

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”) - Ultra Short Duration Bond (the “Sub-Fund”)

Product Type	Investment Company	Launch Date	10 June 2021
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 FY2022 (31.03.2022) <sup>2</sup>	0.30% - 0.32%

### PRODUCT SUITABILITY

#### WHO IS THIS PRODUCT SUITABLE FOR?

This Sub-Fund is only suitable for investors who:

- ▶ Seek short term total return
- ▶ Are comfortable with the risks related to investing in Investment Grade and Non-Investment Grade rated and unrated fixed income securities from developed or Emerging Markets
- ▶ 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 aims to provide short term total return by investing in bonds and money market instruments, while promoting ESG characteristics within the meaning of Article 8 of SFDR. In normal market conditions, the average duration of the portfolio holdings of the Sub-Fund is not expected to exceed one year, which is considered to be “ultra short” duration.
- ▶ 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 in normal market conditions a minimum of 70% of its net assets in either fixed or floating-rate income and other similar securities including money market instruments which are rated Investment Grade. Such securities are

*Refer to section 3.2 “Sub-Funds details” of the Luxembourg*

<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.

either issued or guaranteed by governments, government agencies and supranational bodies of developed or Emerging Markets or by companies which are domiciled in, based in, or carry out the larger part of their business in, developed or Emerging Markets.

The Sub-Fund will invest, in normal market conditions, less than 30% of its net assets in Non-Investment Grade rated and unrated fixed income securities. The Sub-Fund will not invest more than 10% of its net assets in securities issued by or guaranteed by any single sovereign issuer with a credit rating below Investment Grade.

The Sub-Fund includes the identification and analysis of an issuer's ESG credentials ("ESG Credentials") as an integral part of the investment decision making process to reduce risk and enhance returns.

ESG Credentials may include, but are not limited to:

- environmental and social factors, including but not limited to physical risks of climate change and human capital management, that may have a material impact on a security issuer's financial performance and valuation.
- corporate governance practices that protect minority investor interests and promote long term sustainable value creation.

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. However, the Sub-Fund may exceed this threshold when acquiring additional bonds of an issuer as a result of restructuring by the issuer.

Investment in onshore Chinese fixed income securities include, but are not limited to, onshore fixed income securities denominated in RMB, issued within the People's Republic of China ("PRC") and traded on the China Interbank Bond Market ("CIBM"). The Sub-Fund may invest in the CIBM either through Bond Connect and/or the CIBM Initiative.

The Sub-Fund may invest in fixed income securities issued in Emerging Markets to a level below 30% of its net assets. The Sub-Fund may invest up to 20% of its net assets in Asset Backed Securities ("ABS") and Mortgage Backed Securities ("MBS"). The Sub-Fund may be relatively concentrated in bonds issued by financial institutions. The Sub-Fund may invest up to 10% of its net assets in contingent convertible securities, however this is not expected to exceed 5%. The Sub-Fund may also invest up to 10% of its net assets in units or shares of UCITS and/or other Eligible UCIs (including other sub-funds of HSBC Global Investment Funds).

The Sub-Fund may also invest in financial derivative instruments. The Sub-Fund intends to use financial derivative instruments primarily for efficient portfolio management purposes including, but not limited to, hedging. Such instruments may also be used, but not extensively, for investment purposes.

The Sub-Fund is managed to provide a US Dollar return. The Sub-Fund's primary currency exposure is to the US dollar. The Sub-Fund will normally hedge currency exposures into US dollar.

The Sub-Fund can enter into Securities Lending transactions for up to 29% of its net assets, however, it is expected that this will not exceed 25%.

The Sub-Fund is actively managed and does not track a benchmark. The Reference Benchmark (i.e. Barclays 1-3 Year US) is only used to compare the Sub-Fund's ESG rating.

*Prospectus for details on the structure of the Sub-Fund.*

## **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  
Changes in currency exchange rates could reduce or increase investment gains or investment losses, in some cases significantly.
- ▶ You are exposed to Interest Rate Risk  
When interest rates rise, bond values generally fall. This risk is generally greater the longer the maturity of a bond investment and the higher its credit quality.
- ▶ You are exposed to Credit Risk  
A bond or money market security could lose value if the issuer's financial health deteriorates.

### 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  
Emerging markets are less established, and often more volatile, than developed markets and involve higher risks, particularly market, liquidity and currency risks.
- ▶ 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.
- ▶ You are exposed to Non-Investment Grade Debt / Unrated Debt Risk  
Credit risk may be greater for Non-Investment Grade 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) Risk  
Investment in ABS 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 (CoCo bonds) are comparatively untested, their income payments may be cancelled or suspended, and they are more vulnerable to losses than equities and can be highly volatile.
- ▶ You are exposed to China Interbank Bond Market Risk (CIBM)  
Investments in the CIBM are subject to these risks: market and liquidity risks, Chinese local credit rating risks, counterparty and settlement risk, operational

risk, quasi-Government/local Government bond risk, urban investment bonds risk and regulatory 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%

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

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

Management Fee	Class P – 0.30%
(a) Retained by Management Company	- 30% to 75% of Management Fee
(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 P – 0.15%

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). It is also published in The Business Times and Lianhe Zaobao on a periodic basis.

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.

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

e.g. 1,000 Shares	x	SGD20.519	=	SGD20,519
Redemption request		Redemption Price <sup>^</sup> (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>

## 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.
- ▶ “ESG” – Environmental, social and governance factors which can be considered as non-financial performance indicators which include ethical, sustainable and corporate government issues.
- ▶ “Other Eligible UCI” – An open-ended Undertaking for Collective Investment within the meaning of Article 1 paragraph (2) points a) and b) of Directive 2009/65/EC and complying with the following:
  - it is authorised under laws which provide that it is subject to supervision considered by the CSSF to be equivalent to that laid down in Community law, or if cooperation between authorities is sufficiently ensured;
  - the level of protection for its unitholders is equivalent to that provided for unitholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of the UCITS Directive 2009/65/EC, as amended;
  - its business is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period;
  - no more than 10% of its assets can, according to its management regulations or instruments of incorporation, be invested in aggregate in units of other UCITS or other UCIs.

Closed-ended UCIs are not considered as other Eligible UCIs, but may qualify as transferable securities.
- ▶ “SFDR” – Regulations (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector as amended, supplemented, consolidated, superseded or otherwise modified from time to time.
 

Under SFDR, Sub-Funds are classified as either Article 6, Article 8 or Article 9. See Section 1.5 of the Luxembourg Prospectus for further details.
- ▶ “UCITS” – An Undertaking for Collective Investment in Transferable Securities authorised pursuant to directive 2009/65/EC, as amended.