

**HSBC Global Investment Funds**  
*Société d'Investissement à Capital Variable*  
16, boulevard d'Avranches  
L-1160 Luxembourg  
Grand-Duchy of Luxembourg  
R.C.S. Luxembourg B 25.087

Dear Shareholder,

We are writing to inform you that the investment objective and name of HSBC Global Investment Funds – Global Emerging Markets Local Currency Rates, a sub-fund in which you own shares (the “Sub-Fund”), will be enhanced on 31 December 2021 to reflect amended investment parameters and that the Sub-Fund will be managed as an Article 8 Sustainable Finance Disclosure Regulation (SFDR) fund.

Article 8 funds promote environmental, social and governance (ESG) factors as an integral part of their investment strategy and decision making process. This could be accomplished by focussing, for example, on companies with a better than average ESG rating, companies following strong corporate governance practices or companies which are actively operating in areas which reduce ESG risk, such as green energy firms.

In addition, from 31 December 2021 the Sub-Fund will participate in the securities lending program of HSBC Global Investment Funds. A securities lending agent has been appointed to manage the lending process.

The enhancement of the Sub-Fund’s investment objective, name change and the introduction of securities lending does not signify a change to the Sub-Fund’s core investment objective or risk rating. The continuing aim of the Sub-Fund is long term total return in a portfolio of Emerging Market local currency bonds, foreign exchange forwards and other similar securities. Fees paid by shareholders will not change.

Please take a moment to review the important information given below. If you have any questions, please contact your local agent or HSBC Asset Management office.

**You do not need to take any action. However, you do have three options that are explained below.**

For and on behalf of the Board of HSBC Global Investment Funds

## The Investment Objective and Name Enhancements

<b>Current Name</b>	<b>New Name</b>
Global Emerging Markets Local Currency Rates	Global Emerging Markets ESG Local Debt
<b>Current Investment Objective</b>	<b>New Investment Objective</b>
The sub-fund invests for long term total return in a portfolio of Emerging Market local currency bonds, foreign exchange forwards and other similar securities.	The sub-fund invests for long term total return in a portfolio of Emerging Market local currency bonds, foreign exchange forwards and other similar securities, <b>while promoting ESG characteristics within the meaning of Article 8 of SFDR.</b>
The sub-fund invests (normally a minimum of 90% of its net assets) in Investment Grade and Non-Investment Grade rated fixed income securities and	The sub-fund invests (normally a minimum of <b>70%</b> of its net assets) in Investment Grade and Non-Investment Grade rated fixed income securities and

other similar securities, as well as currency forwards and non-deliverable forwards.

The fixed income securities are issued or guaranteed by governments, government agencies, quasi-government entities, state sponsored enterprises, local or regional governments (including state, provincial, and municipal governments and governmental entities) or supranational bodies of Emerging Markets or issued by companies which are based in or carry out the larger part of their business activities in Emerging Markets. All the instruments are primarily denominated in or linked to Emerging Market currencies.

Investment in onshore Chinese fixed income securities include, but are not limited to, onshore fixed income securities denominated in RMB, issued

other similar securities as well as currency forwards and non-deliverable forwards.

The fixed income securities are issued or guaranteed by governments, government agencies, quasi-government entities, state sponsored enterprises, local or regional governments (including state, provincial, and municipal governments and governmental entities) or supranational bodies of Emerging Markets or issued by companies which are based in or carry out the larger part of their business activities in Emerging Markets. All instruments are primarily denominated in or linked to Emerging Market currencies.

The sub-fund's level of investment in each Emerging Market country will take into account each country's ESG rating. ESG ratings are based on specific criteria such as, but not limited to:

- electricity produced by renewable energy sources and carbon emissions as provided by the Sustainable Accounting Standards Board.
- whether the country is judged to be on track to its Paris Climate Agreement commitments based on data available on [climateactiontracker.org](https://climateactiontracker.org).
- what level of fiscal transparency a country is considered to have by the Emerging Markets Investors Alliance fiscal transparency reports.

The criteria used to determine a country's ESG rating is proprietary to HSBC, subject to ongoing research and may change over time as new criteria are identified. The investment level in any country is at the discretion of the Investment Adviser. Investment may be made in countries with an improving rating when their current rating is still low.

When assessing countries' ESG rating, the Investment Adviser may rely on expertise, research and information provided by well-established financial data providers.

The Sub-Fund will give preference to investment in sustainable bonds such as, but not limited to, Sustainable-Linked Bonds, Transition Bonds, Social Bonds and Green Bonds when available.

More information on HSBC Asset Management's responsible investing policies are available at [www.assetmanagement.hsbc.com/about-us/responsible-investing/policies](https://www.assetmanagement.hsbc.com/about-us/responsible-investing/policies).

Investment in onshore Chinese fixed income securities include, but are not limited to, onshore fixed income securities denominated in RMB, issued within the People's Republic of China ("PRC") and traded on the China Interbank Bond Market

<p>within the People’s Republic of China (“PRC”) and traded on the China Interbank Bond Market (“CIBM”). The sub-fund may invest in the CIBM either through Bond Connect and/or the CIBM Initiative. The sub-fund may invest up to 10% of its net assets in onshore Chinese bonds issued by, amongst other, municipal and local governments, companies and policy banks.</p> <p>~~~~~</p> <p>The average maturity of the sub-fund is normally between 4 and 8 years.</p>	<p>(“CIBM”). The sub-fund may invest in the CIBM either through Bond Connect and/or the CIBM Initiative. The sub-fund may invest up to <del>40%</del> 20% of its net assets in onshore Chinese bonds issued by, amongst other, municipal and local governments, companies and policy banks.</p> <p>~~~~~</p> <p>The average maturity of the sub-fund is normally between 4 and <del>8</del> 10 years.</p> <p>~~~~~</p> <p>The sub-fund may enter into Securities Lending transactions for up to 29% of its net assets, however this is not expected to exceed 25%.</p>
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## Rationale for the Investment Objective and Name Enhancements

Over recent years ESG factors and sustainability have become an increasingly important part of investment management decision making. SFDR was introduced as part of a package of legislative measures arising from the European Commission’s Action Plan on Sustainable Finance.

SFDR formalises the categorisation of funds based on their approach to ESG factors and sustainability. There are three categories:

Article 6 - a fund for which ESG factors and sustainability are not part of the investment process;

Article 8 - a fund for which ESG factors and sustainability are an integral part of the investment process and which promotes the same; and

Article 9 - a fund that has ESG factors and sustainability as its primary investment objective.

HSBC has had the capability to integrate ESG factors and sustainability into its investment process for a considerable time and has a number of long established funds that could qualify as Article 8 SFDR funds. Based on this and the introduction of SFDR we have reviewed all sub-funds of HSBC Global Investment Funds with a view of re-categorising them from Article 6 to Article 8 of SFDR.

Enhancing the Sub-Fund’s objective as detailed above facilitates the re-categorisation from Article 6 to Article 8 of SFDR and gives it the best opportunity to not only fulfil its investment aim but also meet client’s ESG expectations. Incorporating country ESG ratings in the investment decision making process, focusses the Sub-Fund on market recognised ESG investment practices. This focus will be strengthened through the partnerships with ESG financial data providers.

The increased maximum investment in China reflects an increase in investment opportunities. The change to average maturity gives the Investment Advisor greater flexibility to fulfill the Sub-Fund’s investment aim.

Reducing the minimum 90% of the Sub-Fund invested in the defined universe of instruments brings it into line with market standards. Exposure of 70% adequately reflects the underlying investment strategy.

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## Rationale and Benefit of Engaging in Securities Lending

Securities lending, through a lending agent, is standard market practice for collective investment schemes such as HSBC Global Investment Funds.

Borrowers are charged a fee by the sub-funds which, after deducting the lending agent's fee, increases a sub-fund's income. This additional income increases a sub-fund's net assets and thus makes a positive contribution to the sub-fund's performance.

Shareholders should note, that the level of securities lending for each sub-fund will depend upon the assets held and the demand from borrowers. There is no guarantee that a specific sub-fund will engage in securities lending, or to what extent if it does participate. As such the benefit of securities lending will vary between sub-funds.

## Risks and Mitigation Associated with Securities Lending

Engaging in securities lending leads to credit risk exposure to the borrowers. In order to mitigate this exposure, borrowers are required to provide high quality and liquid collateral to cover more than 100% of the value of the securities loaned.

However, the risk remains that a borrower may not return the securities when due or may not provide additional collateral when required. A default of this nature by the borrower, combined with a fall in the value of the collateral below that of the value of the securities loaned, may result in a reduction in the net asset value of a sub-fund.

To mitigate the above risks, the maximum portion of each sub-fund's net assets which may be subject to securities lending is 29%.

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## Your Options

- 1. Take no action.** Your investment will remain as it is today.
- 2. Convert your investment to another HSBC Global Investment Funds sub-fund.** If you wish to ensure the conversion is completed before the enhancements become effective, instructions must be received before the implementation date as given in the right-hand column. Please ensure you read the Key Investor Information Document of the sub-fund you are considering.
- 3. Redeem your investment.** If you wish to ensure your redemption is completed before the enhancements become effective, instructions must be received before the implementation date as given in the right-hand column.

**Options 2. and 3. may have tax consequences.** You may want to review these options with your tax adviser and your financial adviser.

**Regardless of which option you choose, you will not be charged any conversion or redemption fees by HSBC.** Please note that some distributors, paying agents, correspondent banks or intermediaries might charge switching and/or transaction fees or expenses at their own discretion.

### INVESTMENT OBJECTIVE ENHANCEMENT, NAME CHANGE AND SECURITIES LENDING IMPLEMENTATION DATE:

31 December 2021

**THE SUB-FUND:** HSBC Global  
Investment Funds - Global Emerging  
Markets Local Currency Rates

### THE FUND

#### HSBC Global Investment Funds

**Registered Office** 16 boulevard  
d'Avranches, L-1160 Luxembourg,  
grand duchy of Luxembourg

**Registration Number** B 25 087

**Management Company** HSBC  
Investment Funds (Luxembourg) S.A.

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Terms not defined in this letter will have the same meaning as those defined in the current prospectus of HSBC Global Investment Funds.

The Board accepts responsibility for the accuracy of the information contained in this letter as at the date of the mailing.