

Important Information

- The Fund invests mainly in China related equities, fixed income instruments and other related investments.
- The Fund is subject to the concentration and emerging market risks of investing primarily in a single emerging market.
- RMB is not freely convertible and is subject to exchange control. There is no guarantee that RMB will not depreciate. The Fund may invest in securities that are denominated and/or settled in other currencies (other than RMB and HKD). Movement in the relevant exchange rates may adversely affect the Fund's performance.
- The Fund is subject to liquidity risk as there may not have active secondary market for its investment, including but not limited to RMB bonds.
- Investments of the Fund may include investment grade, non-investment grade and unrated bonds. Generally, non-investment grade and unrated bonds may subject to higher risk.
- The Fund may invest in China A-shares and B-shares and may make the relevant investment through Shanghai-Hong Kong Stock Connect and China A-shares Access Product which may involve additional risks.
- The Fund is subject to the credit risk of the issuers of the China A-Shares Access Products held by the Fund. When the issuer of an investment defaults, the Fund may suffer a loss amounting to the value of such investment. The Fund may have up to 30% of its assets invested in China A-Shares Access Products.
- There are risks and uncertainties associated with China's tax rules and practices. In relation to the Fund's investment in A-shares through Shanghai-Hong Kong Stock Connect and China A-Shares Access Products (where applicable), the Fund will not withhold (or will not request the issuer of the relevant investments to withhold) any amount of realised or unrealised gains on its investments in A-shares and China A-Shares Access Products. The Fund may further modify its tax provision policy based on new developments and interpretation of the relevant regulations.
- The Fund may invest in other collective investment schemes, including but not limited to RQFII (RMB Qualified Foreign Institutional Investors) funds. RQFII funds are subject to risks inherent in onshore Chinese securities markets and are subject to the relevant laws and regulations in China.
- For certain classes of the Fund, the Fund may pay dividends out of capital or pay dividends gross of expenses. Investors should note that the 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 may result in an immediate decrease in the net asset value of the Fund.
- The Fund's investments may involve substantial credit/counterparty, downgrading, market, currency, volatility, liquidity, regulatory 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. This document does not constitute an offering document.



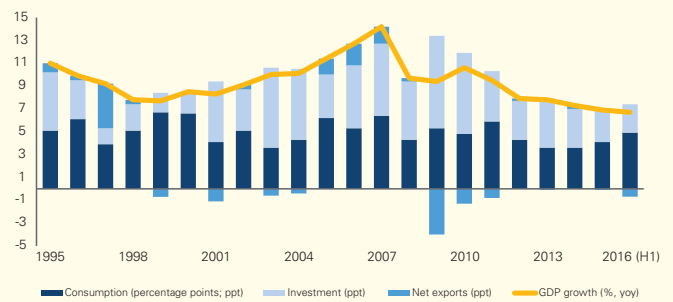
HSBC China Multi-Asset Income Fund

Why invest?

1 Economic growth in China remains strong, albeit slowing down

- ▶ The Chinese economy is entering a “new normal” phase after decades of rapid expansion, with a focus on structural reforms and quality of growth
- ▶ Consumption remains the biggest growth driver. With a large population, high saving rates, rising household income, and continuing urbanisation, China has significant long-term potential for the domestic demand expansion

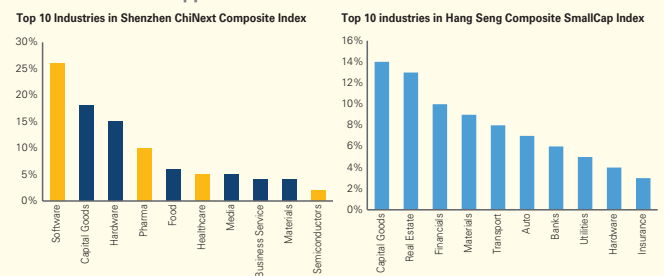
Consumption has been contributing more to China's GDP¹



2 Gateway to new China stocks

- ▶ The Shenzhen-Hong Kong (SZ-HK) Stock Connect provides a gateway to new China stocks including technology, clean energy, healthcare, high-tech manufacturing and consumption-related plays, allowing investors access to the drivers of the next phase of China's growth
- ▶ In the long term, it significantly raises the odds of an eventual inclusion of A-shares into global indices

Access 'New China' opportunities via SZ-HK Stock Connect²



3 Chinese bonds offer attractive duration-adjusted yield

- ▶ Offshore RMB Bonds offer higher yield among the world's 10 largest bond markets, such as US, UK and Italy, etc.
- ▶ Together with the short duration, offshore RMB bonds have lower level of interest rate risk

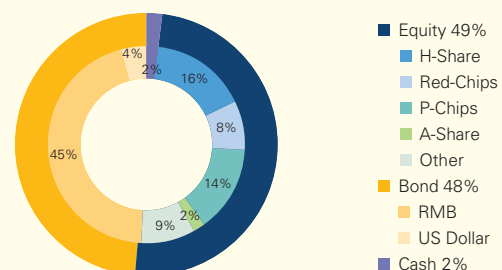
Attractive yield of RMB bonds with shorter duration³

Asset class	Duration	Duration adjusted yield
Euro Corporate	5.3 years	0.16%
US Corporate	7.0 years	0.43%
Asia Corporate	4.9 years	0.84%
Offshore RMB Bond	2.9 years	1.36%

4 Multi-asset exposure to full opportunity set in China with income potential

- ▶ The Fund's asset allocation between onshore and offshore Chinese equities plus RMB bonds, aim to capture the growth opportunities in China within a defined risk level
- ▶ Through the sustainable income from bonds and equities in the portfolio, the Fund targets to offer investors monthly dividend as a potential income stream

Allocation across various Chinese assets⁴



Source: 1.CEIC, HSBC Global Asset Management, data as of October 2016. 2.ChiNext stocks are only available to institutional professional investors under HK related regulations in the beginning of the launch until further notice. Source: WIND, HSBC, August 2016. For illustrative purposes only and does not constitute any investment recommendation in the above mentioned asset classes, indices or currencies. 3.HSBC Global Asset Management; Bloomberg, data as of 30 October 2016. For illustrative purpose only and does not constitute investment advice. 4.HSBC Global Asset Management, data as of 31 December 2016. For reference only and does not constitute any investment recommendation. Investment involves risks. Past performance is not indicative of future performance.

Investment objective

The Fund aims to provide income and moderate capital growth, through an active asset allocation in a diversified portfolio of a minimum of 70% of its Net Asset Value in fixed income and equity securities as well as money market and cash instruments that are related to China.

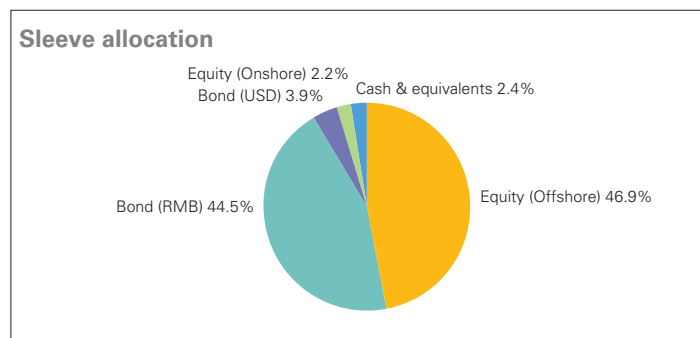
Suitable investors

- Investors who have a medium to long-term investment horizon and seek exposure to Chinese assets including equities and fixed income

Potential risks

- Investment risk:** the Fund is an investment fund. There is no guarantee of the repayment of principal and your investment in the Fund may suffer losses
- Single market risk:** the Fund invests mainly in the PRC markets which involve higher concentration risks, and greater political, economic, foreign exchange, legal and regulatory risk
- China A-Shares Access Products ("CAAPs"):** investment in CAAPs can be illiquid as there is no active market in CAAPs. The Fund relies upon the counterparty issuing the CAAPs to quote a price to unwind any part of the CAAPs to meet realisation requests
- Foreign exchange risk:** the Fund's assets and liabilities may be denominated in currencies (such as RMB and USD) different from its base currency (HKD), it may be affected unfavourably by exchange control regulations or changes in the exchange rates between the Fund's base currency and other currencies
- Equity risk:** if the market value of equity securities in which the Fund invests goes down, its Net Asset Value may be adversely affected, and investors may suffer substantial losses
- Credit risk:** investment in the fixed income securities is subject to the credit and counterparty risk of the issuers which may be unable or unwilling to make timely payments on principal and/or interest
- Interest-rate risk:** bonds are more susceptible to fluctuation in interest rates movement
- RMB currency risk:** the Fund may invest in RMB denominated investments, investors may be adversely affected by movements of the exchange rates between RMB and other currencies
- RQFII fund risk:** RQFII funds are subject to risks inherent in onshore Chinese securities markets
- PRC tax risk:** There are risks and uncertainties associated with China's tax rules and practices. In relation to the Fund's investment in A-shares through Shanghai-Hong Kong Stock Connect and China A-Shares Access Products (where applicable), the Fund will not withhold (or will not request the issuer of the relevant investments to withhold) any amount of realised or unrealised gains on its investments in A-shares and China A-Shares Access Products. The Manager may at its discretion make further modification to the tax provision policy of the Fund based on new developments and interpretation of the relevant regulations

Asset allocation⁵



Performance⁵

Cumulative performance in HKD (%)

	6 mths	1 yr	3 yrs	5 yrs	Since launch
Fund (Class AM2-HKD)	1.3	1.5	-	-	6.3
Reference Performance Benchmark	1.0	0.1	-	-	-2.7

Calendar year performance in HKD (%)

	Since launch to 31/12/14	2015	2016	YTD
Fund (Class AM2-HKD)	5.3	-0.6	1.5	1.5
Reference Performance Benchmark	1.9	-4.5	0.1	0.1

Top 10 holdings⁵

Securities	Holdings (%)
Tencent Holdings	8.9
Alibaba Group Holding ADR	5.0
China Mobile	3.6
China Construction Bank	2.9
Industrial and Commercial Bank of China	2.2
Bank of China	1.7
Jingneng Clean Energy 4.3% 23/12/17	1.6
Sinostrong International 4% 28/05/18	1.6
China Petroleum and Chemical	1.5
Shenzhen Qianhai Finl 4.55% 28/10/17	1.5

Fund details⁵

Fund size	HKD3,516.80 million	Management fee	1.35% per annum
Share class	Class AM2-HKD / Class AM2-USD / Class AM2-RMB	Switching charge	1%
Launch date	21 November 2014	Fund manager	Denis Gould
Minimum investment	HKD10,000 / USD1,000 / RMB10,000	Reference performance benchmark	50% MSCI China Net 50% Markit iBoxx Asia Local Bond Index China Offshore
Initial charge	5.25%		

Source: 5. HSBC Global Asset Management, data as at 31 December 2016. Bid to bid price with dividend reinvested, in HKD.

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Investment involves risk. Past performance is not indicative of future performance. Please refer to the offering document for further details including the risk factors. The document has not been reviewed by the Securities and Futures Commission.

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