated relationship manager ◆ Global client service team ◆ HSBCnet available for on-line reporting/trading ◆ Accumulating NAV share classes available

Source: HSBC Global Asset Management as at end of December 2018. The offshore funds are not available for offer and sale to US persons other than pursuant to an exemption from the US securities laws.

* A-1 rated instruments maturing in five business days or less are counted towards the A-1+ percentage, as historical default rates on A-1 paper maturing within five business days are similar to the default rates of A-1+ issuers. Any approved counterparty must, in addition to being on the approved list, have a minimum A-1, P-1 or F-1 short-term rating at the time of purchase. An exception can be made. If a counterparty is subsequently downgraded below the minimum rating and the relevant portfolio manager believes it is in the best interest of the liquidity fund to continue to hold the exposure, approval to continue to hold the exposure must be obtained. For illustrative purposes only. The value of investments and any income from them can go down as well as up. It is important to remember that there is no guarantee that a stable net asset value will be maintained. Investors may not get back the amount originally invested. The funds presented in this document may not be registered and/or authorised for sale in your country. **Investment involves risks. Past performance is not indicative of future performance.**



Industry themes

Looking for income

Seeking yield

Yield for income

Global and regional high yield	HSBC GIF Global High Income Bond	★★★★
	HSBC GIF Euro High Yield	★★★★
	HSBC GIF Global Emerging Markets Bond	★★★
	HSBC GIF Global Emerging Markets Local Debt	★★★★
Asian Fixed Income	HSBC GIF Asia Bond	★★
	HSBC GIF India Fixed Income	(wide category)
Multi-asset income	Global Emerging Markets Multi-Asset Income	-

Investment involves risk. Past performance should not be seen as an indication of future returns.

Source: HSBC Global Asset Management and Morningstar. As at end of December 2018. For illustrative purposes only.

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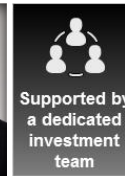
HSBC GIF Global High Income Bond



(I share)



Jerry Samet

Supported by
a dedicated
investment
team

- ◆ The sub-fund invests for high income primarily in a diversified portfolio of higher yielding fixed income bonds and other similar securities from around the world denominated in a range of currencies.
- ◆ The aim is to build a well-diversified bond portfolio, benefiting from local specialised resources:
 - The portfolio is comprised of four core sleeves, managed by specialist sleeve managers
 - The overall lead portfolio manager is responsible for fund and risk monitoring, overlay and tactical management
- ◆ The team has the ability to invest strategically or tactically in asset classes or segments
 - Investment grade securities
 - B-rated entities
 - ABS
 - EMD local currency (up to 10% of fund)
- ◆ Euro assets are hedged into USD, up to 10% EMD local currency risk
- ◆ The team applies a rigorous fundamental bottom-up investment process

Fund details		Potential sources of performance**		Investment guidelines**	
Launch	12.10.2012 (IC)	Issuers selection (fundamental)	50%	Currency of assets (hedged to comparative index)	USD (and max. 10% in emerging markets currency)
Base currency	USD	Regional allocation	15%	Allocation	Four sleeves: USD BBB & BB, EUR BBB & BB, EMD and ABS
AUM as at end Dec 2018	1.5 billion	Sector allocation	10%	Tactical allocation	Investment grade, B-rated entities, ABS, EMD local currency (up to 10% of fund)
Comparative Index*	35% Barclays EM USD, 20% Barclays US Agg. Corp. Baa 15% Barclays US HY Ba 15% Barclays Euro Agg. Corp. Baa Hedged USD15% Barclays Euro HY BB (USD Hedged)	Credit allocation (beta)	15%		
		Duration	10%		
Morningstar category	US Flexible Bond	Allocation**			
Liquidity	Daily	Typical number of high yield bonds	600-800		
		Max. % per bond	4%		

Performance (%) as at end Dec 2018	2018	2017	2016	2015	2014	3Y ann.	5Y ann.
Fund (IC Net)	-2.49%	7.02%	7.34%	-0.71%	6.21%	3.85%	3.39%
Comparative index	-1.67%	7.51%	9.53%	0.09%	6.52%	5.01%	4.30%
Excess return	-0.82%	-0.48%	-2.20%	-0.79%	-0.31%	-1.15%	-0.91%
Quartile (I share)	3	1	1	2	1	1	1

Fund details

Domicile	UCITS Luxembourg SICAV	Min. initial investment	A share: USD5,000 or equivalent I share: USD1,000,000
Mgt. company	HSBC Investment Funds (Luxembourg) S.A.	Dealing	Daily at 10:00am (CET)
Investment advisor	HSBC Global Asset Management (USA) Inc.	Valuation	Daily at 5:00pm (CET)
ISIN code	AC: LU0524291613; ACHEUR: LU0807188023 AD: LU0770104676 IC: LU0524292264; ICHEUR: LU0807188452 ID: LU0524292009	Ongoing charge	Management fees A share: 1.25% I share: 0.625% Administration fees A share: 0.25% I share: 0.20%
Risk/Reward Profile ¹	<div><div><div>Lower risk</div><div>Higher risk</div></div><div><div>Typically lower rewards</div><div>Typically higher rewards</div></div><div><div>1</div><div>2</div><div>3</div><div>4</div><div>5</div><div>6</div><div>7</div></div></div> <div>Main risks (see pg 62 for definitions)</div> <div>Currency, derivatives, ABS, EM, CoCos, operational, credit, interest rate</div>		

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HSBC GIF Euro High Yield Bond



(I share)



**Philippe
Iggabel**



**Sophie
Sentilhes**

- ◆ The sub-fund aims to provide long term total return by investing in a portfolio of Euro denominated high yielding bonds
- ◆ This strategy invests with a minimum of 90% of its net assets in high-yielding bonds within a large eligible universe (core investment universe: BB and B rated corporate bonds and investments on an opportunistic basis on Investment Grade or CCC-rated bonds)
- ◆ All bonds held in the portfolio are denominated in Euro or hedged back to Euro; use of CDS (single names and indices) on a long and short basis
- ◆ Portfolio typically holds 60-80 High Yield issuers (max. 4% per issuer) selected on the basis of inputs from the Credit Research platform

Fund details		Potential sources of performance**		Investment guidelines**	
Launch	04.04.2003 (IC)	Issuers selection	60-70%	Currency of assets	EUR
Base currency	EUR	Asset allocation	20-30%		Euro or hedged back to Euro (denominated bonds)
AUM as at end Dec 2018	1.6 billion	Duration & curve	0-10%		
Comparative Index*	BofA Merrill Lynch Euro High Yield BB-B Constrained	Characteristics**		Allocation	Euro zone, Europe, OECD countries
		Target tracking error	1% to 2%		
		Target Information Ratio	0.5		
Morningstar category	EUR High Yield Bond	Typical average portfolio turnover	20% - 45%	Tactical allocation	BB and B rated corporate bonds Investment Grade or CCC-rated bonds on an opportunistic basis
		Typical number of HY issuers (max 4% per issuer)	60-80		
Liquidity	Daily	Duration deviation vs benchmark	+/- 2 years		

Performance (%) as at end Dec 2018	2018	2017	2016	2015	2014	3Y ann.	5Y ann.
Fund (IC Net)	-2.65%	5.85%	7.03%	1.41%	6.99%	3.32%	3.66%
Comparative index	-3.19%	6.40%	9.37%	0.47%	5.99%	4.05%	3.71%
Excess return	0.54%	-0.55%	-2.34%	0.95%	1.00%	-0.74%	-0.05%
Quartile (I share)	1	2	3	2	1	2	1

Fund details

Domicile	UCITS Luxembourg SICAV	Min. initial investment	A share: USD5,000 or equivalent I share: USD1,000,000
Mgt. company	HSBC Investment Funds (Luxembourg) S.A.	Dealing	Daily at 10:00am (CET)
Investment advisor	HSBC Global Asset Management (France)	Valuation	Daily at 5:00pm (CET)
ISIN code	AC: LU0165128348 AD: LU0165128421 IC: LU0165129072 ID: LU0165129155	Ongoing charge	Management fees A share: 1.10% I share: 0.55% Administration fees A share: 0.25% I share: 0.20%
Risk/Reward Profile ¹			Main risks (see pg 62 for definitions)
			Interest rate, credit, currency, liquidity, derivatives, CoCos, operational

*Comparative index is for illustrative purposes only as the fund has no official benchmark. **Characteristics and weightings are for illustrative purposes only, are not guaranteed and are subject to change over time, and without prior notice, taking into account any changes in markets. **Investment involves risks. Past performance is not indicative of future performance.** Representative overview of the investment process, which may differ by product, client mandate or market conditions. Source: HSBC Global Asset Management. Data Source - © Copyright 2018 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. ¹Rating is based on price volatility over the last five years, and is an indicator of absolute risk; historical data may not be a reliable indication for the future; the rating is not guaranteed to remain unchanged and the categorization may shift over time; the lowest rating does not mean a risk-free investment. Please refer to the websites for award methodology.

HSBC GIF Global Emerging Markets Bond



(I share)

Nishant
UpadhyayZeke Amurag
Diwan

- ◆ The sub-fund invests for total return primarily in a diversified portfolio of Investment Grade and Non-Investment Grade rated fixed income (e.g. bonds)
- ◆ This strategy invests predominantly in emerging market sovereign and quasi-sovereign bonds and in bonds issued by companies which have their registered office in emerging markets, denominated in USD (EM hard currency)
- ◆ Seeks to capture returns from the improving credit quality of emerging economies while reducing currency risk
- ◆ Average credit quality BBB with flexibility to tactically invest across EM corporate debt and local sovereigns and currencies
- ◆ Seeks to manage credit quality in emerging economies while reducing currency risk
- ◆ Spread compression and yield have been key drivers of performance

Fund details		Potential sources of performance**		Investment guidelines**	
Launch	08.03.2006 (IC)	Country allocation	50%	Hard currency sovereigns	65 - 80%
Base currency	USD	Issuer selection	15%	Hard currency quasi-sovereigns	15 - 35%
AUM as at end Dec 2018	3.4 billion	Currency selection	10%	Hard currency corporates	5 - 15%
Comparative Index*	JP Morgan EMBI Global	Yield curve positioning	10%	Local currency	0 - 15%
Morningstar category	Global Emerging Markets Bond	Instrument selection	10%	Duration	+/- 2 year of benchmark*
Liquidity	Daily	Duration management	5%	Typical number of securities	200 - 300
				Typical number of countries	30 - 45

Performance (%) as at end Dec 2018	2018	2017	2016	2015	2014	3Y ann.	5Y ann.
Fund (IC Net)	-7.03%	8.57%	8.36%	-0.61%	5.92%	3.03%	2.86%
Comparative index	-4.61%	9.32%	10.19%	1.23%	5.53%	4.74%	4.18%
Excess return	-2.42%	-0.75%	-1.84%	-1.84%	0.39%	-1.71%	-1.33%
Quartile (I share)	3	3	3	2	1	4	2

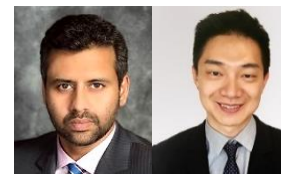
Fund details

Domicile	UCITS Luxembourg SICAV	Min. initial investment	A share: USD5,000 or equivalent I share: USD1,000,000
Mgt. company	HSBC Investment Funds (Luxembourg) S.A.	Dealing	Daily at 10:00am (CET)
Investment advisor	HSBC Global Asset Management (USA) Inc.	Valuation	Daily at 5:00pm (CET)
ISIN code	AC: LU0566116140; ACEUR: LU0551370132 ACHEUR: LU0811140721 AD: LU0566116223; ADEUR: LU0551370215 ADHEUR: LU0543814684 IC: LU0164944026; ICEUR: LU0551370306 ICHEUR: LU0747734787; ID: LU0149732736 IDEUR: LU0551370561 IDHEUR: LU0431287282	Ongoing charge	Management fees A share: 1.25% I share: 0.50% Administration fees A share: 0.35% I share: 0.25%
Risk/Reward Profile ¹	<div> <div>Lower risk</div> <div>Typically lower rewards</div> <div>Typically higher rewards</div> <div>Higher risk</div> </div> <div> <div>1</div> <div>2</div> <div>3</div> <div>4</div> <div>5</div> <div>6</div> <div>7</div> </div>	Main risks (see pg 62 for definitions)	Credit risk, interest rate risk, emerging markets risk, capital loss risk, Non-investment grade risk, derivative risk, CoCo-bond risk, currency risk

*Index given for comparative and illustrative purposes only. The fund is not managed to the index, is actively managed and returns may deviate materially from the performance of the specified index. **Characteristics and weightings are for illustrative purposes only, are not guaranteed and are subject to change over time, and without prior notice, taking into account any changes in markets. Investment involves risks. Past performance is not indicative of future performance. Representative overview of the investment process, which may differ by product, client mandate or market conditions. Source: HSBC Global Asset Management. Data Source - © Copyright 2018 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

¹Rating is based on price volatility over the last five years, and is an indicator of absolute risk; historical data may not be a reliable indication for the future; the rating is not guaranteed to remain unchanged and the categorization may shift over time; the lowest rating does not mean a risk-free investment.

HSBC GIF Global Emerging Markets Local Debt



**Nishant
Upadhyay**

**Bill
Lang**

- ◆ The sub-fund invests for total return primarily in a diversified portfolio of Investment Grade and Non-Investment Grade rated bonds and other similar securities, as well as currency forwards and non-deliverable forwards (together "Instruments"). On an ancillary basis, the sub-fund may consider investments in securities denominated in USD and those of other OECD countries. This strategy invests in local currency sovereign bonds and emerging market currencies
- ◆ Price compression, yield and currency appreciation are the key drivers of performance
- ◆ Flexible duration positioning allows for optimal asset allocation between bonds and currencies

Fund details		Potential sources of performance**		Investment guidelines**	
Launch	26.02.2008 (IC)	Country allocation	50%	Local currency sovereigns (rates)	40 - 80%
Base currency	USD	Issuer selection	15%	Local currency (FX)	40 - 80%
AUM as at end Dec 2018	2.8 billion	Currency selection	10%	Hard currency	0 - 10%
Comparative Index*	50% JP Morgan GBI EM Global Diversified 50% JP Morgan ELMI+	Duration management	25%	Duration	+/- 2 years of index*
Morningstar category	GEM Bond Local Currency			Typical number of securities	100 - 200
Liquidity	Daily			Typical number of countries	15 - 25

Performance (%) as at end Dec 2018	2018	2017	2016	2015	2014	3Y ann.	5Y ann.
Fund (IC Net)	-7.41%	12.35%	6.59%	-11.85%	-4.90%	3.50%	-1.45%
Comparative index	-4.75%	13.37%	6.76%	-11.30%	-6.34%	4.86%	-0.86%
Excess return	-2.66%	-1.02%	-0.17%	-0.55%	1.44%	-1.36%	-0.59%
Quartile (I share)	2	4	4	1	1	3	1

Fund details

Domicile	UCITS Luxembourg SICAV	Min. initial investment	A share: USD5,000 or equivalent I share: USD1,000,000	
Mgt. company	HSBC Investment Funds (Luxembourg) S.A.	Dealing	Daily at 10:00am (CET)	
Investment advisor	HSBC Global Asset Management (USA) Inc.	Valuation	Daily at 5:00pm (CET)	
ISIN code	AC: LU0234585437 ACEUR: LU0551371379 AD: LU0234592995 IC: LU0234594009 ICEUR: LU0551371700 ID: LU0234594348 IDEUR: LU0551371965	Ongoing charge	Management fees A share: 1.25% I share: 0.625% Administration fees A share: 0.35% I share: 0.25%	
Risk/Reward Profile ¹	<div><div>Lower risk</div><div>Higher risk</div><div>Typically lower rewards</div><div>Typically higher rewards</div><div><div>1</div><div>2</div><div>3</div><div>4</div><div>5</div><div>6</div><div>7</div></div></div>		Main risks (see pg 62 for definitions)	Credit risk, interest rate risk, emerging markets risk, capital loss risk, Non-investment grade risk, derivative risk, CoCo-bond risk, currency risk

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HSBC GIF Asia Bond



Alfred
Mui



Cecilia
Chan

- ◆ The sub-fund aims to provide long term total return by investing in a portfolio of Asian bonds
- ◆ The strategy invests in Asian credit bonds issued in USD and is managed with an investment grade profile. The investment universe is characterised by issuers with similar ratings to US and Euro credit. Bonds within the universe can offer a yield premium and have shorter duration
- ◆ The fund is managed with a flexible approach, applying different strategies for performance contribution: credit selection (70%), duration (10%), yield curve positioning (10%) currency exposure (10%). The fund can take off benchmark positions in local currencies and high yield credit names
- ◆ The investment process is bottom-up within a top-down framework based on beta positioning and sector allocation. Credit analysts are responsible for a defined universe & investment recommendations. Portfolio managers are responsible for portfolio construction

Fund details		Portfolio characteristics**	
Launch	29.06.2016	Hard currency sovereigns	10-20%
Base currency	USD	Hard currency quasi sovereigns	0 - 10%
AUM as at end Dec 2018	85.9 million	Hard currency corporates	65-75%
Comparative Index*	Markit iBoxx USD Asia Bond Index	Local currency	0-15% (30% max.)
Morningstar category	Asia Bond	USD Cash	0-10%
Liquidity	Daily	Duration	+/- 1 year compared to comparative index
		Tracking error	0-3%
		Average portfolio turnover	100-150%
		Typical number of countries	8

Performance (%) as at end Dec 2018	2018	2017	2016	2015	2014	3Y ann.	5Y ann.
Fund (IC Net)	-0.62%	5.78%	-	-	-	-	-
Comparative index	-0.39%	5.43%	-	-	-	-	-
Excess return	-0.23%	0.35%	-	-	-	-	-
Quartile (I share)	1	3	-	-	-	-	-

Fund details

Domicile	UCITS Luxembourg SICAV	Min. initial investment	A share: USD5,000 or equivalent I share: USD1,000,000
Mgt. company	HSBC Investment Funds (Luxembourg) S.A.	Dealing	Daily at 10:00am (CET)
Investment advisor	HSBC Global Asset Management (HK) Ltd.	Valuation	Daily at 5:00pm (CET)
ISIN code	AC: LU1436995101; ACHEUR: LU1436995879 IC: LU1436995523; ICHEUR: LU1436996174 ID: LU1436995796; IDEUR: LU1436996257	Ongoing charge	Management fees A share: 1.10% I share: 0.55% Administration fees A share: 0.35% I share: 0.25%
Risk/Reward Profile ¹	<div><div>Lower risk</div><div>Higher risk</div><div>Typically lower rewards</div><div>Typically higher rewards</div><div><div>1</div><div>2</div><div>3</div><div>4</div><div>5</div><div>6</div><div>7</div></div></div> <div>Main risks (see pg 62 for definitions)</div> <div>Liquidity, currency, fixed rate bonds, emerging markets, derivatives, CoCo, ABS, operational</div>		

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HSBC GIF India Fixed Income



Gordon Rodrigues

- ◆ The sub-fund aims to provide long term total return by investing in a portfolio of Indian bonds and other similar fixed income securities
- ◆ This strategy provides access to the Indian fixed income market in all types of ratings (investment grade, non-investment grade and unrated Indian domestic bonds)
- ◆ The team invests in 3 ways: (1) Direct access to the domestic bond market through Foreign Institutional Investor (FII) quota, (2) Synthetic exposure, hedging USD denominated India-related bonds back to the Rupee, and (3) by using Participatory notes which reference the return of the Indian bond market
- ◆ Illustration of management techniques: Participate in monthly quota bond auctions, Bond selection within the yield curve, Hedge hard currency assets into INR (Indian Rupee), Combine shorter money market instruments and longer bonds with significant Indian exposure where possible, Use of Non-Deliverable Forwards (NDF) and possibly currency swaps for longer periods, Manager has access to shorter dated Certificates of Deposit (CD) and Commercial Paper (CP), Participatory notes (P-notes) when available (if attractive)

Fund details		Portfolio characteristics**	
Launch	20.08.2012	Type of securities	Government, Agencies, financials and Corporate issues. Will also invest in derivative and instruments (eg structured notes or Non Deliverable Forwards (NDF)); can also hold cash And cash instruments
Base currency	USD	Target average credit quality	India's sovereign rating is relatively low (BBB-/Baa3) and access to investment Grade names is more limited. The fund will aim to have an overall investment Grade rating, and will hold investment grade, non Investment grade and unrated securities
AUM as at end Dec 2018	790.4 million	Typical Number of securities	25 to 50
Comparative Index	n.a.	Cash	Can hold cash and cash instruments
Morningstar category	Other Bond		
Liquidity	Daily		

Performance (%) as at end Dec 2018	2018	2017	2016	2015	2014	3Y ann.	5Y ann.
Fund (IC Net)	-3.92%	8.94%	8.99%	3.25%	12.52%	4.49%	5.80%
Comparative index	-	-	-	-	-	-	-
Excess return	-	-	-	-	-	-	-
Quartile (I share)	1	3	1	1	1	1	1

Fund details

Domicile	UCITS Luxembourg SICAV	Min. initial investment	A share: USD5,000 or equivalent I share: USD1,000,000
Mgt. company	HSBC Investment Funds (Luxembourg) S.A.	Dealing	Daily at 10:00am (CET)
Investment advisor	HSBC Global Asset Management (HK) Ltd.	Valuation	Daily at 5:00pm (CET)
ISIN code	AC: LU0780247804; ACEUR : LU0780248950 AD: LU0780247986 IC: LU0780248281; ICEUR: LU0780249172 ID: LU0780248364	Ongoing charge	Management fees A share: 1.10% I share: 0.55% Administration fees A share: 0.35% I share: 0.25%
Risk/Reward Profile ¹	<div><div>Lower risk</div><div>Higher risk</div><div>Typically lower rewards</div><div>Typically higher rewards</div><div><div>1</div><div>2</div><div>3</div><div>4</div><div>5</div><div>6</div><div>7</div></div></div> <div>Main risks (see pg 62 for definitions)</div> <div>Interest rate, currency, derivatives, fixed rate, concentration, high yield, CoCo, operational</div>		

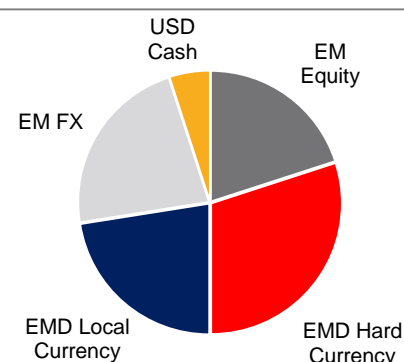
*Comparative index is for illustrative purposes only as the fund has no official benchmark. **Characteristics and weightings are for illustrative purposes only, are not guaranteed and are subject to change over time, and without prior notice, taking into account any changes in markets. **Investment involves risks. Past performance is not indicative of future performance.** Representative overview of the investment process, which may differ by product, client mandate or market conditions. Source: HSBC Global Asset Management. Data Source - © Copyright 2018 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. ¹Rating is based on price volatility over the last five years, and is an indicator of absolute risk; historical data may not be a reliable indication for the future; the rating is not guaranteed to remain unchanged and the categorization may shift over time; the lowest rating does not mean a risk-free investment.

Global Emerging Markets Multi-Asset Income

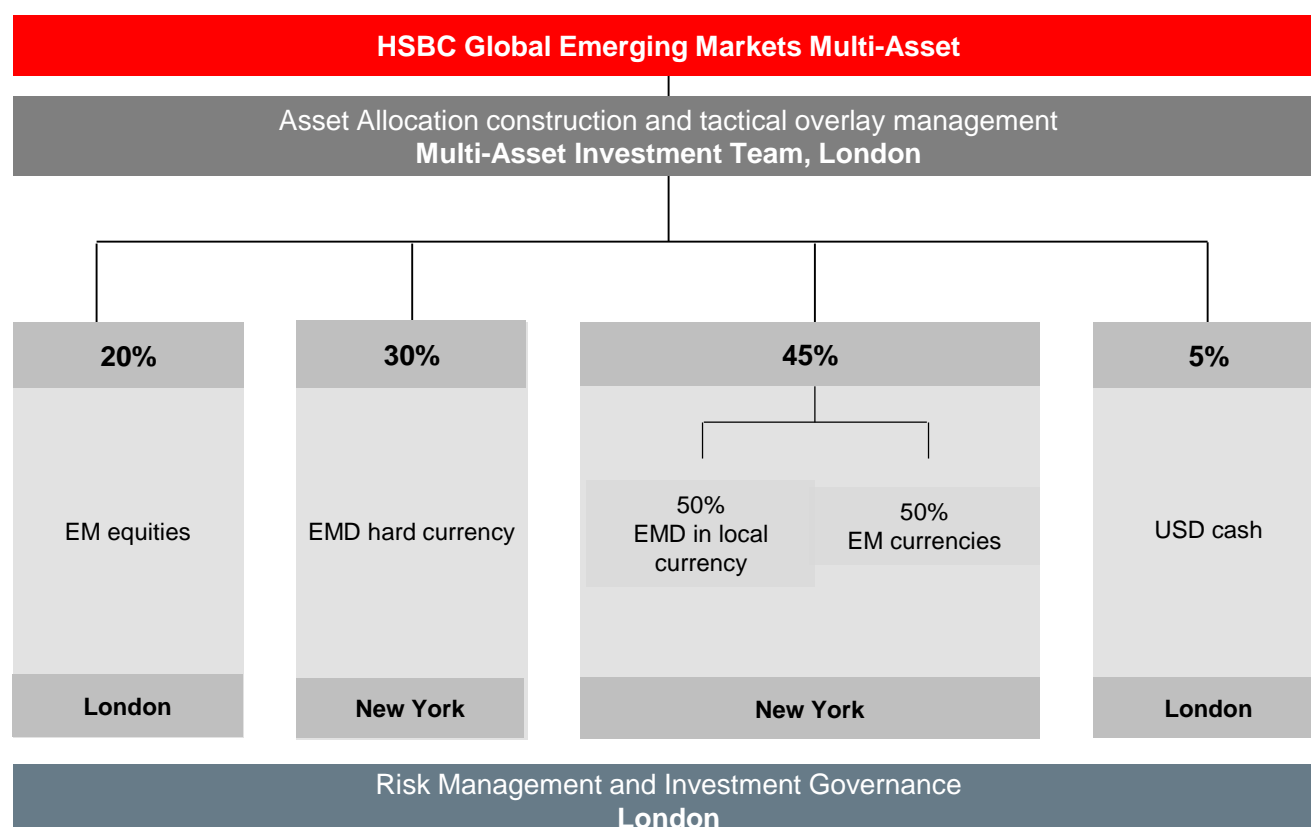


David McNay

- ◆ This strategy is a well-diversified global emerging markets portfolio combining HSBC's multi-asset, emerging market equity, fixed income and FX expertise
- ◆ The strategy gives access to EM growth opportunities for medium-risk profile investors (asset allocation optimised for 9-11% volatility)
- ◆ The team applies an active asset allocation approach at portfolio level and within each sleeve. Sleeves directly managed by EM specialist teams in London and New York
- ◆ The aim is to achieve a total return from capital growth and income
- ◆ Monthly dividend payments



Fund details		Illustration of asset allocation		Portfolio characteristics*	
Launch	22.01.2018	EM Equity	20%	Objective	Long term total return from capital growth and income
Base currency	USD	EMD Hard Currency	30%	Long/short exposure	Long only
AUM as at end Dec 2018	259 million	EMD Local Currency	22.5%	Implementation	Direct holdings
Comparative index	No formal benchmark	EM FX	22.5%	Yield enhancement	No payment from capital employed – natural yield only
Morningstar category	n.a.	USD Liquidity	5%	Indicative gross yield	4.3% (simulated, yield not guaranteed)
Liquidity	Daily			Volatility target	9-11%



*Characteristics and weightings are for illustrative purposes only, are not guaranteed and are subject to change over time, and without prior notice, taking into account any changes in markets. Source: HSBC Global Asset Management. Representative overview of the investment process, which may differ by product, client mandate or market conditions.



Industry themes

Responsible investment

Lower-carbon economy

Lower-carbon solutions

Fixed income
and equity

HSBC GIF Global Lower Carbon Bond

(launch 2017)

HSBC GIF Global Lower Carbon Equity

(launch 2017)

Investment involves risk. Past performance should not be seen as an indication of future returns.

Source: HSBC Global Asset Management and Morningstar. As at end of December 2018. For illustrative purposes only.

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HSBC GIF Global Lower Carbon Bond



Jerry Samet

The sub-fund aims to provide long term total return by investing in a portfolio of corporate bonds seeking a lower carbon footprint than its reference benchmark

The strategy seeks a lower portfolio carbon footprint (by 40% or more vs the reference benchmark) analysing individual issuers and their sectors on overall greenhouse gas emissions. The portfolio invests in investment grade corporate bonds using the same, tested investment philosophy and process as the rest of our Global Fixed Income products supported by our credit research platform

1. Carbon conscious investing: using a carbon intensity score, we look to identify the most carbon efficient & inefficient companies within each sector. Each issuer is evaluated and compared across sectors by our analysts to develop a comprehensive picture of its carbon impact

2. Global diversification using a sleeve structure: the lead portfolio manager allocates assets across three sleeves (USD, EUR and GBP) using insights from locally-based sleeve managers to capture different yield, quality, duration and volatility characteristics. The strategy is 100% USD hedged

3. Research-driven, risk-focused: our global credit platform leverages each company's geographic reach. The lead portfolio manager has access to experienced teams around the world. Identifying, pricing and combining risks is at the core of our investment approach

Fund details		Portfolio characteristics**	
Launch	27.09.2017 (A & I)	Average credit quality	A-/BBB+
Base currency	USD	Tracking error range	0.5 to 1% (max. 1.5%)
AUM as at end Dec 2018	80.2 million	Geographic allocation	Developed markets
Comparative Index*	Bloomberg Barclays Global Aggregate Corporates Diversified Index Hedged USD	Investment universe	Primarily in lower carbon corporate bonds issued in USD, EUR and GBP. Other: green bonds
Morningstar category	Global Corporate Bond – USD Hedged		
Liquidity	Daily		

Performance (%) as at end Dec 2018	2018	2017	2016	2015	2014	3Y ann.	5Y ann.
Fund (AC Net)	-2.27%	-	-	-	-	-	-
Comparative index	-0.55%	-	-	-	-	-	-
Excess return	-1.72%	-	-	-	-	-	-
Quartile (I share)	3	-	-	-	-	-	-

Fund details

Domicile	UCITS Luxembourg SICAV	Min. initial investment	A share: USD5,000 or equivalent I share: USD1,000,000
Mgt. company	HSBC Investment Funds (Luxembourg) S.A.	Dealing	Daily at 10:00am (CET)
Investment advisor	HSBC Global Asset Management (USA) Inc.	Valuation	Daily at 5:00pm (CET)
ISIN code	AC: LU1674672883 IC: LU1689525977 ACHEUR: LU1689526272 AD: LU1674672966 ADHEUR: LU1689526512 ID: LU1689526199	Ongoing charge	Management fees 0.80% (A) 0.40% (I) Administrative fees 0.25% (A) 0.20% (I)
Risk/Reward Profile ¹	<div> <div>Lower risk</div> <div>Higher risk</div> <div>Typically lower rewards</div> <div>Typically higher rewards</div> </div> <div> <div>1</div> <div>2</div> <div>3</div> <div>4</div> <div>5</div> <div>6</div> <div>7</div> </div>	Main risks (see pg 62 for definitions)	Currency, operational, liquidity, derivatives, ABS, CoCo

*Comparative index is for illustrative purposes only as the fund has no official benchmark. **Characteristics and weightings are for illustrative purposes only, are not guaranteed and are subject to change over time, and without prior notice, taking into account any changes in markets. Representative overview of the investment process, which may differ by product, client mandate or market conditions. Source: HSBC Global Asset Management. Data Source - © Copyright 2018 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. ¹Rating is based on price volatility over the last five years, and is an indicator of absolute risk; historical data may not be a reliable indication for the future; the rating is not guaranteed to remain unchanged and the categorization may shift over time; the lowest rating does not mean a risk-free investment.

HSBC GIF Global Lower Carbon Equity



Vis
Nayar

Joseph
Molloy

The sub-fund aims to provide long-term total return by investing in a portfolio of equities of companies seeking a lower carbon footprint than its reference benchmark

The strategy is invested primarily in global developed markets equities, with a dual objective: outperform the comparative benchmark and ensure a lower carbon footprint (min. 50% lower than the reference index). The aim of the strategy is to capture the market shift to a lower-carbon economy

1. Applies a multi-factor investment process to benefit from the opportunities factors offer for outperformance.

Stocks are ranked by 5 factors (value, quality, momentum, low risk and size) and by carbon footprint, allowing the team to reduce the carbon footprint of the portfolio. The portfolio is rebalanced monthly

2. Risk controls: actively managed by controlling stock, country and sector exposures

3. Cost effective: when compared to typical actively managed strategies, active systematic solutions are designed for cost efficiency

Fund details		Portfolio characteristics**	
Launch	27.09.2017	Investment universe	Primarily in lower-carbon equities issued by companies in developed markets
Base currency	USD	Exposure	Developed markets
AUM as at end Dec 2018	42.5 million	Stock selection & sizing	Driven with consideration of company carbon intensity data
Comparative Index*	MSCI World Net	Constraints	We minimise the portfolio's risk characteristics by applying a series of constraints: Sector, country & stock weights
Morningstar category	Global Large – Cap Blend Equity	Tracking error	2-3%
Liquidity	Daily		

Performance (%) as at end Dec 2018	2018	2017	2016	2015	2014	3Y ann.	5Y ann.
Fund (AC Net)	-11.72%	-	-	-	-	-	-
Comparative index	-9.35%	-	-	-	-	-	-
Excess return	-2.37%	-	-	-	-	-	-
Quartile (I share)	3	-	-	-	-	-	-

Fund details

Domicile	UCITS Luxembourg SICAV	Min. initial investment	A share: USD5,000 or equivalent I share: USD1,000,000		
Mgt. company	HSBC Investment Funds (Luxembourg) S.A.	Dealing	Daily at 10:00am (CET)		
Investment advisor	HSBC Global Asset Management (UK) Ltd	Valuation	Daily at 5:00pm (CET)		
ISIN code	AC: LU1674673428 IC: LU1689525209 ACEUR: LU1698195051 AD: LU1674673691 BC: LU1689524814 BD: LU1689524905 ID: LU1689525381	Ongoing charge	Management fees 0.80% (A) 0.40% (I) Administrative fees 0.35% (A) 0.25% (I)		
Risk/Reward Profile ²	<div><div>Lower risk</div><div>Higher risk</div><div>Typically lower rewards</div><div>Typically higher rewards</div></div> <div><div>1</div><div>2</div><div>3</div><div>4</div><div>5</div><div>6</div><div>7</div></div>			Main risks (see pg 62 for definitions)	Currency, derivatives, operational

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Industry themes

Asia (China) central

All about China

China inclusion

Chinese equity, fixed income and Multi-Asset	HSBC GIF RMB Fixed Income	★★★★
	HSBC GIF Chinese Equity	★★★
	HSBC China Multi-Asset Income Strategy	-

Investment involves risk. Past performance should not be seen as an indication of future returns.

Source: HSBC Global Asset Management and Morningstar. As at end of December 2018. For illustrative purposes only.

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HSBC GIF RMB Fixed Income



(IC share)



**Gregory
Suen**



**Alfred
Mui**

- ◆ The sub-fund aims to provide long term total return by investing in a portfolio of RMB fixed income securities
- ◆ This strategy is characterised by bottom-up issuer selection; seeking quality companies (strong corporate governance)
- ◆ The fund invests in offshore (CNH) Renminbi bonds; pure Renminbi exposure (no active currency allocation). The aim is to achieve a high quality / low duration portfolio
- ◆ Credit analysis is key in the investment process; analysis is based on a rigorous issuer selection process which relies on fundamental research with a strong focus on qualitative factors; will buy high yield bonds on a selective basis, although the allocation to these will be limited
- ◆ The credit research team (based in Hong Kong and in China) leverages the integrated global credit research platform of analysts based in New York, London, Paris and Hong Kong with sector and geographic specialisation
- ◆ Credit analysts define the universe of eligible investments with a primary goal to avoid credit events
- ◆ Portfolio managers are responsible for portfolio construction, setting the portfolios beta, country and industry allocations as well as tactical positioning and arbitrages

Fund details

Launch	25.10.2011 (IC)
Base currency	USD
AUM as at end Dec 2018	104 million
Comparative Index*	Offshore Renminbi Overnight Deposit Rate
Morningstar category	RMB Bond
Liquidity	Daily

Portfolio characteristics**

Average credit quality	A3/Baa3
Typical number of securities	50-100

Performance (%) as at end Dec 2018	2018	2017	2016	2015	2014	3Y ann.	5Y ann.
Fund (IC Net)	-0.63%	11.89%	-1.80%	-2.14%	-0.31%	2.97%	1.27%
Comparative index	-3.90%	9.04%	-3.94%	-3.14%	-1.05%	0.22%	-0.71%
Excess return	3.26%	2.85%	2.14%	1.00%	0.74%	2.75%	1.98%
Quartile (I share)	1	2	3	2	3	1	2

Fund details

Domicile	UCITS Luxembourg SICAV	Min. initial investment	A share: USD5,000 or equivalent I share: USD1,000,000
Mgt. company	HSBC Investment Funds (Luxembourg) S.A.	Dealing	Daily at 10:00am (CET)
Investment advisor	HSBC Global Asset Management (HK) Ltd.	Valuation	Daily at 5:00pm (CET)
ISIN code	AC: LU0692309627; ACOEUR : LU0782296676 AD: LU0692309460 IC: LU0692310807; ICOEUR: LU0782296759; ID: LU0692310633	Ongoing charge	Management fees A share: 0.75% I share: 0.375% Administration fees A share: 0.25% I share: 0.20%
Risk/Reward Profile ¹	<div><div>Lower risk</div><div>Higher risk</div><div>Typically lower rewards</div><div>Typically higher rewards</div><div><div>1</div><div>2</div><div>3</div><div>4</div><div>5</div><div>6</div><div>7</div></div></div> <div>Main risks (see pg 62 for definitions)</div> <div>Interest rate, currency, derivatives, concentration, emerging markets, CoCo, operational</div>		

*Comparative index is for illustrative purposes only as the fund has no official benchmark. **Characteristics and weightings are for illustrative purposes only, are not guaranteed and are subject to change over time, and without prior notice, taking into account any changes in markets. **Investment involves risks. Past performance is not indicative of future performance.** Representative overview of the investment process, which may differ by product, client mandate or market conditions. Source: HSBC Global Asset Management. Data Source - © Copyright 2018 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. ¹Rating is based on price volatility over the last five years, and is an indicator of absolute risk; historical data may not be a reliable indication for the future; the rating is not guaranteed to remain unchanged and the categorization may shift over time; the lowest rating does not mean a risk-free investment.

HSBC GIF Chinese Equity



Mandy Chan

Michael Chiu

- ◆ The sub-fund aims to provide long term capital growth by investing in a portfolio of Chinese equities.
- ◆ Investments: China A-shares and China B-shares (and such other securities as may be available) listed on stock exchanges in the People's Republic of China ("PRC"). China A-shares are made through the Shanghai-Hong Kong Stock Connect and/or the Shenzhen-Hong Kong Stock Connect, subject to applicable quota limitations or indirectly through China A-shares Access Products ("CAAP") such as, but not limited to, participation notes linked to China A-shares.
- ◆ This portfolio is generally invested into the large(r) cap spectrum of companies, generating performance without taking on market cap (liquidity) risk. Supported by the local resources and insights, the fund also has longstanding history in analysing and investing in onshore Chinese stocks, some of which are to be included in MSCI indices
- ◆ The experienced investment team produces independent forecasts on over 150 companies. Sector positions is an outcome of bottom-up stock selection; parameters are defined to keep tracking error within agreed limits
- ◆ Managers systematically look to reallocate capital to higher-ranked ideas and may temper or neutralise allocations suggested by the process, but are unlikely to reverse them

Fund details		Portfolio Characteristics**	
Launch	25.06.1992 (A&I)	Number of stocks	60-80
Base currency	USD	Active Sector weight ¹	+/- 10%
AUM as at end Dec 2018	1.1 billion	Active Single Stock weight ¹	+/- 5%
Comparative Index	MSCI China 10/40 Net	Tracking error ¹	3% to 8%
Morningstar category	China Equity	Turnover	circa 100%
Liquidity	Daily		

Performance (%) as at end Dec 2018	2018	2017	2016	2015	2014	3Y ann.	5Y ann.
Fund (IC Net)	-19.95%	51.69%	-0.89%	-5.69%	12.84%	6.36%	5.07%
Comparative index	-18.25%	49.33%	0.43%	-8.01%	8.38%	7.03%	4.10%
Excess return	-1.70%	2.36%	-1.32%	2.33%	4.46%	-0.66%	0.98%
Quartile (I share)	2	2	2	2	1	2	1

Fund details

Domicile	UCITS Luxembourg SICAV	Min. initial investment	A share: USD5,000 or equivalent I share: USD1,000,000
Mgt. company	HSBC Investment Funds (Luxembourg) S.A.	Dealing	Daily at 10:00am (CET)
Investment advisor	HSBC Global Asset Management (HK) Ltd.	Valuation	Daily at 5:00pm (CET)
ISIN code	AC: LU0164865239; AD: LU0039217434 IC: LU0164867441; ID: LU0149719717	Ongoing charge	Management fees A share: 1.50% I share: 0.75% Administration fees A share: 0.40% I share: 0.30%
Risk/Reward Profile ¹	<div style="display: flex; align-items: center;"> <div style="text-align: center; margin-right: 10px;"> Lower risk Typically lower rewards </div> <div style="flex-grow: 1; position: relative;"> <div style="position: absolute; top: -5px; left: 0; right: 0; border-top: 1px solid red;"></div> <div style="position: absolute; top: 5px; left: 0; right: 0; border-bottom: 1px solid red;"></div> <div style="display: flex; justify-content: space-between; padding: 0 10px;"> 1234567 </div> <div style="position: absolute; bottom: -5px; left: 0; right: 0; border-bottom: 1px solid red;"></div> </div> <div style="text-align: center; margin-left: 10px;"> Higher risk Typically higher rewards </div> </div>		Main risks (see pg 62 for definitions) Real estate sector, emerging markets, currency, liquidity, derivatives, operational

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China Multi-Asset Income (CMAI)



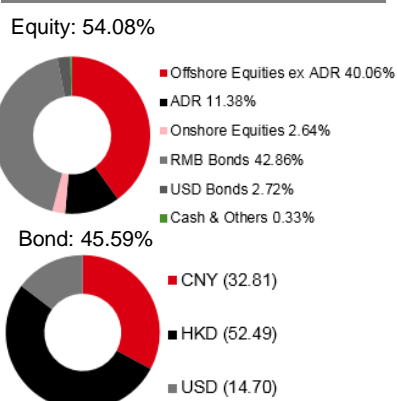
Denis Gould

- ◆ This strategy aims to capture the full spectrum of opportunities in China, investing in onshore and offshore equities, ADRs, CNY/CNH and USD Chinese bonds
- ◆ The strategy targets moderate capital growth and income
- ◆ Beta exposure is managed with efficiency and cost-effective implementation
- ◆ Monthly dividend provides potential income stream

Fund details

Launch	8 January 2019
Base currency	USD
AUM as at end Dec 2018	259 million
Comparative index	50% MSCI China Net / 50% Markit iBoxx Asia Local Bond Index China Offshore

An illustration of asset allocation



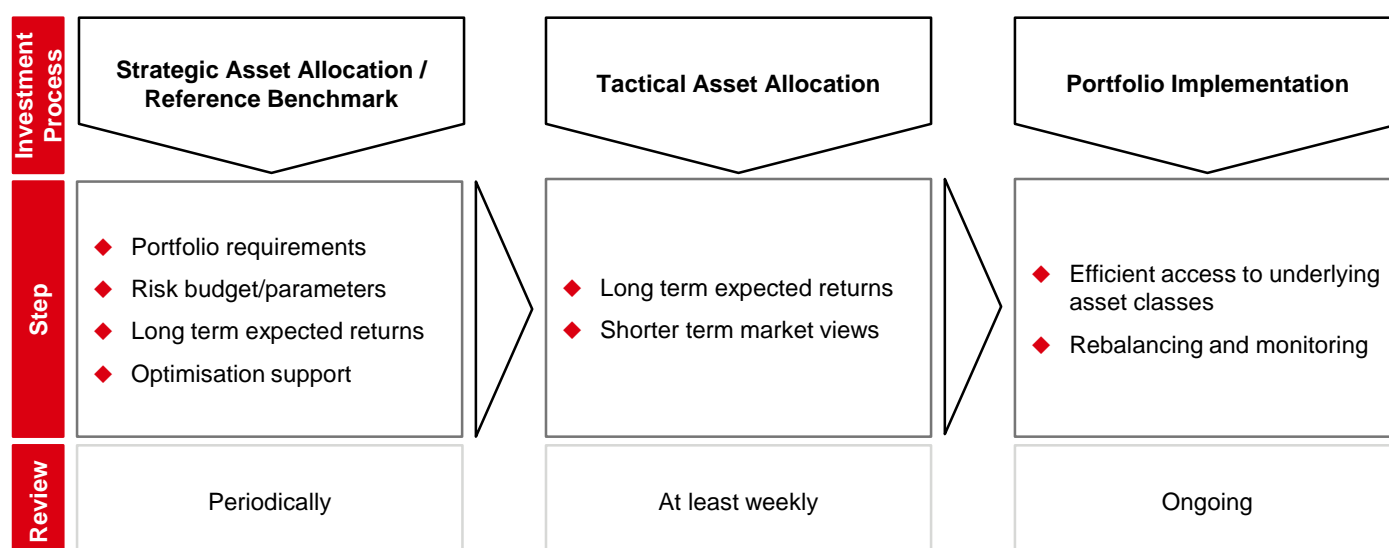
Asset allocation		Indicative Range
Equities	A-Shares ¹ <ul style="list-style-type: none"> via CAAP, up to 30% of the portfolio via Stock Connect, up to 80% of the portfolio 	20%-80%
	B-Shares	
	H-Shares and other China-related listed securities	
	China ADRs	
Fixed Income ²	Onshore and Offshore fixed income/debt securities denominated in RMB and other currencies	20%-80%

1. Subject to the availability of CAAP (China A-share access products) and Stock Connect

2. Including bonds, money market instruments, other fixed income instruments and cash

Three step investment process:

- ◆ Strategic Asset Allocation (SAA) – asset allocation shaped by fund's reference benchmark
- ◆ Tactical Asset Allocation (TAA) – active positions against the portfolio's SAA, reviewed frequently to ensure portfolio dynamism
- ◆ Portfolio Construction - Implementation of asset class allocation through actively managed sleeves. The fund leverages on the market expertise of the HSBC Chinese Equity and Asian Fixed Income teams, with individual investment sleeves managed by the in-house investment specialists. Chinese equity and Chinese fixed income are primarily fulfilled by direct investments in the customized sleeves.



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Industry themes

Pressure on costs

Cheap is beautiful

Cost-efficient fulfillment

Systematic Factor equity	Multi-factor and single factor equity	-
Fundamental Weighted Equity	HSBC GIF Economic Scale US Equity	***
	HSBC GIF Economic Scale Japan Equity	***
	HSBC GIF Economic Scale GEM Equity	***
Passive	ETFs	-
	HSBC Global Fund ICAV	-

Investment involves risk. Past performance should not be seen as an indication of future returns.

Source: HSBC Global Asset Management and Morningstar. As at end of December 2018. For illustrative purposes only.

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Multi-Factor Equity



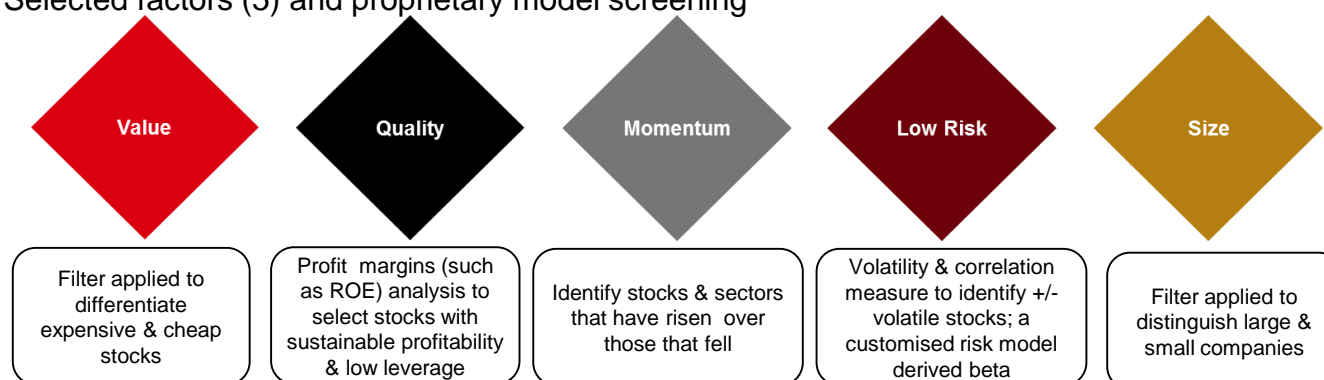
**Vis
Nayar**

**Joseph
Molloy**

Why consider Factor-based investing?

Factors can add value to a portfolio	Understanding factor exposures is important when deciding what investments to make in a portfolio	Investors worry about unintended risk
<ul style="list-style-type: none"> ◆ We have over a decade of experience helping clients benefit from equity factor exposures in their investment portfolios ◆ Factor portfolios can complement existing passive or active allocation 	<ul style="list-style-type: none"> ◆ Combine multiple factors or choose a single factor ◆ A well-managed multi factor equity portfolio may help diversify factor exposure and reduce the risk associated to a single strategy. 	<ul style="list-style-type: none"> ◆ Controlling factor combinations is critical to achieving the appropriate client outcomes ◆ Our experience enables us to integrate client requirements to create bespoke portfolios

Selected factors (5) and proprietary model screening



Portfolio characteristics*	
Investment options	Long only or long/short
Selected factors	Value, quality, momentum, low risk, size
Investment options	Multi-factor to diversify factor risk (10+ year track record), single or combined factor portfolios
Implementation	Direct securities
Geographies	Global or regional
Customisation	Client driven constraints such as tracking error levels, volatility targets and carbon constraints can be accommodated
Rebalancing	Monthly or quarterly
Target information ratio	0.5-1.0 (gross of fees)

Implementing an Equity Factor portfolio

1	Construct	<ul style="list-style-type: none"> ◆ Create factor composites with weighted sub definitions ◆ Weighted on 'explanatory' relevance of factor ◆ Careful management of stocks with multiple risk dimensions
2	Combine	<ul style="list-style-type: none"> ◆ Combination designed to benefit from independence of each factor ◆ Consider factor tilts to benefit from regimes
3	Calibrate	<ul style="list-style-type: none"> ◆ Understanding stock risk is critical ◆ Maximize the portfolio exposure to desired factors ◆ Minimize idiosyncratic risk at the stock level ◆ Manage constraints

Maximize the exposure to intended factor premia; minimize exposure to unintended sources of risk

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HSBC GIF Economic Scale US Equity†



(IC share)



**Vis
Nayar**



**Joseph
Molloy**

- ◆ The sub-fund aims to provide long term total return by investing in a portfolio of US equities
- ◆ The aim is to provide investors with a better risk adjusted return vs a market cap benchmark over the medium-long term
- ◆ The strategy uses a systematic investment approach and invests in companies according to their economic scale. The chosen measure of economic scale is a company's contribution to Gross National Product ("GNP") which is also referred to as "Value Added" - the difference between a company's outputs and inputs
- ◆ Weighting companies in proportion to their economic footprint, rather than price, avoids the performance issues that can be associated with systematically overweighting overpriced shares and underweighting underpriced shares
- ◆ HSBC's Economic Scale methodology looks at stocks from a broad spectrum of companies across developed and emerging markets. Stocks are screened on liquidity, availability and size based on a clear, transparent and systematic process
- ◆ The strategy seeks to benefit from semi-annual rebalancing which is used to capture "pricing errors" in equity markets and to exploit mean reversion in stock prices

Fund details

Launch	16.03.2015 (IC)
Base currency	USD
AUM as at end Dec 2018	855 million
Comparative Index*	S&P 500 Net
Morningstar category	US Large-Cap Blend Equity
Liquidity	Daily

Portfolio characteristics**

Fully invested in	US Equities
Typical number of holdings	~1900
Reference currency	USD
Fund tracking error vs market cap equivalent	2-5%
Rebalancing	Semi-annual

Performance (%) as at end Dec 2018	2018	2017	2016	2015	2014	3Y ann.	5Y ann.
Fund (IC Net)	-11.60%	16.18%	16.23%	-6.21%	13.84%	6.08%	4.97%
Comparative index	-5.75%	16.24%	16.72%	-4.71%	12.99%	8.54%	6.61%
Excess return	-5.85%	-0.05%	-0.49%	-1.50%	0.84%	-2.46%	-1.63%
Quartile (I share)	4	4	1	4	1	3	3

Fund details

Domicile	UCITS Luxembourg SICAV	Min. initial investment	A share: USD5,000 or equivalent I share: USD1,000,000
Mgt. company	HSBC Investment Funds (Luxembourg) S.A.	Dealing	Daily at 10:00am (CET)
Investment advisor	HSBC Global Asset Management (UK) Ltd	Valuation	Daily at 5:00pm (CET)
ISIN code	AC: LU0164902453, ACHEUR: LU0166156926 AD: LU0149725797 IC: LU0164902883; ID: LU0149725441	Ongoing charge	Management fees A share: 0.60% I share: 0.30% Administration fees A share: 0.35% I share: 0.25%

Risk/Reward Profile¹



Main risks (see pg 62 for definitions) Currency, derivatives, operational

*Comparative index is for illustrative purposes only as the fund has no official benchmark. **Characteristics and weightings are for illustrative purposes only, are not guaranteed and are subject to change over time, and without prior notice, taking into account any changes in markets. † Fund name as of 25 October 2017 (prior to this date the fund name was HSBC GIF Economic Scale Index US Equity). Investment involves risks. Past performance is not indicative of future performance. Representative overview of the investment process, which may differ by product, client mandate or market conditions. Source: HSBC Global Asset Management. Data Source - © Copyright 2018 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. ¹Rating is based on price volatility over the last five years, and is an indicator of absolute risk; historical data may not be a reliable indication for the future; the rating is not guaranteed to remain unchanged and the categorization may shift over time; the lowest rating does not mean a risk-free investment. ¹Rating is based on price volatility over the last five years, and is an indicator of absolute risk; historical data may not be a reliable indication for the future; the rating is not guaranteed to remain unchanged and the categorization may shift over time; the lowest rating does not mean a risk-free investment.

HSBC GIF Economic Scale Japan Equity†



(AC share)

Vis
NayarJoseph
Molloy

- ◆ The sub-fund aims to provide long term total return by investing in a portfolio of Japanese equities
- ◆ The aim is to provide investors with a better risk adjusted return vs a market cap benchmark over the medium-long term
- ◆ The strategy uses a systematic investment approach and invests in companies according to their economic scale. The chosen measure of economic scale is a company's contribution to Gross National Product ("GNP") which is also referred to as "Value Added" - the difference between a company's outputs and inputs
- ◆ Weighting companies in proportion to their economic footprint, rather than price, avoids the performance issues that can be associated with systematically overweighting overpriced shares and underweighting underpriced shares
- ◆ HSBC's Economic Scale methodology looks at stocks from a broad spectrum of companies across developed and emerging markets. Stocks are screened on liquidity, availability and size based on a clear, transparent and systematic process
- ◆ The strategy seeks to benefit from semi-annual rebalancing which is used to capture "pricing errors" in equity markets and to exploit mean reversion in stock prices

Fund details

Launch	17.02.2015
Base currency	JPY
AUM as at end Dec 2018	15.6 bn
Comparative Index*	MSCI Japan Net
Morningstar category	Japan Large-Cap Equity
Liquidity	Daily

Portfolio characteristics**

Fully invested in	Japan
Typical number of holdings	~400
Reference currency	JPY
Fund's tracking error vs market cap equivalent	2-5%
Rebalancing	Semi-annual

Performance (%) as at end Dec 2018	2018	2017	2016	2015	2014	3Y ann.	5Y ann.
Fund (AC Net)	-14.33%	18.22%	1.68%	9.71%	6.47%	0.98%	3.76%
Comparative index	-15.15%	19.46%	2.77%	11.39%	10.27%	1.37%	5.05%
Excess return	0.82%	-1.24%	-1.09%	-1.69%	-3.81%	-0.39%	-1.29%
Quartile (I share)	1	4	2	2	3	1	2

Fund details

Domicile	UCITS Luxembourg SICAV	Min. initial investment	A share: USD5,000 or equivalent I share: USD1,000,000	
Mgt. company	HSBC Investment Funds (Luxembourg) S.A.	Dealing	Daily at 10:00am (CET)	
Investment advisor	HSBC Global Asset Management (UK) Ltd	Valuation	Daily at 5:00pm (CET)	
ISIN code	AC: LU0164882085; ACHEUR: LU0954275888 ACUSD: LU1190720778; AD: LU0149724121 AD: LU0149724121; ADUSD: LU1190720851 IC: LU0164882242; ICUSD: LU1190720935 IDUSD: LU1190721073; ICHEUR: LU0954276183	Ongoing charge	Management fees A share: 0.60% I share: 0.30% Administration fees A share: 0.35% I share: 0.25%	
Risk/Reward Profile ¹	<div><div>Lower risk</div><div>Higher risk</div><div>Typically lower rewards</div><div>Typically higher rewards</div><div><div>1</div><div>2</div><div>3</div><div>4</div><div>5</div><div>6</div><div>7</div></div></div>		Main risks (see pg 62 for definitions)	Currency, liquidity, real estate, derivatives, operational

*Comparative index is for illustrative purposes only as the fund has no official benchmark. **Characteristics and weightings are for illustrative purposes only, are not guaranteed and are subject to change over time, and without prior notice, taking into account any changes in markets. † Fund name as of 25 October 2017 (prior to this date the fund name was HSBC GIF Economic Scale Index Japan Equity). **Investment involves risks. Past performance is not indicative of future performance.** Representative overview of the investment process, which may differ by product, client mandate or market conditions. Source: HSBC Global Asset Management. Data Source - © Copyright 2018 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. ¹Rating is based on price volatility over the last five years, and is an indicator of absolute risk; historical data may not be a reliable indication for the future; the rating is not guaranteed to remain unchanged and the categorization may shift over time; the lowest rating does not mean a risk-free investment. ²Rating is based on price volatility over the last five years, and is an indicator of absolute risk; historical data may not be a reliable indication for the future; the rating is not guaranteed to remain unchanged and the categorization may shift over time; the lowest rating does not mean a risk-free investment..

HSBC GIF Economic Scale GEM Equity†



(IC share)

Vis
NayarJoseph
Molloy

- ◆ The sub-fund aims to provide long term total return by investing in a portfolio of Emerging Market equities
- ◆ The aim is to provide investors with a better risk adjusted return vs a market cap benchmark over the medium-long term
- ◆ The strategy uses a systematic investment approach and invests in companies according to their economic scale. The chosen measure of economic scale is a company's contribution to Gross National Product ("GNP") which is also referred to as "Value Added" - the difference between a company's outputs and inputs
- ◆ Weighting companies in proportion to their economic footprint, rather than price, avoids the performance issues that can be associated with systematically overweighting overpriced shares and underweighting underpriced shares
- ◆ HSBC's Economic Scale methodology looks at stocks from a broad spectrum of companies across developed and emerging markets. Stocks are screened on liquidity, availability and size based on a clear, transparent and systematic process
- ◆ The strategy seeks to benefit from semi-annual rebalancing which is used to capture "pricing errors" in equity markets and to exploit mean reversion in stock prices

Fund details

Launch	20.03.2013 (IC)
Base currency	USD
AUM as at end Dec 2018	478 million
Comparative Index*	MSCI Emerging Markets Net
Morningstar category	Global Emerging Markets Equity
Liquidity	Daily

Portfolio characteristics**

Fully invested in	Emerging Markets
Typical number of holdings	~800
Reference currency	USD
Fund's tracking error vs market cap equivalent	2-5%
Rebalancing	Semi-annual

Performance (%) as at end Dec 2018	2018	2017	2016	2015	2014	3Y ann.	5Y ann.
Fund (IC Net)	-9.82%	25.96%	19.37%	-19.61%	1.16%	10.69%	1.97%
Comparative index	-14.85%	27.38%	20.37%	-18.95%	2.09%	9.30%	1.56%
Excess return	5.03%	-1.42%	-1.00%	-0.66%	-0.93%	1.39%	0.42%
Quartile (I share)	1	4	1	4	1	1	1

Fund details

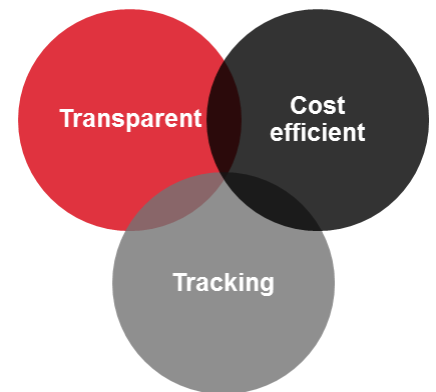
Domicile	UCITS Luxembourg SICAV	Minimum initial investment	A share: USD5,000 or equivalent I share: USD1,000,000
Mgt. company	HSBC Investment Funds (Luxembourg) S.A.	Dealing	Daily at 10:00am (CET)
Investment advisor	HSBC Global Asset Management (UK) Ltd	Valuation	Daily at 5:00pm (CET)
ISIN code	AC: LU0819120683 IC: LU0819121061	Ongoing charge	Management fees A share: 0.60% I share: 0.30% Administration fees A share: 0.35% I share: 0.30%
Risk/Reward Profile ¹	<div><div>Lower risk</div><div>Higher risk</div><div>Typically lower rewards</div><div>Typically higher rewards</div><div><div>1</div><div>2</div><div>3</div><div>4</div><div>5</div><div>6</div><div>7</div></div></div> <div>Main risks (see pg 62 for definitions)</div> <div>Currency, liquidity, emerging markets, derivatives, operational</div>		

*Comparative index is for illustrative purposes only as the fund has no official benchmark. **Characteristics and weightings are for illustrative purposes only, are not guaranteed and are subject to change over time, and without prior notice, taking into account any changes in markets. †Fund name as of 25 October 2017 (prior to this date the fund name was HSBC GIF Economic Scale Index GEM Equity). **Investment involves risks. Past performance is not indicative of future performance.** Representative overview of the investment process, which may differ by product, client mandate or market conditions. Source: HSBC Global Asset Management. Data Source - © Copyright 2018 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. ¹Rating is based on price volatility over the last five years, and is an indicator of absolute risk; historical data may not be a reliable indication for the future; the rating is not guaranteed to remain unchanged and the categorization may shift over time; the lowest rating does not mean a risk-free investment. ¹Rating is based on price volatility over the last five years, and is an indicator of absolute risk; historical data may not be a reliable indication for the future; the rating is not guaranteed to remain unchanged and the categorization may shift over time; the lowest rating does not mean a risk-free investment.

HSBC ETF capabilities

HSBC ETFs in Europe

- ◆ We propose 28 ETFs as UCITS IV Irish domiciled funds, covering the main developed and emerging markets, with an overall AUM of USD7.0 billion
- ◆ 26 ETFs use a physical replication method to track their underlying index
 - 22 ETFs are physically replicated
 - 4 ETFs are using physical optimisation
- ◆ 2 ETFs follow our proprietary active systematic strategies¹



		Developed Markets	Emerging Markets		
Traditional Beta	Physical Replication	HSBC Euro Stoxx 50 UCITS ETF HSBC FTSE 100 UCITS ETF HSBC FTSE 250 UCITS ETF* HSBC FTSE EPRANAREIT Developed UCITS ETF HSBC MSCI Canada UCITS ETF HSBC MSCI Europe UCITS ETF HSBC MSCI Japan UCITS ETF HSBC MSCI Pacific Ex Japan UCITS ETF HSBC MSCI USA UCITS ETF HSBC S&P 500 UCITS ETF	HSBC MSCI Brazil UCITS ETF HSBC MSCI China UCITS ETF HSBC MSCI China A Inclusion UCITS ETF HSBC MSCI EM Latin America UCITS ETF HSBC MSCI Indonesia UCITS ETF HSBC MSCI Korea UCITS ETF HSBC MSCI Malaysia UCITS ETF HSBC MSCI Mexico Capped UCITS ETF HSBC MSCI South Africa Capped UCITS ETF ² HSBC MSCI Taiwan UCITS ETF HSBC MSCI Turkey UCITS ETF HSBC MSCI Russia Capped UCITS ETF	Active Systematic	Fundamentally Weighted
	Physical Optimisation	HSBC MSCI World UCITS ETF	HSBC MSCI AC Far East Ex Japan UCITS ETF HSBC MSCI Emerging Markets UCITS ETF HSBC MSCI EM Far East UCITS ETF	Active Systematic	Multi factor
				HSBC Economic Scale Worldwide Equity UCITS ETF ¹	
				HSBC Multi Factor Worldwide Equity UCITS ETF ¹	

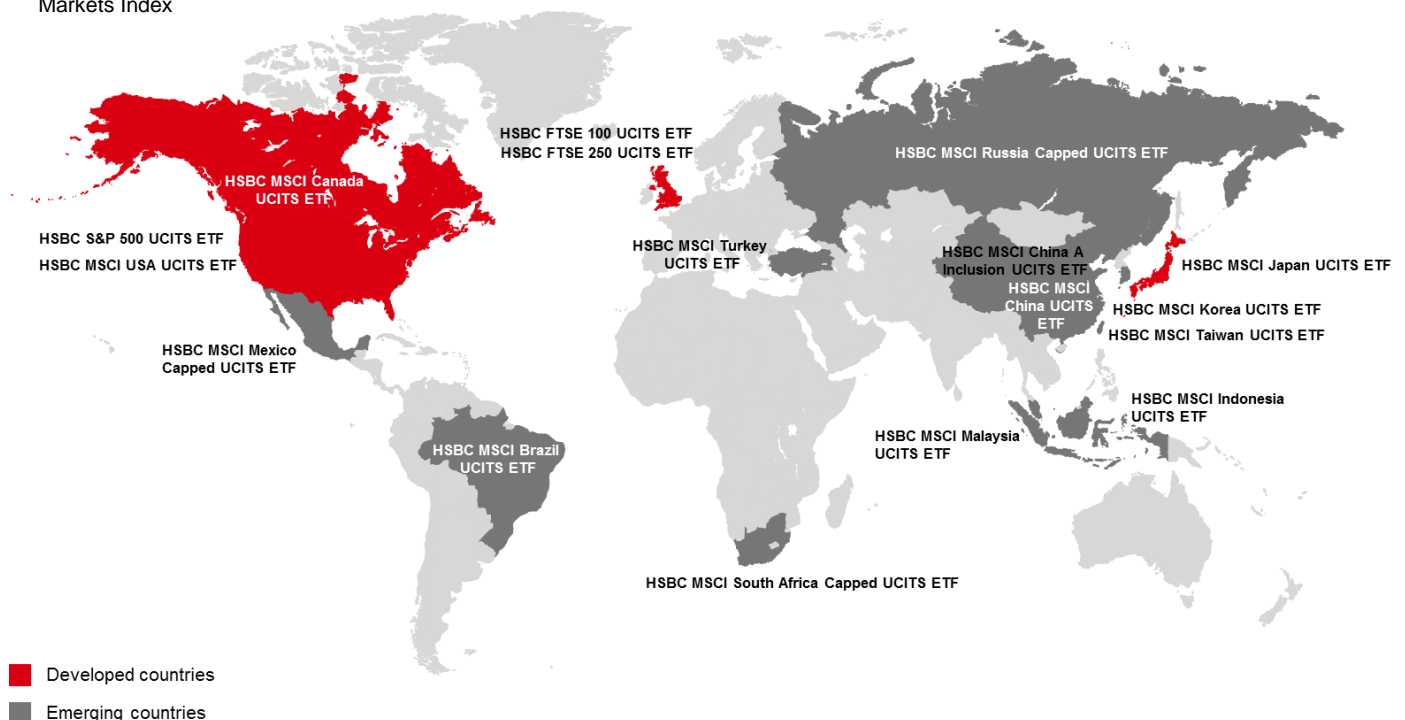
1) 2 ETFs have switched from Passive to Active Systematic on 25th of October 2017. 2) As at 24th April – previously HSBC MSCI South Africa UCITS ETF

*The HSBC FTSE 250 UCITS ETF is registered in Spain, France, Netherlands, however, is not currently registered in Switzerland, Luxembourg, Italy and Sweden. It should be noted that the above ETFs are not registered in Belgium.

Source: HSBC Global Asset Management as at September 2018. Representative overview of the investment process, which may differ by product, client mandate or market conditions. For illustrative purposes only.

Single Country Emerging Market ETFs

- ◆ HSBC was the first to launch a Russian ETF (2011) with exposure to local Russian stocks
- ◆ Launched in July 2018, HSBC MSCI China A Inclusion UCITS ETF is competitively priced at 0.60%. The stocks included are the most liquid China A shares in the market, providing a practical way to access the dynamic inclusion of mainland Chinese securities in the MSCI Emerging Markets Index



Investment involves risks. Past performance is not indicative of future performance .
 Source: HSBC Global Asset Management as at September 2018

HSBC Global Fund ICAV

Cost efficient index based investments

- ◆ Our Global ICAV solutions build on our strong index tracking heritage managing passive products for external clients since 1988 (30+ year track record), with dedicated portfolio management teams covering global markets, while leveraging our infrastructure and expertise. We take a pragmatic approach to managing passive funds with two equally important objectives: close tracking and minimising costs.
- ◆ Our tracking method and value-added approach have enabled us to consistently produce returns that closely mirror the index within target tracking tolerances.

Innovative range of cost efficient index based solutions, available cross border

Cost efficiency

Market trend for more affordable building blocks among asset allocators

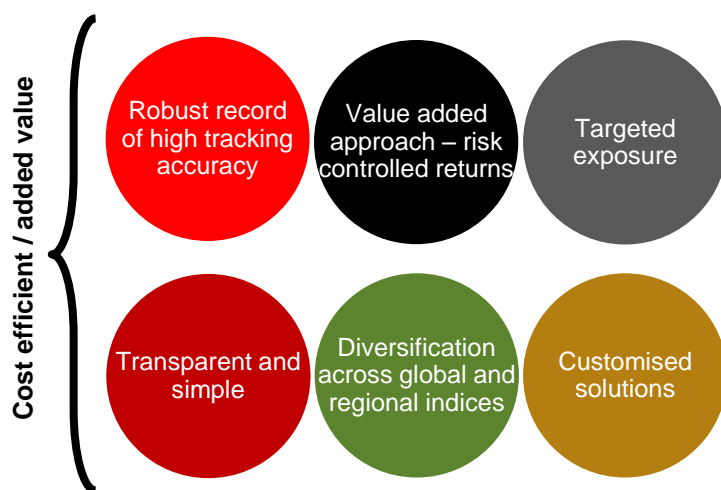
Regulatory pressures

Stronger fee transparency; more demand for cost efficient solutions

Retirement savings

Preference for simple, flexible, low cost and diversified investment products

HSBC passive solutions include:



Investment solutions

Fixed Income	Equity
US Government Bonds fund	
Global Government Bonds fund (hedged USD)	
Global Corporate Bonds fund (hedged in USD)	Planned launch of equity sub funds – Q1 2019
Global Aggregate Bonds fund (hedged in USD)	



Why HSBC for index based solutions?

Differentiated from peers

- ◆ Tracking techniques (physical replication or optimisation) – minimise unrewarded risk
- ◆ Implementation - trade off (between temporary tracking error and transaction costs) to improve portfolio performance
- ◆ Dedicated global asset class dealing team and local relationships for best execution
- ◆ Controversial weapons screening (anti-personnel mines and cluster munitions) across our entire active and passive businesses
- ◆ No securities lending – we are fully transparent
- ◆ A part of HSBC Group – as a bank owned asset manager we are subject to more robust risk parameters and stricter governance rules

Consistent performance and close tracking

- ◆ Value added approach to managing passive funds through intelligent implementation of index changes and ongoing management
- ◆ Minimising transaction costs through reduced turnover, use of efficient trading strategies and tax considerations

HSBC's ICAV range provides cost efficient access to:

- ◆ A long heritage of passive investments
- ◆ Proprietary technology and portfolio management systems
- ◆ Global investment frameworks
- ◆ High conviction investment ideas and solutions

Investment involves risks. Past performance is not indicative of future performance.

Source: HSBC Global Asset Management. Representative overview of the investment process, which may differ by product, client mandate or market conditions.



Capabilities to consider by mandate



HSBC
Global Asset
Management

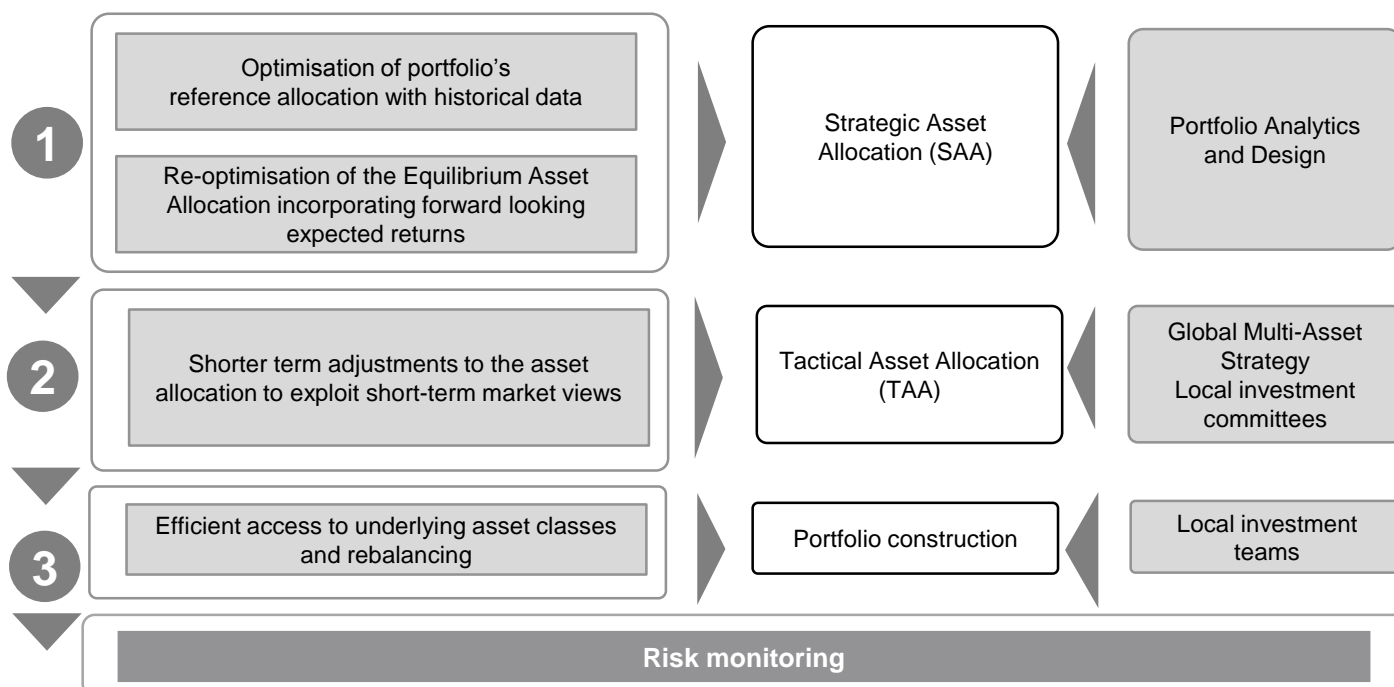
Multi-Asset investing

Global investment philosophy and process

An overview of our philosophy and approach

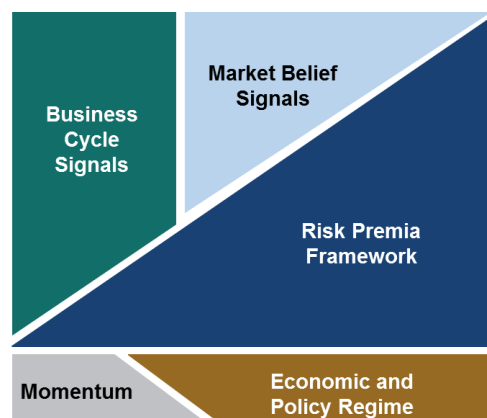
- ◆ We believe a market environment of “radical uncertainty” requires a structured, disciplined and dynamic framework to assess investment opportunities
- ◆ Our Multi-Asset investing combines multiple sources of performance in both developed and emerging markets and aims to optimise risk adjusted returns
- ◆ Price fluctuations generate opportunities for our investment teams, who will look to:
 - Analyse common factors such as valuation, economic cycle, profitability
 - Analyse specific factors (size, quality, confidence, results revision, rate levels,...)
- ◆ Our Multi-Asset investment process is global and is based on discipline, transparency and control
- ◆ Risk budgeting and risk management contribute to the performance of our investment strategies

An investment process: combining strategic and tactical asset allocation



Strategic and tactical asset allocation: how it works in practice

- ◆ Our process starts with our scenario for policy interest rates across major advanced and emerging economies, allowing us to build a consistent estimate of asset class valuation and available returns for any asset class exposure
- ◆ We overlay our valuation signals (risk premia) with quantitative techniques and economic analysis
- ◆ Tactical (dynamic) asset allocation will reflect divergences between the market perception of risk and a considered assessment of true underlying risk



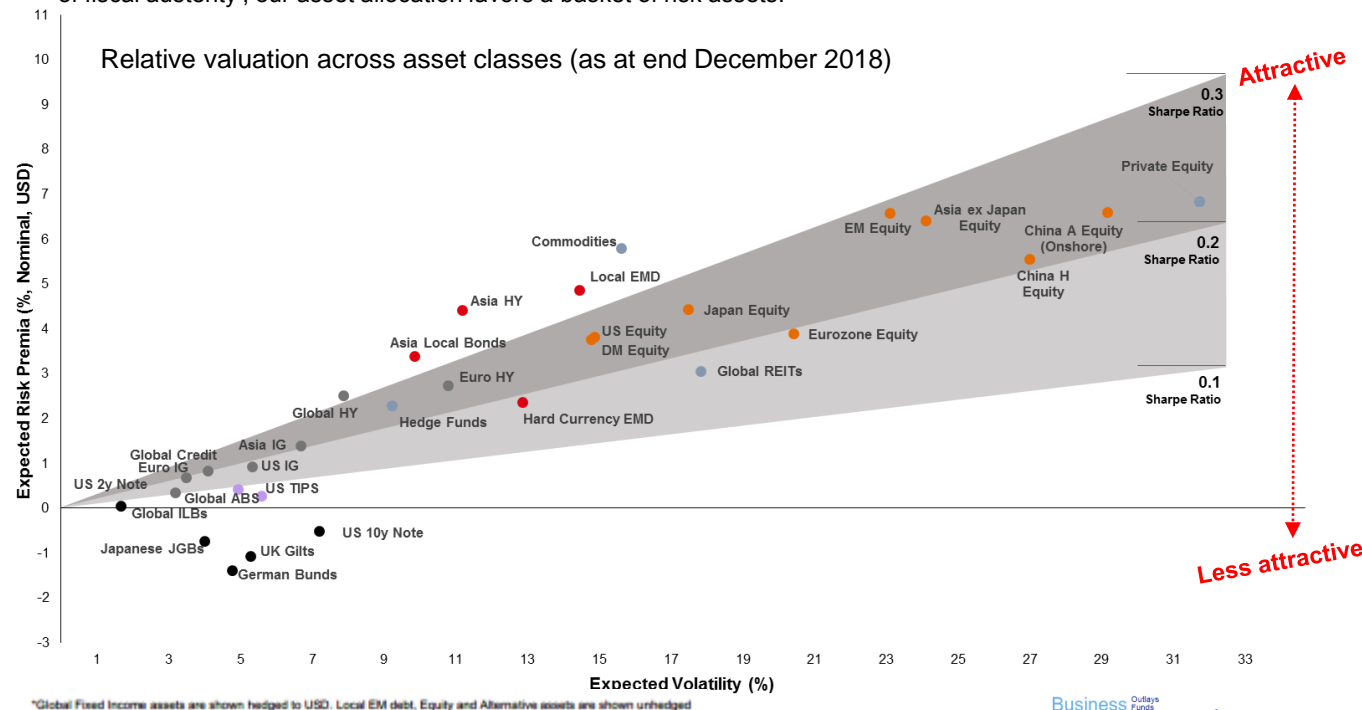
Source: HSBC Global Asset Management. For illustrative purposes only. Representative overview of the investment process, which may differ by product, client mandate or market conditions. The commentary and analysis presented in this document reflect the opinion of HSBC Global Asset Management on the markets, according to the information available to date. They do not constitute any kind of commitment from HSBC Global Asset Management. Consequently, HSBC Global Asset Management will not be held responsible for any investment or disinvestment decision taken on the basis of the commentary and/or analysis in this document. For illustrative purposes only. Investment involves risks. Past performance is not indicative of future performance.

Multi-Asset investing

A « constrained discretion » approach

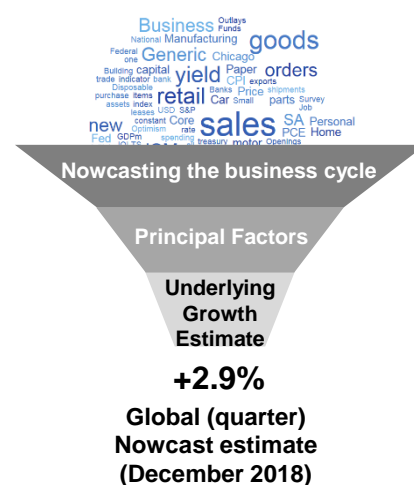
An illustration of asset class valuation

- ◆ In an current environment characterized by synchronized global growth, gradually-rising inflationary pressures and the 'end of fiscal austerity', our asset allocation favors a basket of risk assets.



We also evaluate with 'Nowcasting' how risk premia interacts with markets and the economy

- ◆ Technique to track the underlying growth rate of an economy (robust and unemotional)
 - We are not point-forecasting GDP
 - We take a "big data" approach
 - The nowcast algorithm compresses 1000+ key cyclical indicators into a measure of underlying economic growth
 - We build this a 'Nowcast' for all global economies



Our perception of risk

- ◆ We believe that for asset market dynamics, what really matters is how the facts pan out relative to what is priced
- ◆ "Discounted economics" is our way of tracking the market's perceptions of macro risk

Discounted Growth	Discounted Inflation	Discounted Earnings
Extracts market-implied growth expectations from a long/short multi-asset portfolio exposed to growth	Extracts market-implied inflation expectations from a long/short multi-asset portfolio exposed to inflation	Extracts market-implied earnings growth expectations from a dividend discount model for many markets

Source: HSBC AMG Global Investment Strategy. Global Fixed Income assets are shown hedged to USD. Local EM debt, Equity and Real Estate assets are shown unhedged. As of December 2018. Any forecast, projection or target provided is indicative only and is not guaranteed in any way. HSBC Global Asset Management accepts no liability for any failure to meet such forecast projection or target Representative overview of the research and macro investment process. The commentary and analysis presented in this document reflect the opinion of HSBC Global Asset Management on the markets, according to the information available to date. They do not constitute any kind of commitment from HSBC Global Asset Management. Consequently, HSBC Global Asset Management will not be held responsible for any investment or disinvestment decision taken on the basis of the commentary and/or analysis in this document. For illustrative purposes only. **Investment involves risks. Past performance is not indicative of future performance.**

Multi-Asset investing

Investment solutions aligned with client objectives

	Traditional	Risk profiled	Flexible	Income	Specialist techniques: Factor investing		Tactical Risk Scaling Framework	Portfolio Insurance Framework	Risk management		
					Macro / Style Factors	Style Factors			(Liability driven) SAA	Management of market risk	
Objective	Outperform benchmark while respecting risk constraints	Maximise total return within a risk profile		Deliver steady income with some capital growth	Deliver absolute returns	Deliver absolute returns	Risk management is the most important consideration, followed by absolute return			Client-specific investment solutions	Limiting risk of capital losses at aggregate level (risk overlay management)
Benchmark (market indexes)	Yes	No	No	No	Cash	Cash	Cash	Cash	Yes	Yes (to reflect, not to evaluate the SAA)	None for the results of risk management
SAA	Same as benchmark	Yes	Yes	Yes	Strategic Factor Allocation	No	Yes	Yes	No	Yes part of multi asset solution	Yes target allocation in risk management process
TAA	Yes	Yes	Yes	Yes	Tactical Factor Allocation	No	Yes	Yes	No	No	No
Risk focus	Volatility and Tracking Error	Volatility	Volatility	Volatility	Volatility	Volatility	Risk budget focusses on VAR; profit protection can be included	Risk budget and defined min. NAV using CPPI	Risk budget and defined min. NAV	Client specific often risk relative to liabilities	Risk budget
Insurance techniques	No	No	No	No	No	No	Yes, but no formal guaranty (best-effort)			No	Yes best efforts
Geographies	Developed and Emerging Markets									Client specific	Client specific
Asset classes	Bonds, equities, currencies and some allocation to alternatives						Bonds, equities, currencies, commodities and volatility	Bonds and equities	Equities	Client specific	Client specific
Long/Short	No	No	No	No	Partially	Yes	Yes (vol'y and FX)	No	No	No	Short derivatives for hedging
Key driver(s)	TAA to outperform BM. Derivatives for hedging, exposure and arbitrage	SAA	Very active TAA, and use of derivatives	SAA with income bias	Invests in a range of macro and style factors; blends directional and long-short approach with manager based tactical allocation. Instruments include direct securities and derivatives	Invest is style factors only, using long/short and systematic investment approach. Derivatives based	TAA is key driver of returns but Multi Markets is highly customised solution (asset classes, return targets and predefined floor)	Dynamic Risk solution designed to deliver absolute within a strict controlled framework	Risk Managed Equity solution with asymmetric return profile; limits volatility and downside risk	Client specific objectives, stochastic simulations to analyse potential SAA	Decide risk capital levels via stochastic simulations, hedging transactions via derivatives

SAA = Strategic Asset Allocation

TAA = Tactical Asset Allocation

Source: HSBC Global Asset Management. For illustrative purposes only. Characteristics and weightings are for illustrative purposes only, are subject to change over time taking into account any changes in markets. **Investment involves risks. Past performance is not indicative of future performance.**



HSBC Global Asset Management



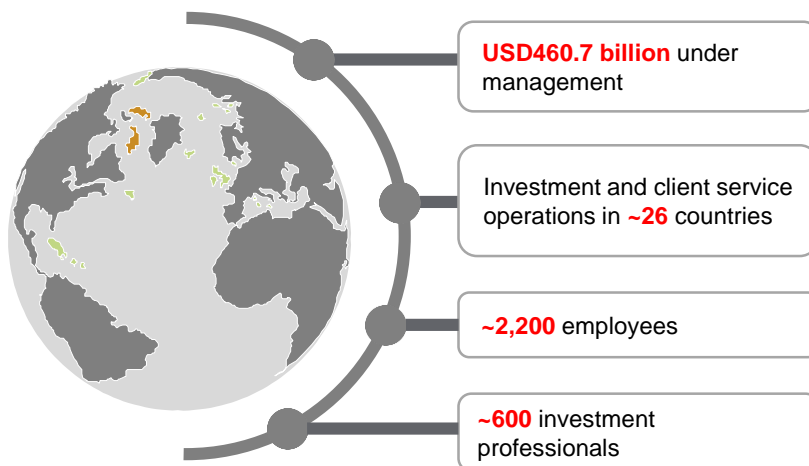
HSBC
Global Asset
Management

HSBC Global Asset Management

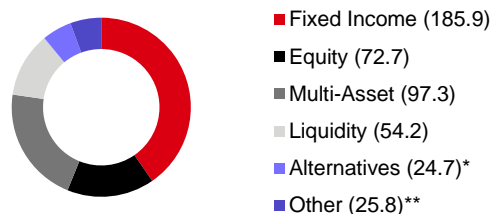
We are a specialist in each asset class we manage

- ◆ Founded in 1865 to finance trade between Asia and the West, today HSBC is one of the largest international financial services organisations
- ◆ As the asset manager of the HSBC Group, we are a truly global organisation with expertise and local presence across regions and a specialist expertise in growth markets
- ◆ We use our expertise in connecting the developed and developing world to provide investment opportunities across multiple asset classes and capabilities

Firm-wide statistics¹



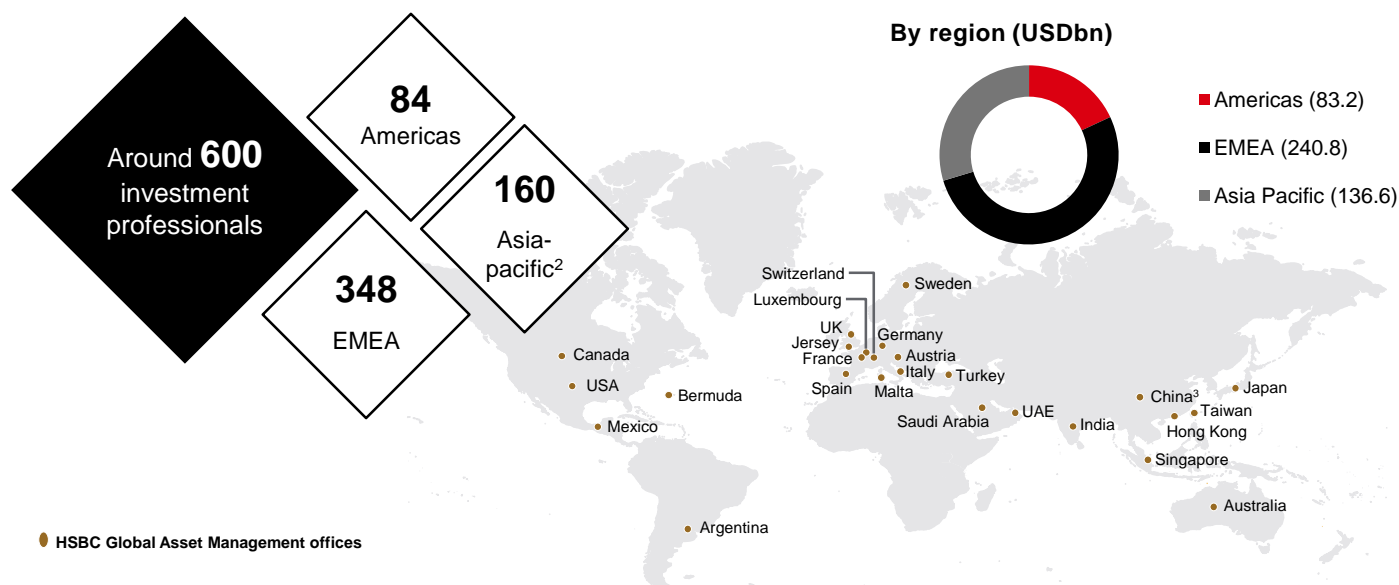
By asset class (USD billion)¹



Quartile scorecard: HSBC Funds (local & cross border) over a 3Y period as at end of December 2018

Morningstar quartiles	1	2	3	4
Equity (100 funds)	21	36	29	14
Fixed Income (70 funds)	14	25	14	17
Multi-Asset (63 funds)	14	20	16	13

Breakdown of activity by region: teams and assets under management (USD billion)¹



Source: HSBC Global Asset Management. ¹ Data as at 30 September 2018. ² Asia-Pacific includes employees and assets of Hang Seng Bank, in which HSBC has a majority holding. *Alternatives: HAIL (HSBC Alternative Investments Limited). **Other is the assets of Hang Seng Bank, in which HSBC has a majority holding; HSBC Jintrust Fund Management company is a joint venture between HSBC Global Asset Management and Shanxi Trust Corporation Limited)

Any differences are due to rounding. Cross-border and domestic assets by Legal Entity.

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HSBC Global Asset Management

Flagship strategies and capabilities

Fixed Income								
Global capabilities	Regional capabilities	Country capabilities						
<ul style="list-style-type: none">◆ Global Aggregate◆ Global Government◆ Global Short Duration◆ Global Total Return◆ Global Corporate◆ Global High Income◆ Global High Yield◆ Global Short Duration High Yield◆ Global ABS◆ Global Inflation Linked◆ EMD Core◆ EMD Local Debt◆ EMD Total Return◆ EMD Credit◆ EMD Investment Grade◆ EMD Inflation linked	<ul style="list-style-type: none">◆ Euro Aggregate◆ Euro Government◆ Euro Short Duration◆ Euro Credit◆ Euro Credit Total Return◆ Euro High Yield◆ Euro Convertibles◆ Euro Inflation Linked◆ Asia Local Debt◆ Asia Credit◆ Asia High Yield◆ Latin America Local Debt	<ul style="list-style-type: none">◆ US Short Duration◆ US Credit◆ Argentina◆ Brazil◆ Canada◆ China◆ Hong Kong◆ India◆ Indonesia◆ Mexico◆ Singapore◆ Taiwan◆ Turkey◆ UK						
Equity								
Passive strategies	Active systematic	Active fundamental						
Cost efficient index replication <ul style="list-style-type: none">◆ Global, regional and single country◆ Customised implementation:<ul style="list-style-type: none">- Full replication- Enhanced Implementation- Optimised implementation	Enhanced performance via systematic factor tilts and portfolio construction <ul style="list-style-type: none">◆ Global, regional and single country<ul style="list-style-type: none">- Core Multi Factor- Stable Volatility- Enhanced Income- Fundamental weighting- Low Carbon and ESG	Stock selection driving performance <ul style="list-style-type: none">◆ Global, regional and single country<ul style="list-style-type: none">- Core- Volatility Focus- Income- Small Cap- Thematic/ ESG						
Multi-Asset								
Global capabilities	Regional capabilities	Country capabilities						
<ul style="list-style-type: none">◆ Traditional◆ Risk profiled◆ Flexible◆ Income◆ Specialist Techniques (Style Factors)◆ Tactical Risk Scaling Framework◆ Portfolio Insurance Framework	<ul style="list-style-type: none">◆ Asia◆ Europe◆ Eurozone	<ul style="list-style-type: none">◆ Canada◆ Eurozone◆ US◆ UK◆ China						
Liquidity								
Global capabilities	Regional capabilities	Country capabilities						
<ul style="list-style-type: none">◆ US Dollar◆ Sterling◆ Euro◆ Canadian Dollar	<table><tr><th>US Dollar</th><th>Euro</th></tr><tr><td><ul style="list-style-type: none">◆ Prime◆ US Government◆ US Treasury</td><td><ul style="list-style-type: none">◆ Prime◆ Government</td></tr></table>	US Dollar	Euro	<ul style="list-style-type: none">◆ Prime◆ US Government◆ US Treasury	<ul style="list-style-type: none">◆ Prime◆ Government	<table><tr><td><ul style="list-style-type: none">◆ Argentina◆ Canada◆ China◆ Hong Kong</td><td><ul style="list-style-type: none">◆ India◆ Taiwan◆ Turkey◆ Australia</td></tr></table>	<ul style="list-style-type: none">◆ Argentina◆ Canada◆ China◆ Hong Kong	<ul style="list-style-type: none">◆ India◆ Taiwan◆ Turkey◆ Australia
US Dollar	Euro							
<ul style="list-style-type: none">◆ Prime◆ US Government◆ US Treasury	<ul style="list-style-type: none">◆ Prime◆ Government							
<ul style="list-style-type: none">◆ Argentina◆ Canada◆ China◆ Hong Kong	<ul style="list-style-type: none">◆ India◆ Taiwan◆ Turkey◆ Australia							

Source: HSBC Global Asset Management. As at January 2019.

Environment, Social and Governance

Integrated into our philosophy and approach

- ◆ We believe that ESG issues can have a material impact on company fundamentals and performance over the longer-term
- ◆ ESG issues are linked to opportunities and risks that financial markets may not be pricing appropriately

HSBC Global Asset Management's commitment to responsible investment is put into practice in 3 primary ways:

1 Integrated ESG Research

ESG analysis is incorporated alongside financial analysis to quantify a company's potential risks and returns over the longer-term

2 Active ownership

We are active stewards of the assets we manage on behalf of our clients. We were an early PRI signatory in 2007 committing to the six principles of responsible investment

3 Policy & Advocacy

We actively engage with regulators and policy makers individually and collectively with other investors on systemic sustainable investment issues

Internal policy framework

- ◆ Climate change policy
- ◆ Responsible investment policy

Market-leading reporting on environmental footprint of investments

- ◆ Engaged external data providers for additional portfolio carbon risk management
- ◆ Published report on over 80% of our equity holdings

The HSBC Group is engaged

- 1992: United Nations Environment Programme Finance Initiative
- 2000: United Nations Global Compact
- 2003: Equator Principles (founder)
- 2006: United Nations Principles for Responsible Investment (UN PRI)¹
- 2012: Principles for Sustainable Insurance
- 2015: Montreal Carbon Pledge

HSBC Global Asset Management

 **PRI** Montréal **PLEDGE**

A proud founder of:

Climate Action 100+
Global Investors Driving Business Transition



ICGN

International Corporate Governance Network



UNIVERSITY OF CAMBRIDGE

INSTITUTE FOR SUSTAINABILITY LEADERSHIP

UKSIF

UK Sustainable Investment and Finance Association

IIGCC

Institutional Investors Group on Climate Change

Responsible investments: our 7 investment approaches

- 1) Negative/exclusionary screening
- 2) Positive/best-in-class screening
- 3) Norms-based screening
- 4) ESG Integration
- 5) Sustainability theme investing
- 6) Corporate engagement and shareholder action
- 7) Impact investing

Holistic responsible investing approach

Active investment/
ESG integration

Engagement

Voting

Reporting

www.climateaction100.org

The UN PRI HSBC Global Asset Management's RI Transparency Report is publicly available through the UN PRI website

For illustrative purposes only. Source: HSBC Global Asset Management – January 2019. Logos are sourced from public web sites.

Risk definitions

Capital Loss risk	The value of investments and any income from them can go down as well as up and is not guaranteed
Exchange rate risk	Investing in assets denominated in a currency other than that of the investor's own currency perspective exposes the value of the investment to exchange rate fluctuations
Interest rate risk	As interest rates rise debt securities will fall in value. The value of debt securities is inversely proportional to interest rate movements
Emerging markets risk	Investments in emerging markets have by nature higher risk and are potentially more volatile than those made in developed countries. Markets are not always well regulated or efficient and investments can be affected by reduced liquidity
Operational risk	The main risks are related to systems and process failures. Investment processes are overseen by independent risk functions which are subject to independent audit and supervised by regulators
Over the Counter Markets (OTC) risk	Certain funds may be exposed to Over the Counter (OTC) markets for all or part of total assets. The sub-fund will therefore be subject to the risk that its direct counterparty will not perform its obligations under the OTC transactions and that the fund will sustain losses
Derivative risk (leverage)	The value of derivative contracts is dependent upon the performance of an underlying asset. A small movement in the value of the underlying can cause a large movement in the value of the derivative. Unlike exchange traded derivatives, over-the-counter (OTC) derivatives have credit risk associated with the counterparty or institution facilitating the trade
Geographic concentration risk	Certain funds may invest predominantly in one geographic area; therefore any decline in the economy of this area may affect the prices and value of the underlying assets
Intervention on forwards' market risk	Exposure to markets, assets, indices through forward financial instruments may lead to significantly higher or faster declines in net assets value than the change observed for the underlying instruments
Discretionary Management risk	Discretionary management is based on anticipating the evolution of different markets and securities. There is a risk that sub-funds will not be invested at any time in the most efficient markets and securities
Liquidity risk	Liquidity is a measure of how easily an investment can be converted to cash without a loss of capital and/or income in the process. The value of assets may be significantly impacted by liquidity risk during adverse market conditions
Total Return risk	If a fund applies a Total Return strategy, it does not imply there is any protection of capital or guarantee of a positive return over time. Sub-funds are subject to market risks at any time

Specific to Fixed Income

Credit risk	Issuers of debt securities may fail to meet their regular interest and/or capital repayment obligations. All credit instruments therefore have potential for default. Higher yielding securities are more likely to default
High Yield risk	High Yield issuers have exposure to a higher risk of default compared to Investment Grade issues
Asset Backed Securities (ABS) risk	ABS are typically constructed from pools of assets (e.g. mortgages) that individually have an option for early settlement or extension, and have potential for default. Cash flow terms of the ABS may change and significantly impact both the value and liquidity of the contract
Contingent Convertible Security (CoCo) Risk	Hybrid capital securities that absorb losses when the capital of the issuer falls below a certain level. Under certain circumstances CoCo's can be converted into shares of the issuing company, potentially at a discounted price, or the amount invested may be lost

Specific to Equity

Equity	Funds that invest in securities listed on a stock exchange or market could be affected by general changes in the stock market. The value of investments can go down as well as up due to equity markets movements
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