

Key Investor Information

This document provides you with key investor information about this fund. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this fund. You are advised to read it so you can make an informed decision about whether to invest.

HSBC Portfolios - World Selection 1

Class AC LU0447610337

A sub-fund of **HSBC Portfolios** (the "UCITS"), managed by HSBC Investment Funds (Luxembourg) S.A.

Objectives and investment policy

- ▶ The aim is to provide a combination of growth and income within a low risk investment strategy.
- ▶ The fund will invest in accordance with a low risk investment strategy as determined by the fund's investment manager.
- ▶ Up to 100% of the fund may be invested in or gain exposure to bonds. Investment in or exposure to shares of companies will be up to 25% of the fund.
- ▶ The fund may invest directly or through funds. Usually between 25% and 75% of investment will be through funds. Where funds are used they may include those operated or managed by HSBC.
- ▶ The fund may invest or gain exposure to bonds of companies, governments and government agencies. Investment in bonds issued by a single government or government-backed agency which has a higher credit risk rating will be limited to 10%.
- ▶ The Fund may gain exposure of up to 25% to alternative asset classes and strategies. Alternative asset classes include real estate, private equity and commodities. Exposure to alternative strategies is gained by investing in funds that use derivatives or absolute return strategies. Funds that use absolute return strategies aim to provide a positive return over a particular period.
- ▶ The Fund may use derivatives to achieve the investment objective of the Fund and for efficient portfolio management. Derivatives are contracts which have a value linked to the price of other assets. It is not intended that derivatives will be used extensively and their main use will be for hedging risk, cash flow management and tactical asset allocation.
- ▶ The fund's main currency exposure will be to US dollars.
- ▶ You may sell your investment on any Luxembourg working day by submitting an application to the Administrator before the dealing deadline.
- ▶ Income is rolled up into the value of your investment.
- ▶ Recommendation: this fund may not be appropriate for investors who plan to withdraw their money within a period of 3 years.

Risk and reward profile

Lower risk Higher risk
Typically lower rewards Typically higher rewards

1	2	3	4	5	6	7
---	---	---	---	---	---	---

More about this rating

The rating 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 value of an investment, and any income from it, may fall as well as rise, and you may not get back the amount you originally invested. The rating is not guaranteed to remain unchanged and the categorisation may shift over time. The lowest rating does not mean a risk-free investment.

Why is this fund in category 3?

Diversification in Multi-Asset funds typically results in a lower risk profile than equity funds, but a higher risk profile than funds holding solely fixed income securities and/or money market instruments.

Material risks not adequately captured by the risk rating above

- ▶ **Exchange Rate Risk** Changes in currency exchange rates could reduce or increase investment gains or investment losses, in some cases significantly.
- ▶ **Counterparty Risk** The possibility that the counterparty to a transaction may be unwilling or unable to meet its obligations.
- ▶ **Liquidity Risk** Liquidity Risk is the risk that a Fund may encounter difficulties meeting its obligations in respect of financial liabilities that are settled by delivering cash or other financial assets, thereby compromising existing or remaining investors.
- ▶ **Operational Risk** Operational risks may subject the Fund to errors affecting transactions, valuation, accounting, and financial reporting, among other things.
- ▶ **Derivatives Risk** Derivatives can behave unexpectedly. The pricing and volatility of many derivatives may diverge from strictly reflecting the pricing or volatility of their underlying reference(s), instrument or asset.
- ▶ **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.
- ▶ **Default Risk** The issuers of certain bonds could become unwilling or unable to make payments on their bonds.
- ▶ **Credit Risk** A bond or money market security could lose value if the issuer's financial health deteriorates.
- ▶ **Investment fund risk** Investing in other funds involves certain risks an investor would not face if investing in markets directly. Governance of underlying assets can be the responsibility of third-party managers.

Charges for this fund

The charges you pay are used to pay the running costs of the fund, including the marketing and distribution costs. These charges reduce the potential growth of the investment.

One-off charges taken before or after you invest	
Entry charge	Up to 4.17%
Exit charge	0.00%
Charges taken from the fund over a year	
Ongoing charge	1.30%
Charges taken from the fund under certain specific conditions	
Performance fee	None

The Entry and Exit charges shown are the maximum that may be charged. In some cases you may pay less. You can obtain the actual charges from your financial adviser.

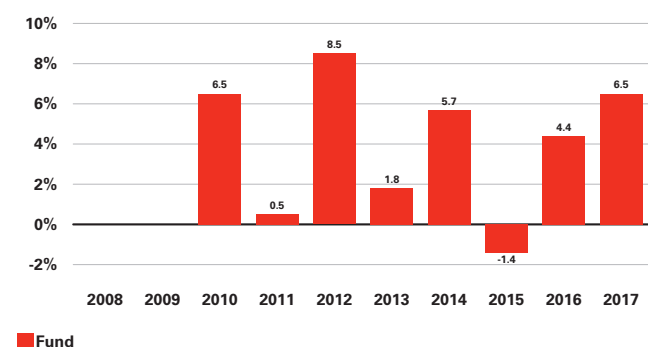
A conversion charge of up to 1% of the Net Asset Value of the Shares which are being converted may be payable to the relevant distributor.

The ongoing charges figure is based on last year's expenses for the year ending 31/07/2017. Charges may vary from year to year.

The fund sets a maximum amount that can be charged. Where charges exceed the maximum amount, the Management Company will absorb all costs above the maximum.

Further information on Charges can be found in Section 2.8, "Charges and Expenses" of the full Prospectus.

Past performance



Past performance is not a guide to future performance; the value of your investment and any income from it can go down as well as up. The past performance of this share class is calculated in USD.

Performance returns are based on the net asset value with distributable income reinvested. Past performance takes account of all ongoing charges, but not entry and exit charges.

The fund was launched on 19/10/2009.

Practical information

Depository Bank

HSBC Bank plc, Luxembourg Branch, 16, boulevard d'Avranches, L - 1160 Luxembourg, Grand Duchy of Luxembourg.

Further information

Further information about the UCITS including the latest Prospectus, latest published prices of shares, annual report and half yearly report may be obtained free of charge, in English, from the administrator, HSBC Bank plc, Luxembourg Branch, 16, boulevard d'Avranches, L - 1160 Luxembourg, Grand Duchy of Luxembourg or by visiting <http://www.assetmanagement.hsbc.com>. The most recent Prospectus is available in English. This document describes a single compartment of the UCITS. The Prospectus, annual and half yearly reports are prepared for the entire UCITS.

Share classes

Other share classes are available, as detailed in Section 1.2 "Share Class information" in the Prospectus. It is possible to switch your shares into shares of a different Share Class or fund within the Company. Details of how to do this are in Section 2.5 "How to convert between Portfolios" in the Prospectus (please note, a sales charge may apply).

Remuneration Policy

The up-to-date remuneration policy of the Management Company, including a description of how remuneration and benefits are determined, is available at www.global.assetmanagement.hsbc.com/about-us/governance-structure. A paper copy is available free of charge from the Management Company.

Tax

Luxembourg tax legislation may have an impact on your personal tax position.

Management company

HSBC Investment Funds (Luxembourg) S.A. may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant parts of the prospectus for the UCITS.

Segregated liability

The fund is an investment company ("Société d'Investissement à Capital Variable") with segregated liability between sub-funds under Luxembourg law. This means that the holdings of one sub-fund are kept separate from the holdings of the other sub-funds and your investment in the fund cannot be used to pay the liabilities of any other sub-fund.

Authorisations

The fund is authorised in the Grand Duchy of Luxembourg and supervised by the Commission de Surveillance du Secteur Financier (CSSF).

Publication date

This key investor information is accurate as at 19 February 2018.