

This Product Highlights Sheet is an important document.

- It highlights the key terms and risks of this investment product and complements the Singapore Prospectus<sup>1</sup>.
- It is important to read the Singapore Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.
- You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.
- If you wish to purchase the product, you will need to make an application in the manner set out in the Singapore Prospectus.

## HSBC Global Investment Funds (the “Fund”) - US Short Duration High Yield Bond (the “Sub-Fund”)

|  |   |  |                                     |
|--|---|--|-------------------------------------|
| Product Type                             | Investment Company                      | Launch Date  | 12 June 2013                        |
| Manager (termed as “Management Company”) | HSBC Investment Funds (Luxembourg) S.A. | Custodian / Depositary Bank                        | HSBC Continental Europe, Luxembourg |
| Investment Adviser                       | HSBC Global Asset Management (USA) Inc. | Dealing Frequency                                  | Every Dealing Day                   |
| Capital Guaranteed                       | No                                      | Expense Ratio for FY2024 (31.03.2024) <sup>2</sup> | 1.15%                               |

### PRODUCT SUITABILITY

#### WHO IS THIS PRODUCT SUITABLE FOR?

This Sub-Fund is only suitable for investors who:

- ▶ Seek total return with an expected average duration of between 1 to 3 years
- ▶ Are comfortable with the risks related to investing in high yield securities that are related to the USA whilst maintaining low interest rate risk
- ▶ Understand that the principal of the Sub-Fund will be at risk

*Refer to paragraph 3.1 “Investment Objectives, Focus and Approach” of the Singapore Prospectus and section 3.2 “Sub-Funds details” of the Luxembourg Prospectus for further information on product suitability.*

### KEY PRODUCT FEATURES

#### WHAT ARE YOU INVESTING IN?

- ▶ You are investing in a Sub-Fund of the HSBC Global Investment Funds (the “Fund”), an investment company (*Société d'Investissement à Capital Variable*) incorporated in the Grand Duchy of Luxembourg and qualifying as an Undertaking for Collective Investment in Transferable Securities (UCITS) complying with the provisions of Part I of the 2010 Law. The Fund is structured as an umbrella fund offering Shares in the Sub-Fund for investment.
- ▶ Investment Objective  
The Sub-Fund invests for total return in a portfolio of high yield securities that are related to the USA with an expected average duration of between 1 to 3 years whilst maintaining low interest rate risk.
- ▶ For Distribution Share Classes of a Sub-Fund (if made available for subscription), distributions out of capital (if any) will reduce the Net Asset Value of the relevant Share Class of the Sub-Fund.

*Refer to paragraphs 1 and 3.1 “Investment Objectives, Focus and Approach” of the Singapore Prospectus and section 3.2 “Sub-Funds details” of the Luxembourg Prospectus for further information on features of the product.*

### INVESTMENT STRATEGY

The Sub-Fund invests (normally a minimum of 70% of its net assets) in Non-Investment Grade and unrated fixed income securities and other higher yielding bonds which are issued by companies which are domiciled in, based in, or carry out the larger part of their business in the USA and denominated in or hedged back into US Dollars (USD).

However, for liquidity and/or risk management purposes, the Sub-Fund may also invest up to 30% of its net assets in Investment Grade fixed income securities.

*Refer to section 3.2 “Sub-Funds details” of the Luxembourg Prospectus for details on the structure of the Sub-Fund.*

<sup>1</sup> The Singapore Prospectus is accessible at <http://www.assetmanagement.hsbc.com/sg>.

<sup>2</sup> The expense ratios for Share Classes offered less than 1 year are computed on an annualised basis.

The Sub-Fund may invest up to 10% of its net assets in fixed income securities issued by issuers which are domiciled in, based in, or carry out the larger part of their business in Emerging Markets.

The Sub-Fund will not invest more than 10% of its net assets in securities issued by or guaranteed by any single sovereign issuer with a credit rating below investment grade. The Sub-Fund may invest up to 10% of its net assets in Asset Backed Securities ("ABS") and Mortgage Backed Securities ("MBS"). The Sub-Fund may invest up to 10% of its net assets in convertible bonds (excluding contingent convertible securities). The Sub-Fund may invest up to 15% of its net assets in contingent convertible securities. The Sub-Fund may invest up to 10% of its net assets in fixed income and other similar securities which have a maturity longer than five years. The Sub-Fund may achieve its investment policy and limits by investing up to 10% of its net assets in units or shares of UCITS and/or other open-ended funds (including other sub-funds of HSBC Global Investment Funds). The Sub-Fund may also invest in bank deposits, money market instruments or money market funds for treasury purposes.

The Sub-Fund may use financial derivative instruments for hedging purposes and efficient portfolio management purposes. The Sub-Fund may also, use but not extensively, financial derivative instruments for investment purposes.

The Sub-Fund's primary currency exposure is to the US Dollar. However, the Sub-Fund may also have (up to 10% of its net assets) exposure to non-USD currencies including Emerging Markets local currencies to enhance return.

The Sub-Fund is actively managed and is not constrained by a benchmark.

The proportion of the Sub-Fund's net assets that could be subject to SFT and TRS in accordance with SFTR will be as follows:

| Type               | Maximum | Expected |
|--------------------|---------|----------|
| Total Return Swaps | N/A     | N/A      |
| Securities Lending | 29%     | 25%      |

#### PARTIES INVOLVED

##### WHO ARE YOU INVESTING WITH?

- ▶ Fund - HSBC Global Investment Funds
- ▶ Management Company - HSBC Investment Funds (Luxembourg) S.A.
- ▶ Investment Adviser - HSBC Global Asset Management (USA) Inc.
- ▶ Custodian / Depositary Bank - HSBC Continental Europe, Luxembourg
- ▶ Singapore Representative - HSBC Global Asset Management (Singapore) Limited

Refer to paragraph 2 "Management & Administration of the Company" of the Singapore Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

#### KEY RISKS

##### WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

- ▶ The value of the Sub-Fund's assets may rise or fall due to normal market fluctuations and investors may not get back all of their investment.

Refer to paragraph 6 "Risks" of the Singapore Prospectus and sections 1.4 "General Risk Considerations" and 3.3 "Sub-fund specific risk considerations" of the Luxembourg Prospectus for further information on risks of the product.

#### MARKET AND CREDIT RISKS

- ▶ You are exposed to Foreign Exchange Risk. The underlying assets of the Sub-Fund may be denominated in currencies other than the currency of the share class you have invested into. The value of your investment may rise or fall in line with movements in the relevant exchange rates.
- ▶ You are exposed to Interest Rate Risk. Bonds and other fixed income securities are more susceptible to fluctuation in interest rates and may fall in value if interest rates change. Generally, the prices of bonds and other fixed income securities rise when interest rates fall, whilst their prices fall when interest rates rise.

- ▶ You are exposed to Credit Risk. The Sub-Fund's exposure to bonds is subject to the credit risk of the issuers of the bonds. When the issuer of a bond defaults, the Sub-Fund may suffer a loss amounting to the value of such investment. Investment grade bonds may be subject to the risk of being downgraded to non-investment grade bonds. In the event of downgrading, the Sub-Fund's investment value in the relevant security may be adversely affected.

#### LIQUIDITY RISKS

- ▶ The Sub-Fund is not listed in Singapore and there is no secondary market for its Shares. You can only redeem your investment on a Dealing Day through the Sub-Fund.
- ▶ Investment of the Sub-Fund's assets in relatively illiquid investments may restrict the ability of the Sub-Fund to dispose of its investments at a price and time that it wishes to do so. This may result in a loss to the Sub-Fund.

#### PRODUCT-SPECIFIC RISKS

- ▶ You are exposed to Emerging Markets Risk. Investing in emerging markets involves a greater risk of loss than investing in more developed markets due to, among other factors, greater political, tax, economic, foreign exchange, liquidity, market volatility (such as interest rate and price volatility) and regulatory risks.
- ▶ You are exposed to Non-Investment Grade Debt / Unrated Debt Risk. The Sub-Fund may invest in fixed income securities that are rated below investment grade or unrated. Credit risk may be greater for investments in such securities as they may be subject to a higher risk of default and greater price volatility. Investment grade bonds may be subject to the risk of being downgraded to non-investment grade bonds. In the event of downgrading, the Sub-Fund's investment value in the relevant security may be adversely affected.
- ▶ You are exposed to Asset-Backed Securities (ABS) & Mortgage-Backed Securities (MBS) Risk. Investment in ABS and MBS entails additional risks pertaining to the underlying pool of assets (e.g. receivables) such as credit risk, interest rate risk, prepayment risk, counterparty risk and liquidity risk.
- ▶ You are exposed to Contingent Convertible Securities (CoCos) Risk. Contingent convertible securities are risky and highly complex instruments that are comparatively untested. Depending on their category, income payments may be cancelled, suspended or deferred by the issuer and they are more vulnerable to losses than equities. Investment in CoCos is subject to trigger level risk, conversion risk, valuation and write-down risk, coupon payments and coupon cancellation risk, capital structure inversion risk, call extension risk, subordinated instruments risk and unknown risk. This may result in a loss to the Sub-Fund.
- ▶ You are exposed to Derivative Risk. Financial derivative instruments may be leveraged and their prices can be very volatile. Investment in these instruments may result in losses in excess of the original amount invested. If the issuers of the derivative instruments default, or such securities or their underlying assets cannot be realized, or perform badly, investors may suffer substantial or, in certain cases, total loss of their investments. Governmental regulation and supervision of transactions on the OTC markets is generally lesser than of transactions on organised exchanges. Thus, investing in OTC derivatives involves higher counterparty risk and liquidity risk.

#### FEES AND CHARGES

##### WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

###### Payable directly by you

|                |  |
|----------------|--|
| Sales Charge   | Up to 3.00% of the Net Asset Value per Share |
| Redemption Fee | Nil  |
| Switching Fee  | 0.50%  |

###### Payable by the Sub-Fund from investment proceeds

|                                    |                                |
|------------------------------------|--------------------------------|
| Management Fee                     | Class A – 0.90%                |
| (a) Retained by Management Company | - 30% to 75% of Management Fee |

Refer to paragraph 5 "Fees and Charges" of the Singapore Prospectus for further information on fees and charges.

|  |                                |
|--|--------------------------------|
| (b) Paid by Management Company to financial adviser (trailer fee) <sup>3</sup> | - 25% to 70% of Management Fee |
| Operating, Administrative and Servicing Expenses                               | Class A – 0.25%                |

The maximum rate for (i) the Operating, Administrative and Servicing Expenses and (ii) Operating Currency Hedged Share Class Fee is set at 1% of the net asset value of the relevant Share Class in the Sub-Fund.

Investors should note that subscriptions for Shares through any distribution agents appointed by the Singapore Representative may incur additional fees and charges.

The Singapore Representative may enter into fee sharing arrangements with the appointed distributors with respect to the Sales Charge and Management Fee.

In addition to the fees listed above, the Board of Directors of the Fund may impose a charge of up to 2.00% of the Net Asset Value per Share redeemed or exchanged where the Board of Directors reasonably believes that an investor has engaged in market timing or trading activity that is to the disadvantage of other Shareholders. This charge, if imposed, will be credited to the Sub-Fund and will not be retained for the benefit of the Fund or the Management Company.

## VALUATIONS AND EXITING FROM THIS INVESTMENT

### HOW OFTEN ARE VALUATIONS AVAILABLE?

- ▶ Valuations are available on each Dealing Day.

The net asset value of the Shares of the Sub-Fund for each Dealing Day is published on the Singapore Representative's website at [www.assetmanagement.hsbc.com/sg](http://www.assetmanagement.hsbc.com/sg).

*Refer to section 2.8 "Price of Shares, Publication of Prices And NAV" of the Luxembourg Prospectus for further details.*

### HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

- ▶ You may request for the redemption of your Shares on any Dealing Day.
- ▶ Shares are redeemed on a forward pricing basis.
- ▶ Redemption of Shares in the Sub-Fund made to the Fund before 4.00 p.m. Singapore time on any Dealing Day will be dealt with at the Redemption Price calculated at 5.00 p.m. Luxembourg time on each Dealing Day. Any request received after the Dealing Deadline will be dealt with on the next Dealing Day.
- ▶ Redemption proceeds will be paid within 7 Business Days following the relevant Dealing Day unless the redemption of Shares has been suspended in accordance with paragraph 12 of the Singapore Prospectus.
- ▶ The following is an illustration of the redemption proceeds that an investor will receive based on a redemption of 1,000 Shares:

*Refer to paragraphs 9 "Redemption of Shares" and 12 "Suspension of Dealings" of the Singapore Prospectus for further information on valuation and exiting from the product.*

|                    |   |  |   |                     |
|--------------------|---|--|---|---------------------|
| e.g. 1,000 Shares  | x | SGD20.519  | = | SGD20,519           |
| Redemption request |   | Redemption Price <sup>^</sup><br>(Net Asset Value per Share) |   | Redemption Proceeds |

<sup>^</sup> There is no redemption charge

The Sub-Fund does not offer a cancellation period. You may wish to check with the distribution agents appointed by the Singapore Representative whether they offer a cancellation period and if they do so without incurring the Sales Charge.

## CONTACT INFORMATION

### HOW DO YOU CONTACT US?

Please contact our distributors or

HSBC Global Asset Management (Singapore) Ltd at: (+65) 6658 2900

Website: <http://www.assetmanagement.hsbc.com/sg>

<sup>3</sup> Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company.

## APPENDIX: GLOSSARY OF TERMS

- ▶ “Business Day” – A day on which banks are open for normal banking business in Singapore and Luxembourg.
- ▶ “Dealing Day” – Any Business Day (other than days during a period of suspension of dealing in Shares) and which is also for the Sub-Fund, a day where stock exchanges and regulated markets in countries where the Sub-Fund is materially invested are open for normal trading.
- ▶ “Emerging Markets” – Markets in countries that are not amongst the following groups of industrialised countries: United States and Canada, Switzerland and Members of the European Economic Area, the UK, Japan, Australia and New Zealand, and may include those countries in the preceding groups that do not have fully developed financial markets.
- ▶ “SFT” – means Securities Financing Transactions.
- ▶ “SFTR” - Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 as amended from time to time.
- ▶ “TRS” – means Total Return Swaps.
- ▶ “UCITS” – An Undertaking for Collective Investment in Transferable Securities authorised pursuant to directive 2009/65/EC, as amended.