

HSBC Global Investment Funds

Global High Income Bond



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Important information

This simplified prospectus contains key information in relation to the Sub-Fund. If you would like more information before you invest, please consult the most recent full prospectus (the "Full Prospectus"). Unless defined in this document, defined terms shall bear the same meaning as in the Full Prospectus. For details about the Sub-Fund's holdings, please see the most recent report.

HSBC Global Investment Funds – Global High Income Bond (hereinafter the "Sub-Fund") is a sub-fund of HSBC Global Investment Funds (hereinafter the "Company"). The Company is a Luxembourg investment company with multiple compartments organised as a "*société anonyme*" incorporated on 21 November 1986.

The Company exists for an unlimited period and qualifies as an undertaking for collective investment in transferable securities under Part I of the Luxembourg law of 20 December 2002 on undertakings for collective investment, as amended (the "2002 Law").

The rights and duties of the investor as well as the legal relationship with the Company are laid down in the Full Prospectus. The Full Prospectus and the periodical reports may be obtained, free of charge, from the Company.

What does the Sub-Fund invest in?

Investment objective

The Sub-Fund invests primarily for high income in a diversified portfolio of higher yielding fixed income bonds and other similar securities from around the world denominated in a range of currencies. This may include Investment Grade bonds, high yield bonds and Asian and Emerging Markets debt instruments. Investment in mortgage and asset backed securities will be limited to a maximum of 20% of the Sub-Fund net assets.

The Sub-Fund may use financial derivative instruments such as futures, options, swaps (including, but not limited to, credit default swaps and total return swaps) and forward currency contracts and in other currency and credit derivatives.

The Sub-Fund is expected to enter into foreign currency forward contracts to protect the sub-fund from currency risk against the USD.

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 global exposure relating to the use of financial derivative instruments shall not exceed the total net asset value of the Sub-Fund. The global exposure relating to financial derivative instruments will be calculated using a Value-at-Risk approach.

Launch date

28 July 2010

The Shares will be initially offered at an initial price of USD 10, plus a subscription charge of up to 5.54% of the initial price. The initial price must be paid at the latest on 29 July 2010.

Base currency

US Dollar

Who should invest in the Sub-Fund?

Profile of the typical investor

The Sub-Fund (being in the Core Plus category) is suitable for investors with a medium to long term investment horizon. The Sub-Fund is intended as a complementary investment to funds in the Core category where a high proportion of the assets may be invested in equity or equity-related securities, or in bonds rated below Investment Grade in markets which may be subject to moderately high volatility.

To determine if the Sub-Fund is suitable, it is recommended that the investor consult a stockbroker, bank manager, solicitor, accountant, representative bank or other financial adviser.

What are the risks of investing in the Sub-Fund?

Risk Profile

Investment in the Sub-Fund carries with it a degree of risk, but not limited to, those referred to below. Potential investors should review the Full Prospectus in its entirety and have a clear picture of the Sub-Fund prior to a decision to invest. There can be no assurance that the Sub-Fund will achieve its investment objectives and past performance should not be seen as a guide to future returns.

Interest rate risk

The Sub-Fund is exposed to bond markets for all or part of its total assets. The value of these assets may rise or fall and is strongly affected by interest rate fluctuations.

Credit risk

The Sub-Fund is exposed to credit risk for all or part of its total assets. The value of these assets may rise or fall and is strongly affected by changes in the credit ratings of the underlying issuer of the security.

▪ **Non-investment grade debt**

Credit risk is more pronounced for investments in fixed-income securities that are rated below Investment Grade or which are of comparable quality. The risk of default may be greater and the market for these securities may be less active, making it more difficult to sell the securities at reasonable prices, and also making valuation of the securities more difficult.

The Sub-Fund may incur additional expenses if an issuer defaults and the sub-fund tries to recover some of its losses in bankruptcy or other similar proceedings.

▪ **Asset Backed Securities and Mortgage Backed Securities**

The Sub-Fund may invest up to 20% of its assets in Asset Backed Securities (ABS) including Mortgage Backed Securities (MBS), which are debt securities based on a pool of assets or collateralised by the cash flows from a specific pool of underlying assets including but not limited to credit card receivables, home equity loans and automobiles loans. ABS and MBS assets entail among others the following risks:

• **Credit Risk**

Credit risk is the risk of loss due to a debtor's non-payment of a loan or bond, (either the principal or interest (coupon) or both).

• **Interest Rate Risk**

Interest rate risk is the risk (variability in value) borne by an interest-bearing asset, such as a bond due to variability of interest rates. In general, as rates rise, the price of a fixed rate bond will fall, and vice versa.

• **Prepayment Risk**

Some ABS and MBS are considered as callable bonds, whose cash flow can be altered during the life of the bond. The principal of the bond can be received sooner than expected (prepayment) or later than expected (extension).

The publication of a prepayment rate, which differs from that which was anticipated by the market value of the ABS or MBS, modifies the schedule of cash flow received by an investor. This can have either a positive or negative effect on the price.

• **Counterparty Risk**

The counterparty risk is understood as non-payment risk of a cash flow (or of a commitment) due to the counterparty with which the positions have been traded and the commitments signed.

• **Liquidity Risk**

Liquidity risk is the degree to which an asset or security can be bought or sold in the market without affecting the asset's price. Liquidity is often characterized by a high level of trading activity. Assets that can be easily bought or sold, are known as liquid assets. The ability to convert an asset to cash quickly can also be known as marketability. Poor liquidity is often reflected in wide bid-ask spreads or large movements in price. ABS and MBS assets may be highly illiquid and therefore prone to substantial price volatility.

▪ **Foreign exchange risk**

The Sub-Fund is exposed to foreign exchange risk for all or part of its total assets. The underlying assets may be denominated in a currency other than the dealing currency. The value of these assets may rise or fall in line with movements in the relevant exchange rates.

▪ **Derivative risk**

The price of a financial derivative instrument (FDI) can be very volatile. This is because a small movement in the price of the underlying financial instrument may result in a substantial movement in the price of the FDI. Investment in FDIs may result in losses in excess of the amount invested.

▪ **OTC Financial Derivative Transaction**

The Sub-Fund is exposed to OTC markets for all or part of its total assets. The Sub-Fund will therefore be subject to the risk that its direct counterparty will not perform its obligations under the OTC transactions and that the Sub-Fund will sustain losses. The Sub-Fund will only enter into transactions with counterparties which it believes to be creditworthy, and may reduce the exposure incurred in connection with such transaction through the receipt of letters of credit or collateral from certain counterparties.

Regardless of the measures the Sub-Fund may seek to implement to reduce counterparty credit risk, however, there may be no assurance that a counterparty will not default or that the Sub-Fund will not sustain losses as a result.

Further details are provided in the Full Prospectus.

Share Class Information

The following Share Classes may be issued:

A Shares:	are available to all investors.
AM Shares:	are available in certain countries, subject to the relevant regulatory approval, through specific distributors selected by the Distributor.
E Shares:	are available in certain countries, subject to the relevant regulatory approval, through specific distributors selected by the Distributor. E Shares will incur annual management fees equivalent to that of the Class A Shares plus 0.3% to 0.5% per annum of the net asset value of Class E Shares, which may be payable to specific distributors in certain countries.
I Shares:	are available through specific distributors selected by the Distributor.
J Shares:*	are available for investment by fund of fund ranges managed by the HSBC Group only.
P Shares:	are available for subscription in certain jurisdictions or through certain distributors selected by the Distributor.
W Shares:	are available through specific distributors that will also be members or affiliated entities of the HSBC Group as selected by the Distributor provided that the investors qualify as institutional investors within the meaning of article 129 of the 2002 Law. No operating, administrative and servicing expenses will be charged to Class W Shares. All the fees and charges allocated to this Class will be paid directly by members or affiliated entities of the HSBC Group.
X Shares:	are available through specific distributors selected by the Distributor provided that the investors qualify as institutional investors within the meaning of article 129 of the 2002 Law and fall into one of the following categories: companies or company pension funds, insurance companies or registered charities company.
Z Shares:	are available to investors having entered into a discretionary management agreement with an HSBC Group entity and to investors subscribing via distributors selected by the Distributor provided that such investors qualify as institutional investors within the meaning of article 129 of the 2002 Law.

*Successive Classes J in a given sub-fund are numbered 1, 2, 3... and will be referred to as J1, J2, J3... (see section entitled "Charges and Expenses" in the Full Prospectus for further details).

Within each Share Class of a sub-fund, separate currency hedged Classes may be issued (suffixed by "H" and the currency into which the Base Currency is hedged e.g. "HEUR" or "HGBP"). For any hedged Class launched after 1 December 2008, the Administration Agent is entitled to any fees relating to the execution of the currency hedging policy, which will be borne by the relevant currency hedged Class. These fees are in addition to the operating, administrative and servicing expenses detailed under Section 2.8 (4) of the Full Prospectus.

Distribution Policy

The Company issues Distribution and Capital-Accumulation Shares in different Classes:

- **Capital-Accumulation Shares** are identifiable by a "C" following the sub-fund and Class names and do not pay any dividends.
- **Distribution Shares** are identifiable by a "D" following the sub-fund and Class names. The distribution policy of the Distribution Shares can be summarised as follows:

Dividends will be declared separately in respect of each Distribution Class of each sub-fund by the meeting of shareholders of the relevant Class of Shares of the relevant sub-fund at the end of each financial year. The board of directors of the Company may declare interim dividends in respect of certain sub-funds.

In respect of Class AM, the Company only issues Distribution Shares. Class AM Distribution Shares will pay a dividend normally on a monthly basis. If the investment income of the Sub-Fund is not sufficient, the board of directors may determine if, and to what extent, the monthly dividend may be paid out of the capital of the Sub-Fund.

Dividends will be announced in the financial press. Payment of dividends will be made within six weeks of such declaration to holders of Shares in the respective sub-funds at the dividend record date as stated in such resolution.

Fees and Expenses

Share Class	Management Fee (%)*	Operating, Administration and Servicing Fee (%)*	Total Expense Ratio (%) (including transaction costs)*
Class A	1.25	0.25	1.50
Class AM	1.25	0.25	1.50
Class E	1.55	0.25	1.80
Class I	0.625	0.20	0.825
Class J**	n/a	n/a	n/a
Class P	n/a	n/a	n/a
Class W	n/a	n/a	n/a
Class X	0.50	0.15***	0.65***
Class Z	0.00	0.20	0.20

* Of the net asset value.

** The Management Company is also entitled to a Performance Fee as further detailed in the Full Prospectus. It is not currently the intention of the Management Company to charge a Performance Fee for Class J Shares.

*** This percentage is a maximum. The amount paid will be disclosed in the semi-annual and annual reports of the Company.

Shareholders Expenses

Subscription charge:	Up to 5.54% of the net asset value per Share adjusted by the pricing adjustment, applicable to all Classes of Shares (the "Offer Price").
Conversion charge:	Up to 1.00% of the value of the Shares converted, applicable to all Classes of Shares.
Redemption charge:	None.
Additional charge:	A charge of up to 2.00% of the net asset value of the Shares redeemed or exchanged where the board of directors believes that an investor has engaged in market timing activity or active trading as further detailed in the Full Prospectus.

Pricing Adjustment

If it is in the interests of shareholders, when the net capital flows in the Sub-Fund exceeds a predefined threshold agreed from time to time by the board of directors, the net asset value per Share may be adjusted by a maximum of 2% in order to mitigate the effects of transaction costs, in particular but not exclusively, bid-offer spreads, brokerage and taxes on transactions.

The adjustment of the net asset value per Share will apply equally to each Class of Share in the Sub-Fund on any particular valuation.

For the avoidance of doubt it is clarified that fees and expenses will continue to be calculated on the basis of the unadjusted net asset value.

Taxation of Shareholders / the Company

Prospective investors should ascertain from their professional advisers the consequences to them of acquiring, holding, redeeming, transferring, selling or converting Shares under the relevant laws of the jurisdictions to which they are subject, including the tax consequences and any exchange control requirements.

Under current law and practice, the Company is not liable to any Luxembourg income tax. However, pursuant to the Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income implemented in the Luxembourg law by a law of 21 June 2005, a withholding tax may be applicable as from 1 July 2005. Further details are provided in the Full Prospectus. The Company is liable to annual tax in Luxembourg ("*taxe d'abonnement*") calculated at the rate of 0.05% per annum of its net asset value, and at the rate of 0.01% per annum of the net asset values of the sub-funds or Classes of Shares reserved to institutional investors within the meaning of article 129 of the 2002 Law and Reserve sub-funds. This tax is calculated at the end of the quarter to which the tax relates and payable quarterly.

No stamp duty or other tax is payable in Luxembourg in connection with the issue of Shares of the Company.

Price publication

The prices for Shares are available at the offices of the Company, the Distributor and of the local agents as detailed in the Full Prospectus. The Redemption Price is published on each Dealing Day, in the relevant currencies in various international publications and on data providers websites and platforms.

The prices are calculated on each Dealing Day on the basis of the net asset value of the relevant Class of Shares of the Sub-Fund in its relevant currencies. The redemption price is equal to the net asset value per Share adjusted by the pricing adjustment, as fully described above (the "Redemption Price").

Further details are provided in the Full Prospectus.

How to buy / sell /convert Shares

Applications for subscription / redemption / conversion of Shares of any sub-fund may be made to the Company either directly to the Registrar and Transfer Agent or through an appointed distributor before the appropriate dealing cut-off times on a Dealing Day as set forth below, in order to be dealt with on that specific Dealing Day.

A Dealing Day is any day on which banks are open for normal banking business in Luxembourg ("Business Day") (other than days during a period of suspension of dealing in Shares) and which is also a day where stock exchanges and regulated markets in countries where the Sub-Fund is materially invested are open for normal trading.

The Business Days, which are not Dealing Days, will be listed in the annual and semi-annual reports and available at the registered office of the Company. The non-dealing days are listed in the annual and semi-annual reports and are available at the registered office of the Company.

Investors buying Shares for the first time should complete an application form. Any subsequent purchase or any redemption of Shares can be made by letter, fax or following prior agreement by telephone, the latter requiring confirmation in writing.

Instructions to buy, sell and switch Shares should be addressed to:

RBC Dexia Investor Services Bank S.A.

14, Porte de France, L-4360 Esch-sur-Alzette, Grand Duchy of Luxembourg

Tel: +(352) 26059553, Fax: +(352) 24609500

Dealing cut-off times at place of issue of orders:

- **Hong Kong:** 4.00 p.m. Hong Kong time on a business day in Hong Kong;
- **Jersey:** 5.00 p.m. Jersey time on a business day in Jersey prior to the Dealing Day;
- **Poland:** 10.00 a.m. Poland time on a business day in Poland;
- **Rest of the World:** 10.00 a.m. Luxembourg time on a Dealing Day.

Settlement may be made by cheque, banker's draft or electronic transfer, net of bank charges to the relevant correspondent bank(s) quoting the applicant's name and stating the appropriate sub-fund into which settlement monies are paid within four days (which are Business Days and days during which the banks in the principal financial centre for the Dealing Currency of the relevant Share Class are open for business) after application.

Shares are provisionally allotted but not allocated until cleared funds have been received by the Company or to its order.

Contract Notes and, for those who have not completed an application form, registration slips, are posted to the investor on the allotment of Shares.

Further details are provided in the Full Prospectus.

Subscription and Redemption Information

Share Class	Minimum Initial Investment		Minimum Holding	
Class A	USD	5,000	USD	5,000
Class AM	USD	5,000	USD	5,000
Class E	USD	5,000	USD	5,000
Class I	USD	1,000,000	USD	1,000,000
Class J	USD	100,000	USD	100,000
Class P	USD	50,000	USD	50,000
Class W	USD	100,000	USD	100,000
Class X	USD	10,000,000	USD	10,000,000
Class Z	USD	1,000,000	USD	1,000,000

There is no requirement on minimum subsequent investment. All figures shall be construed to refer to equivalent amounts in other major currencies. Not all Share Classes are available in all jurisdictions. However, certain distributors may impose different minimum initial investment, minimum subsequent investment and minimum holding amounts. Further details may be obtained from the relevant distributors.

Available Dealing Currencies and Share Classes

Investors can buy Shares and make their payments either in the Base Currency or in the following Dealing Currency: Euro, Pound Sterling, Hong Kong Dollar, Singapore Dollar and US Dollar. Australian Dollar, Canadian Dollar, Japanese Yen, Polish Zloty and Swiss Franc are available as Dealing Currencies in certain Classes or through selected distributors and/or in certain countries. Other Dealing Currencies may be available on application to the Company.

The necessary foreign exchange transactions are arranged by the Distributor or the Registrar and Transfer Agent for the account of, and at the expense of, the applicant at prevailing exchange rates on the relevant Dealing Day.

Share Class	Currency	ISIN Codes	
Class A	USD	AC	LU0524291613
Class AM	USD	AM	LU0524291456
	HKD	AM	LU0528353997
Class E	USD	n/a	n/a
Class I	USD	IC	LU0524292264
	USD	ID	LU0524292009
Class J	USD	n/a	n/a
Class P	USD	n/a	n/a
Class W	USD	n/a	n/a
Class X	USD	n/a	n/a
Class Z	USD	ZC	LU0524292934
	USD	ZD	LU0524292421

Annual Performance

The Sub-Fund being launched for less than one full financial year, no Annual Performance can be disclosed at the time of this simplified prospectus.

Annualized turnover

The Sub-Fund being launched for less than one full financial year, no Annualised Turnover may be disclosed at the time of this simplified prospectus.

Additional Information

Management Company

HSBC Investment Funds (Luxembourg) S.A.
16, boulevard d'Avranches, L-1160 Luxembourg, Grand Duchy of Luxembourg

Registrar and Transfer Agent

RBC Dexia Investor Services Bank S.A.
14, Porte de France, L-4360 Esch-sur-Alzette, Grand Duchy of Luxembourg
Tel: +(352) 26059553 - Fax: +(352) 24609500

Distributor

HSBC Investment Funds (Luxembourg) S.A.
16, boulevard d'Avranches, L-1160 Luxembourg, Grand Duchy of Luxembourg

Custodian and Administration Agent / Central Paying Agent

RBC Dexia Investor Services Bank S.A.
14, Porte de France, L-4360 Esch-sur-Alzette, Grand Duchy of Luxembourg

Investment Adviser

Halbis Capital Management (UK)
8 Canada Square, London E14 5HQ, United Kingdom

Paying Agent in Hong Kong

The Hongkong and Shanghai Banking Corporation Limited
HSBC Main Building, 1 Queen's Road Central, Hong Kong

Representative and Paying Agent in Poland

ProService Agent Transferowy Sp. z o.o.
Pulawska 436, 02-801 Warszawa, Poland

Auditors

KPMG Audit, Réviseurs d'Entreprises
9, allée Scheffer, L-2520 Luxembourg, Grand Duchy of Luxembourg

Legal Advisers

Elvinger Hoss & Prussen
2, Place Winston Churchill, L-1340 Luxembourg, Grand Duchy of Luxembourg

Registered Office of the Company

16, boulevard d'Avranches, L-1150 Luxembourg, Grand Duchy of Luxembourg

Supervisory Authority

Commission de Surveillance du Secteur Financier
Luxembourg, Grand Duchy of Luxembourg

Promoter

HSBC Group

Contact

Management Company

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16, boulevard d'Avranches, L-1160 Luxembourg, Grand Duchy of Luxembourg

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