

HSBC GIF Russia Equity

USD Institutional Share Class (IC)

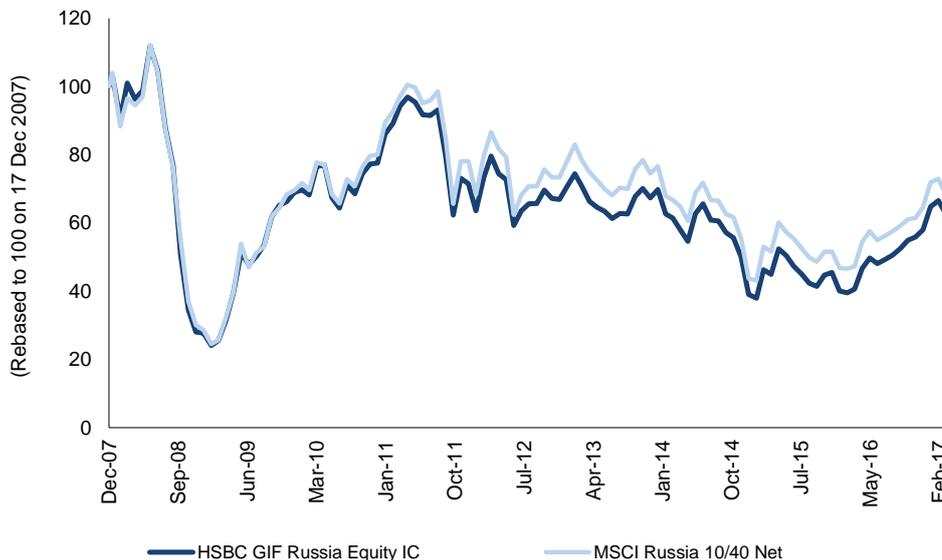
Monthly Report

28 February 2017

Fund Objective

The sub-fund seeks long term capital growth by investing primarily in a concentrated portfolio of investments in equity and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market in Russia as well as those companies with significant operations or carrying out a greater part of their business activities in this country. There are no capitalisation restrictions, and it is anticipated that the sub-fund will seek to invest across a range of capitalisations.

Performance (%)



Rolling time	29/02/2012	28/02/2013	28/02/2014	28/02/2015	29/02/2016
	to	to	to	to	to
	28/02/2013	28/02/2014	28/02/2015	29/02/2016	28/02/2017
HSBC GIF Russia Equity	-11.24%	-13.12%	-24.66%	-12.21%	54.75%

28 February 2017	1M	3M	6M	1Y	3Y ann.	5Y ann.
HSBC GIF Russia Equity	-5.58%	8.34%	19.79%	54.75%	0.78%	-4.62%
Benchmark	-6.01%	6.14%	15.88%	45.02%	0.90%	-4.57%

Calendar years / YTD	2017 YTD	2016	2015	2014	2013	2012
HSBC GIF Russia Equity	-2.89%	61.70%	2.53%	-44.06%	-1.20%	11.20%
Benchmark	-4.71%	53.60%	7.15%	-42.99%	-1.84%	14.37%

The above information refers to the past and should not be seen as an indication of future returns.

The figures are calculated in USD, and changes in the rate of currency exchange may affect the value of your investment. All return periods longer than 1 year are annualised. Performance returns are based on a NAV per unit basis, net of fees, with gross income reinvested.

Source: HSBC Global Asset Management. Benchmark source: Rimes.

Data as at 28 February 2017

Fund Details

Fund domicile

UCITS IV Luxembourg SICAV

Benchmark

MSCI Russia 10/40 USD Net

Fund size (USD million)

335.36

Inception date

17/12/2007

Liquidity

Daily

Ongoing charge*

1.18%

Minimum initial investment

US\$ 1,000,000 or equivalent

ISIN code

IC: LU0329931413

Bloomberg ticker

HSBRUIU LX

* The ongoing charges figure is based on last year's expenses for the year ending 31/03/2016. Charges may vary from year to year.

The ongoing charges figure (OCF), which is broadly equivalent to the previous Total Expense Ratio, provides a measure of what it costs to invest in a fund on an ongoing basis. The OCF is made up of the Annual Management Charge (AMC) and other operating costs. Other operating costs include the costs for other services paid for by the fund, such as the fees paid to the trustee (or depository), custodian, auditor and regulator.

For professional clients only

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Global Asset Management

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Market Review

February witnessed a broad-based equity market rally on risk-on sentiment in anticipation of stronger global growth. Emerging markets continued to outperform developed market equities during the month.

MSCI Russia (-6.4%) suffered from the decline in natural gas prices.

Fund Review

Key contributors were overweight positions in pipe producer TMK (exposure to both the strong Russian domestic pipe market and to US shale drilling which has begun to see improving activity) and national flag carrier Aeroflot (a big beneficiary of consolidation within its sector).

Offsetting some of those gains was overweight position in Rosneft which rallied strongly in December but where momentum reversed in February.

Outlook

We continue to remain constructive on Russian equities and are seeing some signs of improving macro data (industrial production, consumer spending). We expect fundamentals to improve as Russia returns to growth. We have shifted the portfolio toward more domestically-oriented names whose earnings outlook should improve as the economy stabilises and begins to grow anew. The market remains sensitive to global risk appetite and domestic economic growth factors.

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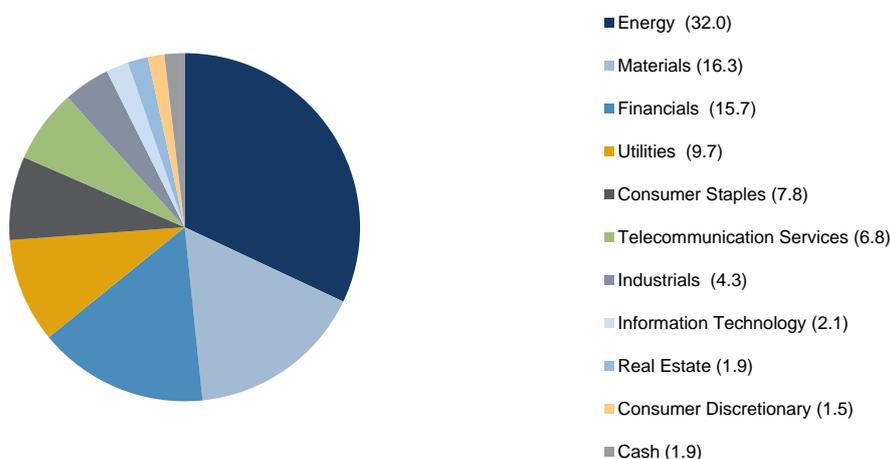
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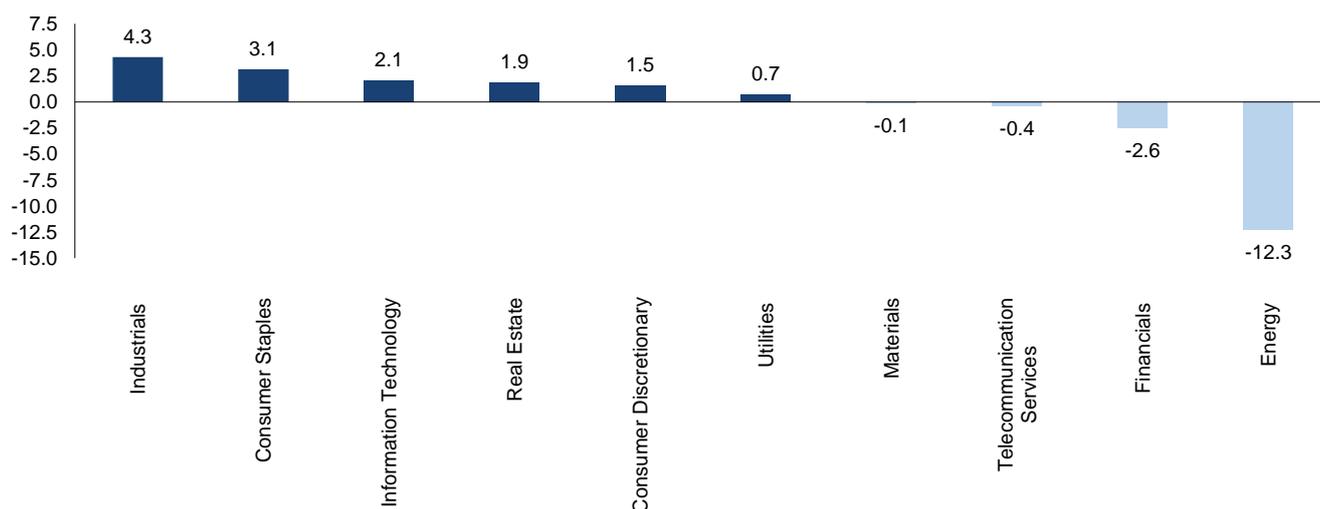
Top 10 Holdings	Sector	Weight (%)
Lukoil Pjsc	Energy	9.8
Sberbank Of Russia Pjsc	Financials	9.5
Novatek Oao	Energy	7.0
Magnit Pjsc	Consumer Staples	6.0
Inter Rao Ues Pjsc	Utilities	4.8
Mobile Telesystems Ojsc	Telecommunication Services	4.8
Rosneft Oil Co Pjsc	Energy	4.7
Gazprom Pjsc	Energy	4.5
Alrosa Pjsc	Materials	4.4
Rushydro Pjsc	Utilities	4.3
TOTAL		59.9

Top 5 Overweight	Active Weight (%)	Bottom 5 Underweight	Active Weight (%)
Aeroflot Pjsc	2.8	Gazprom Pjsc	-4.5
Novolipetsk Steel Pjsc	2.3	Transneft Pjsc	-4.1
Tmk Oao	2.1	Vtb Bank Pjsc	-3.3
Yandex Nv	2.1	Surgutneftegas	-3.0
Lsr Group Pjsc	1.9	Rostelecom	-2.7

Sector Weightings (%)



Active Sector Weightings (%)



Portfolio Management

Douglas Helfer – Portfolio Manager

Douglas Helfer is a Senior Portfolio Manager in the Global Emerging Markets Equities team and has been working in the industry since 1996. Prior to joining HSBC in 2006, Douglas worked for F&C Emerging Markets where he was responsible for Eastern European, Middle East and African investments and managed their Russia Equity Fund. He holds a BA in Soviet and Eastern European Studies from the University of Colorado (United States), an MA in Russian Studies from the University of London (UK) and an MBA in Finance from the City University Business School in London (UK).

Fund Information

Maximum initial charge

Up to 5.54%

Settlement date

Trade day + 4 business days

Management company

HSBC Investment Funds (Luxembourg) S.A.

Redemption fees

None

Investment adviser

HSBC Global Asset Management (UK) Limited

ISIN code

IC: LU0329931413

Depositary bank

HSBC Bank Plc, Luxembourg Branch

Risks

It is important to remember that the value of investments can go down as well as up and you may not get back the amount originally invested. Where overseas investments are held the rate of currency exchange may cause the value of such investments to go down as well as up. Investments in emerging markets are by their nature higher risk and potentially more volatile than those inherent in established markets. For a full list of risks, please refer to the prospectus and Key Investor Information Documents.

Benchmark

Benchmark is the MSCI Russia 10/40 USD Net, for comparison purposes only as the fund has no official benchmark.

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Portfolio management company authorised by the French regulatory authority AMF (no. GP99026) with capital of 8.050.320 euros.

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