

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.

Product

Name of Product: HSBC GH Fund – S Class USD	Telephone number: + 44 207 860 5036
ISIN: GB00B01FQZ07	Manufacturer: HSBC Management (Guernsey) Ltd
Website:	Regulator: The Manager is regulated by the Guernsey Financial Services Commission ("GFSC")
Data as at: 30/06/2022	

You are about to purchase a product that is not simple and may be difficult to understand.

What is this product?

Type

This product is a Fund with the HSBC Portfolio Selection Fund, a Guernsey unit trust scheme, established as an umbrella fund. The HSBC Portfolio Selection Fund, the Manager and the Trustee are subject to the GFSC Class 'B' Rules.

Objectives

The Fund aims to provide a total return from selective investments in a number of hedge funds which have been subject to due diligence and manager selection by HSBC. The Fund will provide exposure to a diverse, multi-strategy range of hedge fund managers that will each employ broad investment strategy remits. Hedge funds may take both long and short positions either directly, using leverage or via derivatives.

Investment Policy

- ▶ The Fund will provide exposure to a globally diversified portfolio of hedge funds, whose managers use different alternative investment strategies including long/short equity, global macro, arbitrage and event driven.
- ▶ Hedge funds within the Fund ("Portfolio Funds") will have considerable flexibility in terms of both the instruments and strategies that they employ.
- ▶ The Portfolio Funds will generally make use of a wide range of investment instruments and techniques including derivative products and leverage. They may take both long and short positions either directly, using leverage or via derivatives.
- ▶ Portfolio Funds are generally based offshore and are often subject to less regulatory oversight.
- ▶ Portfolio Funds will have different dealing frequencies. A minimum of 20% of the Fund will be held in Portfolio Funds which have at least a monthly dealing frequency. At least 60% of the Fund will be held in Portfolio Funds with a quarterly

dealing frequency or less. 20% of the Fund may be held in Portfolio Funds with a dealing frequency in excess of quarterly or in closed-ended funds, for which no established market for their sale exists.

- ▶ The Fund may borrow up to 25% of its Net Asset Value for a range of purposes including up to 10% for investment purposes.
- ▶ The Fund may use derivative transactions for the purpose of hedging. Assets and liabilities expressed in currencies other than the reference currency of the Fund may be hedged back to the relevant reference currency.
- ▶ Each Portfolio Fund has its own cost structure, meaning that investors will be subject to the costs incurred by Portfolio Funds as well the costs incurred by the Fund directly.

Intended retail investor

The Fund aims to meet the needs of investors who are looking for growth with an investment time horizon of at least five years. The Fund is designed for use as part of a diversified portfolio. Investors buying the Fund need to have a high level of knowledge and experience in relation to Alternative Investment Funds ("AIFs"). Investors should be aware that the Fund is not guaranteed and they could see significant changes to the value of their investment.

Terms of PRIIPS

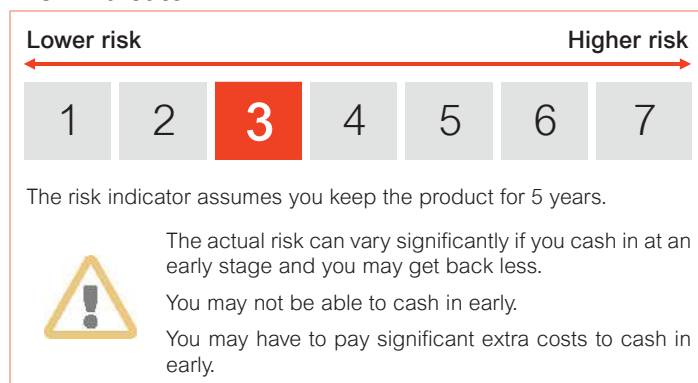
Subscriptions are accepted monthly, with 5 business days' notice. Redemptions are accepted monthly, with 1 month plus 5 business days' notice.

The Manager has the right to suspend or limit monthly dealing. The Fund is valued monthly.

See Prospectus for full dealing details.

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 level 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.

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.

Risks which are not included in the above summary risk indicator include, but are not limited to, liquidity, valuation, and changes in laws, regulations and tax regimes. Please see Fund documents for full details.

Performance scenarios

Investment \$10,000				
Scenarios		1 year	3 years	5 years (Recommended Holding Period)
Stress Scenario	What you might get back after costs Average return each year	8,875.00 -11.19%	8,879.00 -3.88%	8,568.00 -3.04%
Unfavourable Scenario	What you might get back after costs Average return each year	10,162.00 1.46%	11,118.00 3.41%	12,289.00 4.02%
Moderate Scenario	What you might get back after costs Average return each year	10,632.00 6.11%	12,025.00 6.14%	13,601.00 6.14%
Favourable Scenario	What you might get back after costs Average return each year	11,132.00 11.11%	13,017.00 8.98%	15,064.00 8.33%

This table shows the money you could get back over the next 5 years, under different scenarios, assuming that you invest 10,000 USD. It should be noted that this amount is for illustration purposes only to allow comparisons between different products.

The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products.

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/product.

The stress scenario shows what you might get back in extreme market circumstances, and it does not take into account the situation where we are not able to pay you.

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.

What happens if the Fund is unable to pay out?

In the event of insolvency or in the event the Manufacturer or its delegates default on their obligations to the Fund, investors may lose all of their investments in the Fund.

What are the costs?

Costs over time

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, ongoing and incidental costs, but do not take account any costs applied by your advisor or distributor, or taxes that may be due.

The amounts shown here are the cumulative costs of the product itself, for three different holding periods. The investment amount is for illustrative purposes. The figures are estimates and may change in the future.

Investment \$10,000	if you cash in after 1 year	if you cash in after 3 years	if you cash in after 5 years (Recommended Holding Period)
Total Costs	718.00	2,292.00	4,071.00
Impact on Return (RIY) per year	7.62%	7.62%	7.63%

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.

Composition of costs

The table shows how 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 and the meaning of the different cost categories.

This table shows the impact on return per year			
One-off costs	Entry costs	0.00%	The impact of the costs you pay when entering your investment.
	Exit costs	0.00%	The impact of the costs of exiting your investment when it matures.
Ongoing costs	Portfolio transaction costs ¹	2.88%	The impact of the costs of us buying and selling underlying investments for the product.
	Other ongoing costs ²	1.60%	The impact of the costs that we take each year for managing your investments.
Incidental costs ²	Performance fees ²	2.76%	The impact of the performance fee.
	Carried interests	0%	The impact of carried interests.

¹ **Portfolio transaction costs** are an estimate of the embedded costs of buying or selling of financial instruments by underlying hedge funds in the pursuit of their investment strategies.

² **Other ongoing costs** and **Performance fees** are each comprised of two primary components:

- a) The estimated ongoing costs (including management fees) and performance fees paid to the underlying hedge fund managers. These generally comprise the majority of both costs.
- b) The relevant charges for the investment services provided by HSBC and its affiliates for investment management services, safeguarding and administration.

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

Recommended holding period: 5 years

Unit dealing can be instructed via the Fund Transfer Agent at any time. Unit dealing will take place at the next valuation point, bearing in mind any notice period that is described in the Fund documentation.

How can I complain?

Complaints may be referred to the Compliance Officer of HSBC Management (Guernsey) Ltd, Arnold House, St Julian's Avenue, St Peter Port, Guernsey GY1 1WA.

Other relevant information

A number of additional documents are available to assist you before and after you invest, including the Prospectus, Trust Instrument, Fund Deed, the Application Form and the latest version of the audited reports and accounts, and are available from HSBC Management (Guernsey) Ltd, Arnold House, St Julian's Avenue, St Peter Port, Guernsey GY1 1WA, United Kingdom or HSBC Alternative Investments Ltd, 8 Canada Square, Canary Wharf, London, E14 5HQ, United Kingdom.