

Key Information Document

Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product to help you compare it with other products. You are advised to read it so you can make an informed decision about whether to invest.

Product

| | | | |
|----------------------------|-------------------------------|--------------------------|---|
| Name of Product: | HSBC Property Investment Fund | Manufacturer: | HSBC Global Asset Management (Malta) Ltd |
| Share Class: | Income Shares | Telephone number: | +356 2380 2380 |
| Share Type: | Income | Website: | www.hsbc.com.mt |
| ISIN: | MT7000001947 | Regulator: | Malta Financial Services Authority (MFSA) |
| Fund Base Currency: | Euro | Data as at: | 30/06/2017 |

What is this product? This product is not simple and may be difficult to understand. This product is only available to experienced investors.

Type: The Fund is a sub-fund within HSBC Malta Funds SICAV p.l.c. which is a Company is organised under the laws of Malta as a multi-fund investment company with variable share capital (SICAV). The Company consists of separate classes of shares constituting segregated Sub-Funds which are segregated patrimonies. The Fund is licensed as a Professional Investor Fund.

Objective: The Fund aims to deliver long-term returns from income and capital growth by investing in property-related assets and principally in immovable property situated outside Malta.

Investment Policy: To achieve its objective, the Fund can invest in eligible funds and exchange-traded funds. Such funds can be incorporated, registered or are otherwise subject to regulation in any eligible state. The Fund can also invest in other property-related assets.

Whenever the Fund acquires debt securities issued by property management companies, property development companies or property financing companies, the Manager will take reasonable steps to ensure, as far as possible, that the issuer has made sufficient provision for the repayment of the bond on its maturity.

The Fund may also acquire other direct investments if this is consistent with its investment objective or in order to minimise volatility and risk or to maintain the Fund's liquidity. The Fund seeks to diversify its assets to maintain a reasonable balance between risk and return. However, the Fund isn't restricted in the maturity, quality or type of assets that it can invest in nor in the liabilities the Fund may assume, other than those specified in the Fund's prospectus.

Intended Retail Market: The Fund aims to meet the needs of those Investors who must meet the Experienced Investor criteria set out by the MFSA and who are looking for capital growth or income with a medium to long term investment time horizon, i.e. they should plan to hold it for at least five years.

The Fund is designed for use either as part of a diversified investment portfolio or as sole diversified investment providing access to property related assets and immovable property outside Malta. Investors buying the Fund need to have the expertise, experience and knowledge to be in a position to make their own investment decisions and understand the increased risks involved in investing in funds exposed to property related assets and in immovable property outside Malta.


Investors need to understand that investments in property are relatively illiquid when compared to other assets and therefore this may affect redemptions from the Fund. Investors should be prepared to bear losses since the Fund is not guaranteed and can also be subject to sharp fluctuations and cycles in value typically associated with property investments and therefore may receive back less than the amount invested.

Term of PRIIPS: The Fund does not have a maturity date. You can buy, sell and switch shares in the Fund by providing instructions to HSBC Bank Malta p.l.c. at fortnightly intervals before the dealing deadline. In terms of the Articles of Association of the Company, there may be instances where the Directors may limit the amount of withdrawals that can be effected from the Fund on any Dealing Day or suspend dealing in the Fund.

What are the risks and what could I get in return?

Risk Indicator



 - The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because the Fund will not be able to pay.

- The risk indicator assumes that you keep the product for 5 years.
- The actual risk can vary significantly if you cash in at an early stage and you may get back less than you originally invested.
- The risk indicator is derived based on a standard volatility measure of historical performance utilising a methodology defined by the PRIIPs regulation, so other factors such as illiquidity would not have been considered.
- Historical data may not be a reliable indication for the future.
- The risk indicator may change in the future and is not guaranteed.
- The lowest rating does not mean a risk-free investment.
- Always refer to the Prospectus for full details on the risks of the Fund.

Other Risks:

Although investors are permitted to make redemption requests on each dealing day on a fortnightly basis, there is no guarantee that the Fund will be able to meet such redemption requests as the investments of the funds and entities in which the Fund will be investing are illiquid by nature and the Fund may not be able to redeem or sell its investments to facilitate redemptions.

The Fund may invest in Eligible Funds or Exchange Traded Funds in which case the Fund will be exposed to the risk factors of the underlying assets in which these Funds invest.

A disadvantage of a fund of funds approach is the additional costs associated with funds other than investments within other HSBC Group funds, which are in addition to the costs of the underlying Investments. Another disadvantage is the lack of day-to-day management control by the Fund over the investments held by these underlying Funds.

The Fund may, by virtue of its concentration of its investment in Property-Related Assets and immovable property situated outside Malta, be considered as lacking sector diversification in its investments. Accordingly a decline in the property sector is likely to cause the Fund's overall value to decline to a greater degree than if the Fund held a portfolio diversified over a number of sectors. The Fund's assets may be invested in assets issued by underlying investment funds or companies which utilise leverage in their investment program. The use of leverage, increases the volatility of such investments and the risk of loss.

The Fund may invest in schemes or products which are or may be exposed to emerging markets which typically exhibit higher levels of investment risk. Such markets are not always well regulated or efficient and investments can be affected by reduced liquidity which may mean that it is not easy to buy or sell securities. There may also be difficulties in dealing and settlement systems, and custody problems could arise. The performance of the Fund will be affected by a number of market risks relating to the immovable property markets in the states where the underlying funds or entities are investing or where the real estate in which the Fund is investing is situated.

This Fund is not guaranteed and you may therefore not receive back your original capital. Furthermore any amount over this, and any additional return/income, depends on future market performance and is uncertain. In certain circumstances you may be eligible to benefit from an investor compensation scheme (see the section "What happens if the Fund is unable to pay out"). The risk indicator shown above does not consider this protection. This product does not include any protection from the current and future market performance so you could lose some or all of your investment.

Performance Scenarios

| Investment of €10,000 | | 1 year | 3 years | 5 years (Recommended holding period) |
|-----------------------|---|--------|---------|---|
| Scenarios | | | | |
| Stress scenario | What you might get back after costs (€) | 8,832 | 8,200 | 7,783 |
| | Average return each year (%) | -11.68 | -6.40 | -4.89 |
| Unfavourable scenario | What you might get back after costs (€) | 9,690 | 10,188 | 10,834 |
| | Average return each year (%) | -3.10 | 0.62 | 1.62 |
| Moderate scenario | What you might get back after costs (€) | 10,184 | 11,106 | 12,111 |
| | Average return each year (%) | 1.84 | 3.56 | 3.91 |
| Favourable scenario | What you might get back after costs (€) | 10,695 | 12,097 | 13,527 |
| | Average return each year (%) | 6.95 | 6.55 | 6.23 |

- This table shows the money you could get back over the next 5 years, under different scenarios, assuming that you invest €10,000.
- The figures shown include all the costs of the product itself, but may not include all the costs that you pay to your advisor or distributor.
- The figures do not take into account your personal tax situation, which may also affect how much you get back.
- The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products however please note the above performance scenarios are based on 3 year historical performance utilising a methodology defined by the PRIIPs regulation (so for a meaningful comparison you should compare products based on same criteria).
- The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies and are not an exact indicator. What you get will vary depending on how the market performs and how long you keep the investment. The actual performance of your investment may be different to the performance shown in the scenarios and you should not base your investment decision on the expectation that any of these scenarios will occur. The stress scenario shows what you might get back in extreme market circumstances, and it does not take into account the situation where the Fund is not able to pay you.

What happens if the Fund is unable to pay out?

If the Fund is unable to pay out, you may lose all of your investment. If you lose money due to bad or misleading advice, negligent management of your investments, misrepresentation or fraud you might have recourse against the firm that offered such advice, which may include HSBC Bank Malta p.l.c. Find out more at www.financialarbiter.org.mt or call the Office of the Arbiter for Financial Services on +356 80072366 or +356 21249245.

Furthermore, you may be eligible for compensation from the Investor Compensation Scheme, which is a rescue fund for customers for failed investment firms which are licensed by the Malta Financial Services Authority. The Investor Compensation Scheme can only pay compensation if a licensed investment firm is unable or likely to be unable to pay claims against it. Find out more at www.compensationschemes.org.mt or call on +356 2144 1155.

What are the costs?

The person selling you or advising you about this product may charge you other costs. If so, this person will provide you with information about these costs, and show you the impact that all costs will have on your investment over time.

Costs over time

| Investment of €10,000 Scenarios | If you cash in after 1 year | If you cash in after 3 years | If you cash in after 5 years |
|------------------------------------|--------------------------------|---------------------------------|---------------------------------|
| Total costs (€) | 424 | 827 | 1,313 |
| Impact on return (RIY) (%) | 4.24 | 2.51 | 2.16 |

Composition of costs

This table shows the impact each year of the different types of costs on the investment return you might get at the end of the recommended holding period, as well as what the different cost categories mean.

| This table shows the impact on return per year (%) | | | |
|--|-----------------------------|------|--|
| One-off costs | Entry costs | 2.50 | The impact of the costs you pay when entering your investment. |
| | Exit costs | 0.00 | The impact of the costs of exiting your investment. |
| Ongoing costs | Portfolio transaction costs | 0.03 | The impact of the costs of buying and selling underlying investments for the Fund. |
| | Other ongoing costs | 1.54 | The impact of the costs that HSBC and other service providers take each year for managing/ servicing the Fund. |
| Incidental costs | Performance fees | 0.00 | The impact of the performance fee. |
| | Carried interests | 0.00 | The impact of carried interests. |

How long should I hold it and can I take money out early?

You should aim to hold the investment for at least 5 years. There are no exit costs if you wish to redeem your holdings in the Fund at any time and take out your money early.

Investment in this Fund should be regarded as a medium to long term investment. You can redeem your holdings in the Fund every Tuesday which is a Business Day at fortnightly intervals by instructing HSBC Bank Malta p.l.c. as your nominee. Past performance of investments is not necessarily a guide to future performance and the value of investments and of the currency in which they are denominated can go down as well as up and investors may not always get back their initial investment. Over time, inflation may also erode the value of your investment.

How can I complain?

We shall issue an acknowledgment for any complaint received from you within 48 hours. We will then provide you with a definitive reply as soon as the relevant facts of the complaint have been investigated. If you're an existing customer of HSBC Bank Malta p.l.c. and use the HSBC Internet Banking then the quickest and most secure way is to login to your Personal Internet Banking, click on the 'Contact centre' menu, on the left hand side of the screen, and choose the 'Send message' option. If you do not currently use HSBC Personal Internet Banking, you can send us your complaint in writing or by completing our online complaint form or else by contacting us on +356 2380 2380.

If you then feel that your concern has not been dealt with to your complete satisfaction, you may also direct your complaint to the Arbiter of Financial Services at the: Office of the Arbiter for Financial Services, First Floor, St Calcedonius Square, Floriana FRN5130, Malta. or by visiting the website : www.financialarbiter.org.mt Complaints with the Arbiter for Financial Services' Office should always be made in writing.

Other relevant information

It is intended that most or all of the net income will normally be distributed as interim dividend.

Before deciding on an investment and for full details on the Fund, you are advised to obtain and read a copy of the Prospectus. Copies of the Prospectus, Annual and Audited Financial Statements and the Interim Report of the Fund are available, free of charge, on request from HSBC Global Asset Management (Malta) Limited, from all branches of HSBC Bank Malta p.l.c., by calling Customer Service +356 2380 2380 or by visiting www.hsbc.com.mt.

HSBC Global Asset Management (Malta) Limited will provide most of its documentation in English. Investors may however communicate with the company in either English or Maltese.

HSBC Global Asset Management (Malta) Limited may be held liable solely on the basis of any statement contained in this Key Information Document that is inaccurate or inconsistent with the relevant parts of the Prospectus of the Fund.

**Approved and issued by HSBC Global Asset Management (Malta) Ltd,
80, Business Banking Centre, Mill Street, Qormi QRM 3101.
Company Reg No C20653 which is authorised to provide investment services by the Malta Financial Services Authority.**

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