

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 2

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

Class:AMFLXHRMB
ISIN:LU1926171627

Objectives and Investment Policy

- The aim is to provide a combination of growth and income within a low to medium risk investment strategy.
- The Fund will invest in accordance with a low to medium risk investment strategy as determined by the Fund's investment manager.
- In normal market conditions, the Fund will invest at least 90% of its assets in bonds, shares and other assets classes such as real estate, private equity and commodities. Exposures will be gained directly through markets or other funds. Exposures to other asset classes may also be gained through investments in shares issued by companies based anywhere in the world.
- 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 50% 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 invest up to 20% of its assets in non-investment grade and unrated bonds.
- 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.
- Currency hedging is carried out in respect of the share class. The aim is to protect against exchange rate fluctuations between the share class currency CNH and the base currency of the Fund USD.
- The Fund is actively managed and is not constrained by a benchmark.
- Income is distributed.
- You may sell your investment on most working days.
- Recommendation: this Fund may not be appropriate for investors who plan to withdraw their money within a period of 5 years.

Risk and Reward Profile



The risk and reward indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund.

The risk and reward category shown is not guaranteed to remain unchanged and may shift over time. The lowest category does not mean a risk-free investment.

Why is this Fund in this specific category?

This Fund is classified in category 4 because its price or simulated data has shown medium fluctuations historically.

Material risks not fully captured by the Risk and Reward Indicator:

- CoCo Bond Risk** Contingent convertible securities (CoCo bonds) are comparatively untested, their income payments may be cancelled or suspended, and they are more vulnerable to losses than equities and can be highly volatile.
- Counterparty Risk** The possibility that the counterparty to a transaction may be unwilling or unable to meet its obligations.
- Credit Risk** A bond or money market security could lose value if the issuer's financial health deteriorates.

- Default Risk** The issuers of certain bonds could become unwilling or unable to make payments on their bonds.
- 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.
- Exchange Rate Risk** Changes in currency exchange rates could reduce or increase investment gains or investment losses, in some cases significantly.
- 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.
- 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.
- Investment Leverage Risk** Investment Leverage occurs when the economic exposure is greater than the amount invested, such as when derivatives are used. A Fund that employs leverage may experience greater gains and/or losses due to the amplification effect from a movement in the price of the reference source.
- 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.

Charges

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	4.17%
Exit charge	0.00%

This is the maximum that might be taken out of your money before it is invested or before the proceeds of your investment are paid out.

Charges taken from the Fund over a year

Ongoing charge	1.28%
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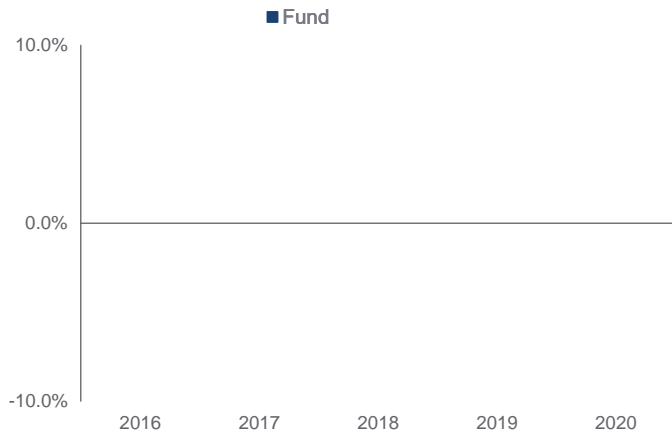
Charges taken from the Fund under certain specific conditions

Performance fee	None
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- 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 1.00% of the Net Asset Value of the Shares which are being converted may be payable to the relevant distributor.
- The ongoing charges figure shown is an estimate due to a material change in the fee structure. The UCITS' annual report for each financial year will include detail on the exact charges made.

Further information on Charges can be found in the "Charges and Expenses" section of the Fund's 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.
- Performance returns are based on the net asset value with distributable income reinvested. Past performance takes account of all ongoing charges but not entry, exit or conversion charges.
- The past performance of this share class is calculated in CNH.
- The Fund was launched on 19 October 2009.
- Insufficient data is available to provide past performance figures.

Practical Information

Depository Bank

HSBC Continental Europe, Luxembourg.

Further information

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, or by visiting www.global.assetmanagement.hsbc.com. The most recent Prospectus is available in English and German.

This document describes a single share class of a sub-fund of the Company. The Prospectus, annual and semi-annual reports are prepared for the entire Company.

Share classes

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.

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

The Fund is subject to Luxembourg tax regulations. This 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.

Segregated liability

HSBC Portfolios 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.