

# 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 and to help you compare it with other products.

### HSBC Portfolios - World Selection 3

a sub-fund of HSBC Portfolios, (the "UCITS"). The Fund is managed by HSBC Investment Funds (Luxembourg) S.A., authorised in Grand Duchy of Luxembourg and supervised by Commission de Surveillance du Secteur Financier (CSSF). HSBC Asset Management is the brand name for the asset management business of HSBC Group.

PRIIP Manufacturer: HSBC Investment Funds (Luxembourg) S.A.

Share Class: AMHKD

Telephone: +352 4888 9625

ISIN: LU1066048940

Production Date: 20 October 2023.

Website: <http://www.assetmanagement.hsbc.com>

## What is this product?

### Type

The Fund is an investment company incorporated as a société anonyme qualifying as a Société d'Investissement à Capital Variable. The Fund's value is dependent on the performance of the underlying assets and may go up as well as down. Any capital invested in the Fund may be at risk.

### Objectives and Investment Policy

#### Investment Objective:

The Fund aims to provide long term capital growth and income by investing in a portfolio of bonds and shares. The Fund seeks to apply a medium risk investment strategy.

#### Investment Policy:

In normal market conditions, at least 90% of the Fund's exposure is to bonds, shares and alternative investment strategies (which includes real estate, private equity, hedge fund strategies and commodities).

The Fund gains exposure to bonds (or other similar securities) that are investment grade, non-investment grade and unrated issued by the government, government-related entities, supranational entities and companies based in developed markets and emerging markets. The bonds can be denominated either in US dollars (USD) or developed markets currencies hedged into USD. The Fund gains exposure to shares (or securities similar to shares) issued by companies of any size. Exposures are achieved by the Fund through investing directly into markets or by investing in other funds.

The Fund may invest up to 100% of its assets in other eligible funds although this investment will normally be between 40% and 90%; can have exposures to bonds (or other similar securities) of up to 80% of its assets, and shares (or securities similar to shares) up to 85% of its assets.

The Fund may invest up to 20% of its assets in non-investment grade and unrated bonds.

The Fund may invest, in aggregate, up to 30% of its assets in alternative investment strategies. Individually, the Fund's exposure to these strategies shall not exceed 15% each to real estate (indirectly) and hedge funds; 10% each to private equity, commodities and absolute return funds.

The Fund's primary currency exposure is to USD.

The Fund may also invest in derivatives. The Fund may use them for hedging, cashflow management and investment purposes.

- ◆ The reference currency of the Fund is USD. The reference currency of this share class is HKD.

- ◆ Income is distributed.
- ◆ You may sell your investment on most working days.
- ◆ The Fund is actively managed and is not constrained by a benchmark.

### Intended Retail Investor

The Portfolio may be suitable for investors looking for a diversified investment solution offering exposure to both bonds and equities and seeking for a reasonable level of capital growth while willing to accept a medium degree of risk. Investors should have a long term investment horizon and understand the volatility associated with investments in bonds and equities around the world.

An investment in the Fund is only suitable for investors who are capable of evaluating the risks and merits of such an investment, and who have sufficient resources to bear any loss as the Fund is not guaranteed and they may receive back less than the amount invested. The Fund is designed for use as part of a diversified investment portfolio. Prospective investors should consult with their financial advisor before making an investment.

### Term:

The Fund does not have a maturity date.

The PRIIP Manufacturer cannot terminate the Fund unilaterally. The Board of Directors may furthermore decide to liquidate the Fund in certain circumstances set out in the prospectus and articles of incorporation of the Fund.

### Additional Information:

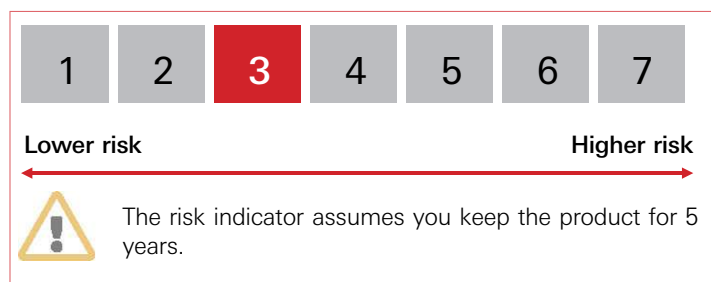
This document describes a single share class of a sub-fund of the Company. Further information about the Company including the Prospectus, the most recent annual and semi-annual reports of the Company and the latest share prices, may be obtained free of charge, in English, from the Registrar and Transfer Agent by emailing [amgtransferagency@lu.hsbc.com](mailto:amgtransferagency@lu.hsbc.com), or by visiting [www.global.assetmanagement.hsbc.com](http://www.global.assetmanagement.hsbc.com). The most recent Prospectus is available in English and German. The Prospectus, annual and semi-annual reports are prepared for the entire Company.

The Depositary Bank is HSBC Continental Europe, Luxembourg. The Fund's assets are kept safe by the Depositary and are segregated from the assets of other Funds.

It is possible to switch your shares into shares of a different share class or sub-fund within the Company. Details of how to do this are in the "How to convert between Sub-Funds / Classes" section of the Prospectus.

## 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 we are not able to pay you.

We have classified this product as 3 out of 7, which is a medium-low risk class. This rates the potential losses from future performance at a medium-low, and poor market conditions are unlikely to impact our capacity to pay you.

**Be aware of currency risk. You will receive payments in a different currency, so the final return you will get depend on the exchange rate between the two currencies. This risk is not considered in the indicator shown above.**

Additional risks not included in the Summary Risk Indicator (SRI) include: Liquidity, Counterparty, Operational, Investment Leverage and Exchange Rate Risk. Please refer to the prospectus for other risks.

This product does not include any protection from future market performance so you could lose some or all of your investment.

If we are not able to pay you what is owed, you could lose your entire investment.

### Performance Scenarios

What you will get from this product depends on future market performance. Market developments in the future are uncertain and cannot be accurately predicted.

The unfavourable, moderate, and favourable scenarios shown are illustrations using the worst, average, and best performance of the product and a suitable benchmark over the last 10 years. Markets could develop very differently in the future.

| Recommended Holding Period: 5 Years |   | If you exit after 1 year | If you exit after 5 years |
|-------------------------------------|---|--------------------------|---------------------------|
| Investment of HKD 100,000           |   |                          |                           |
| Minimum                             | The Fund is not covered by an investor compensation or guarantee scheme, you may lose some or all of the amount invested. |                          |                           |
| Stress Scenarios                    | What you might get back   | HKD 43,230               | HKD 40,820                |
|                                     | Average Return each year  | -56.77 %                 | -16.41 %                  |
| Unfavourable Scenario               | What you might get back   | HKD 79,660               | HKD 87,130                |
|                                     | Average Return each year  | -20.34 %                 | -2.72 %                   |
| Moderate Scenario                   | What you might get back   | HKD 99,730               | HKD 117,680               |
|                                     | Average Return each year  | -0.27 %                  | 3.31 %                    |
| Favourable Scenario                 | What you might get back   | HKD 126,380              | HKD 142,660               |
|                                     | Average Return each year  | 26.38 %                  | 7.36 %                    |

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 stress scenario shows what you might get back in extreme market circumstances. The unfavourable scenario occurred for an investment between December 2021 and August 2023. The moderate scenario occurred for an investment between July 2014 and July 2019. The favourable scenario occurred for an investment between June 2016 and June 2021. A suitable benchmark was used where the Fund had insufficient history.

## What happens if HSBC Investment Funds (Luxembourg) S.A. is unable to pay out?

The Fund's ability to pay out would not be affected by the default of HSBC Investment Funds (Luxembourg) S.A.. The Fund's assets are kept safe by the Depositary Bank and are segregated from the assets of other Funds. This means that the holdings of one Fund are kept separate from the holdings of the other Funds and your investment in the Fund cannot be used to pay the liabilities of any other Fund. There is a potential liability risk for the Depositary if the assets of the Fund are lost. The Depositary is liable in case of its negligent or intentional failure to properly fulfil its obligations pursuant to the 2010 Law.

In the event of a bankruptcy or insolvency of the Depositary Bank or other service provider, investors could experience delays (for example, delays in the processing of subscriptions, conversions and redemption of shares) or other disruptions and there may be a risk of default. The Fund is not covered by an investor compensation or guarantee scheme.

## What are the costs?

The person advising on or selling you this product may charge you other costs. If so, this person will provide you with information about these costs and how they affect your investment. For instance, if you invest in this product via a life insurer or capitalisation contract, this document does not take into account the fees of this contract.

### Cost over time

The tables show the amounts that are taken from your investment to cover different types of costs. These amounts depend on how much you invest, how long you hold the product and how well the product does. The amounts shown here are illustrations based on an example investment amount and different possible investment periods.

We have assumed:

- ◆ In the first year you would get back the amount that you invested (0% annual return). For the other holding periods we have assumed the product performs as shown in the moderate scenario.
- ◆ HKD 100,000 is invested.

| <b>Recommended Holding Period: 5 Years</b> | <b>If you exit after 1 year</b> | <b>If you exit after 5 years</b> |
|--|---------------------------------|----------------------------------|
| <b>Investment of HKD 100,000</b>           |                                 |                                  |
| Total Costs                                | 5,714 HKD                       | 14,896 HKD                       |
| Annual cost impact % *                     | 5.7%                            | 2.5% each year                   |

\* This illustrates how costs reduce your return each year over the holding period. For example it shows that if you exit at the recommended holding period your average return per year is projected to be 5.80% before costs and 3.31% after costs.

We may share part of the costs with the person selling you the product to cover the services they provide to you. They will inform you of the amount.

These figures include the maximum distribution fee that the person selling you the product may charge up to 4.17%. This person will inform you of the actual distribution fee.

### Composition of costs

| <b>One-off costs upon entry or exit</b>                     |   | <b>If you exit after 1 year</b> |
|---|---|---------------------------------|
| Entry costs   | Up to 4.17% of the amount you pay in when entering this investment. In some cases you may pay less. You can obtain the actual charges from your financial adviser.  | Up to 4,170 HKD                 |
| Exit costs  | We do not charge an exit fee for this product, but the person selling you the product may do so.  | 0 HKD                           |
| <b>Ongoing costs taken each year</b>                        |   |                                 |
| Management fees and other administrative or operating costs | 1.45% of the value of your investment per year. This figure is based on the last year's expenses for the year ending 31 July 2023.  | 1,445 HKD                       |
| Transaction costs   | 0.08% of the value of your investment per year. This is an estimate of the costs incurred when we buy and sell the underlying investments for the product. The actual amount will vary depending on how much we buy and sell. | 75 HKD                          |
| <b>Incidental costs taken under specific conditions</b>     |   |                                 |
| Performance Fees  | There is no performance fee for this product.   | 0 HKD                           |

A conversion charge of up to 1.00% of the Net Asset Value of the Shares which are being converted may be payable to the relevant distributor.

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

#### Recommended Holding Period: 5 years

Investment in this Fund may be appropriate for investors who plan to invest over a long term.

There are no penalties if you wish to redeem your holdings in the Fund prior to the recommended holding period. An exit fee may be applicable, please refer to the "Composition of Costs" table for details.

### How can I complain?

Complaints about the product, or the about the conduct of HSBC Investment Funds (Luxembourg) S.A., or the person advising on or selling the product, should be addressed in writing to 18 Boulevard de Kockelscheuer, 1821 Luxembourg, Grand Duchy of Luxembourg, or by e-mail to [hifl.complaint@hsbc.com](mailto:hifl.complaint@hsbc.com).

### Other relevant information

The previous performance scenarios and past performance of the Fund for the previous 8 years can be found in the Fund Centre section of our website by visiting <http://www.assetmanagement.hsbc.com>.