



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

## **HSBC Global Investment Funds**

*société d'investissement à capital variable*

(“HSBC GIF”)

16, Boulevard d’Avranches, L-1160 Luxembourg  
Grand Duchy of Luxembourg  
RCS Luxembourg B 25 087

19 December 2014

Dear Shareholder,

### **HSBC Global Investment Funds – Global Bond**

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

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

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

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

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

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

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

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

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

### **Asset Backed Securities and Mortgage Backed Securities**

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

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

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

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

Yours faithfully,

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