

#### Important Information

- The Fund invests mainly in Indian bonds and fixed income securities
- The Fund is subject to the concentration and emerging market risks of investing in a single emerging market
- Non-investment grade bonds and unrated bonds are subject to additional risks and volatility
- When investing in Indian bonds, the Fund may need to comply with the licensing regulations in India and is subject to additional risks, including quota restrictions and tax risks
- The Fund may invest substantially in Indian Government or Indian Government agency securities, and may suffer significant losses when such issuers default
- Because the Fund's base currency, investments and classes may be denominated in different currencies, investors may be affected adversely by exchange controls and exchange rate fluctuations. There is no guarantee that the currency hedging strategy applied to the relevant classes will achieve its desired result
- The Fund may pay dividends out of capital or gross of expenses. Dividend is not guaranteed and may result in capital erosion and reduction in net asset value
- The Fund may invest in financial derivative instruments for investment purpose which may lead to higher volatility to its net asset value
- The Fund's investments may involve substantial credit, currency, volatility, liquidity, interest rate, tax and political risks. Investors may suffer substantial loss of their investments in the Fund
- Unit trusts are NOT equivalent to time deposits. Investors should not invest in the Fund solely based on the information provided in this document and should read the offering document of the Fund for details.

## HSBC Global Investment Funds – India Fixed Income



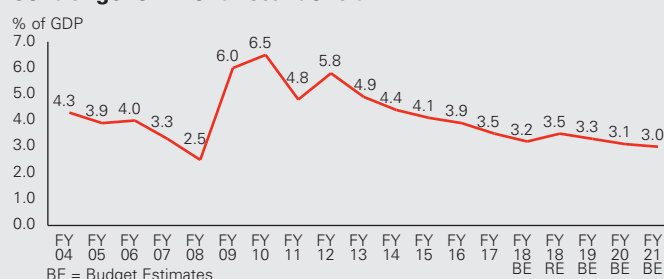
**HSBC**  
Global Asset  
Management

# Why consider the Fund?

## 1. Supportive macroeconomic environment

- ◆ The India government has committed to further reducing the fiscal deficit, which will lead to supply-side improvements in the bond market

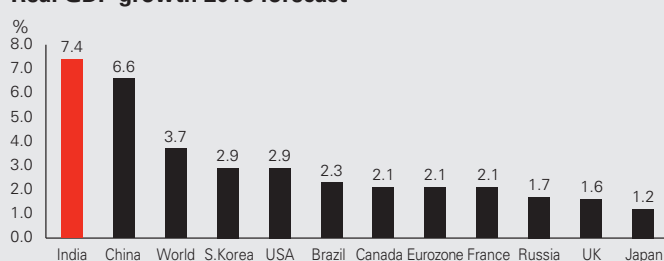
**Central government fiscal deficit<sup>1</sup>**



## 2. Economic growth is recovering well

- ◆ The pace of India's economic growth is among the highest in the world, and now India is the sixth largest economy, having recently surpassed France
- ◆ India's GDP growth in 2018 is estimated to be 7.4%, which is among the highest in both emerging and developed markets

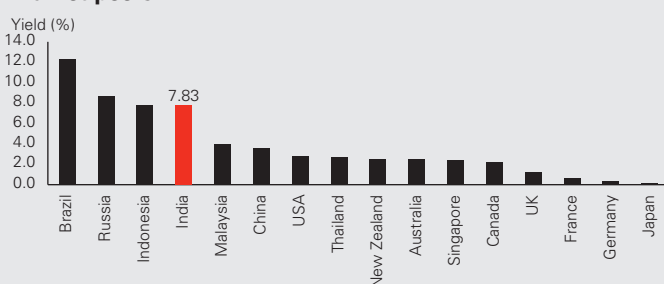
**Real GDP growth 2018 forecast<sup>2</sup>**



## 3. Appealing yields of Indian bonds

- ◆ In a low yield global environment, Indian bonds offer a premium to other markets, with an attractive 7.83% yield on its 10-year government bonds

**India 10Y bond yields attractive compared with emerging market peers<sup>3</sup>**



## 4. Attractive income potential of the Fund

- ◆ With the current low rate environment, the Fund provides opportunities which investors may enjoy an attractive potential income stream
- ◆ The Fund (Class AM) has an average historical annualised yield of 7.47% for the last year, which helps investors who are seeking sustainable income<sup>4</sup>

**Dividend record of Class AM (distribution is not guaranteed and may be paid out of capital)<sup>4</sup>**

Dividend ex-date	Dividend amount	Annualised yield
29 Aug 2018	0.058133	8.25%
26 Jul 2018	0.058672	8.05%
29 Jun 2018	0.058771	8.06%
25 May 2018	0.059245	7.98%
27 Apr 2018	0.059472	7.82%
28 Mar 2018	0.054369	6.88%
28 Feb 2018	0.059810	7.61%
30 Jan 2018	0.058889	7.25%
28 Dec 2017	0.058335	7.17%
30 Nov 2017	0.056561	6.92%
31 Oct 2017	0.055998	6.81%
29 Sep 2017	0.056553	6.88%

Source: 1. Budget documents 2018-19, CEIC, HSBC Global Asset Management, as of February 2018. Any forecasts, projections or targets contained in this presentation are for information purposes only and are not guaranteed in any way. HSBC accepts no liability for any failure to meet such forecasts, projections or targets. For illustrative purposes only. 2. Bloomberg, IMF, HSBC Global Asset Management, data as of 17 August 2018. 3. Bloomberg, data as of 22 August 2018. 4. HSBC Global Asset Management, data as of 31 August 2018. Dividend is not guaranteed and may be paid out of capital, which will result in capital erosion and reduction in net asset value. A positive distribution yield does not imply a positive return. Past payout yields and payments do not represent future payout yields and payments. Historical payments may be comprised of both distributed income and capital. The calculation method of annualised yield: (dividend value / NAV per share or unit as of ex-dividend date) x 12. The annualised dividend yield is calculated based on the dividend distribution on the relevant date with dividend reinvested, and may be higher or lower than the actual annual dividend yield.

# Investment objective

The Fund aims to provide long term total return by investing in a portfolio of Indian bonds and other similar fixed income securities.

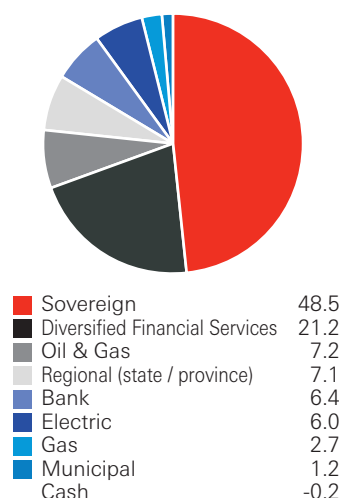
## Suitable investors

- Investors who seek income potential through the exposure to India fixed income

## Potential risks

- Investment risk: the Fund is an investment fund. The Fund's investment portfolio may fall in value and therefore your investment in the Fund may suffer losses
- Risks of investing in India: the Fund is subject to the risk in investing in Indian Debt Securities, loss of FPI registration, limitations on investments, Indian Capital Gains Tax and Interest Income Tax
- Risks relating to debt securities: the Fund is subject to credit risk, high-yield securities risk, non-investment grade debt/unrated debt risk, downgrading risk, credit rating risk, interest rate risk, volatility risks, liquidity risk, valuation risk, and sovereign debt risk
- Emerging markets risk: investing in emerging markets involves a greater risk of loss than investing in more developed markets due to, among other factors, greater political, tax, economic, foreign exchange, liquidity, market volatility (such as interest rate and price volatility), settlement risks, custody risk, legal and regulatory risks
- INR currency and exchange risk: the INR is not freely convertible and is subject to exchange controls and certain requirements by the government of India. These controls are subject to change and may adversely impact the INR exchange rate which may impact the net asset value of the Fund
- Derivative instrument risk: The leverage element/component of a financial derivative instrument can result in a loss significantly greater than the amount invested in the financial derivative instrument by the Fund. Exposure to financial derivatives instruments may lead to a high risk of significant loss by the Fund
- Risks associated with distributions out of capital: any payment of dividends out of capital or effectively out of capital represents a return or withdrawal of part of the amount they originally invested or from any capital gains attributable to the original investment. Such distributions will result in an immediate decrease in the net asset value per share of the Fund

## Sector allocation (%)<sup>5</sup>



## Fund performance (Class AC)<sup>5</sup>

Cumulative performance (% in USD)

3M	6M	1Y	3Y	5Y
-4.2	-7.3	-10.9	9.4	34.4

Calendar year performance (% in USD)

2018 YTD	2017	2016	2015	2014	2013
-9.9	8.2	8.3	2.6	11.8	-8.7

# Fund details<sup>5</sup>

<b>Launch date:</b>	Class AM2: 29 Jun 2017 Class AM2HKD, AM30AUD, AM30EUR, AM30RMB: 29 Aug 2018	<b>Switching fee:</b>	1%
<b>Share class:</b>	Class AM2, AM2HKD, AM30AUD, AM30EUR, AM30RMB	<b>Dealing:</b>	Daily
<b>Base currency:</b>	USD	<b>Dividend policy<sup>6</sup>:</b>	Monthly, if any
<b>Share class currency:</b>	USD, HKD, AUD, EUR, RMB	<b>Lead fund manager:</b>	Gordon Rodrigues
<b>Minimum investment:</b>	USD1,000 / HKD10,000 / AUD1,500 / EUR850 / RMB10,000	<b>HSBC fund code:</b>	U62902 (Class AM2) U62903 (Class AM2HKD) U62904 (Class AM30AUD) U62905 (Class AM30EUR) U62906 (Class AM30RMB)
<b>Initial charge:</b>	Up to 3.01% of the offer price	<b>HSBC risk level<sup>7</sup>:</b>	3 (AM2, AM2HKD, AM30RMB) 4 (AM30AUD, AM30EUR)
<b>Management fee:</b>	1.10% per annum		

Source: 5. HSBC Global Asset Management, data as of 31 August 2018. NAV to NAV in USD with dividend reinvested. 6. Dividend is not guaranteed and may be paid out of capital which will result in capital erosion and reduction in net asset value. 7. Subject to ongoing review by The Hongkong and Shanghai Banking Corporation Limited.

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