

HSBC GIF Russia Equity

USD Institutional Share Class (IC)

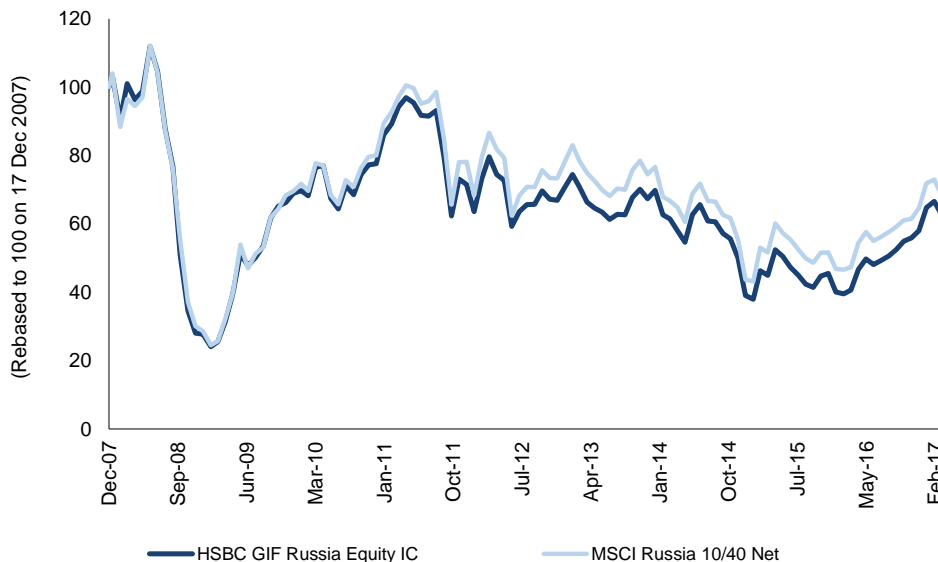
Monthly Report

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

HSBC GIF Russia Equity

USD Institutional Share Class (IC)

Monthly Report

28 February 2017

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.

HSBC GIF Russia Equity

USD Institutional Share Class (IC)

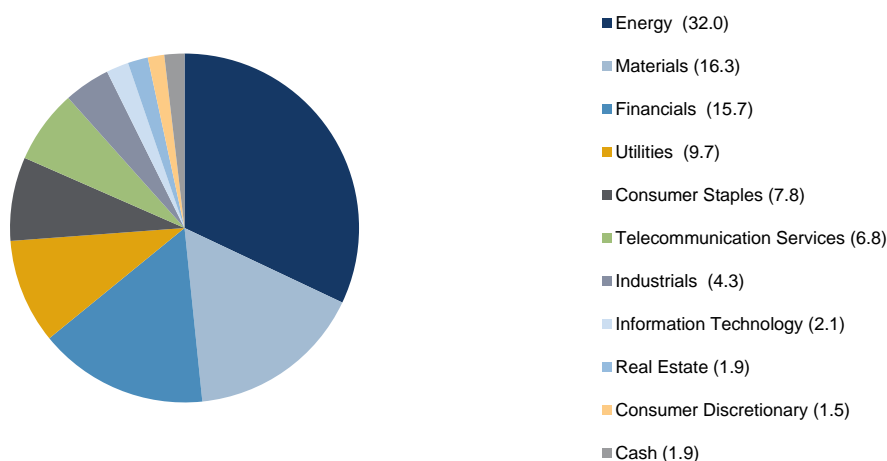
Monthly Report

28 February 2017

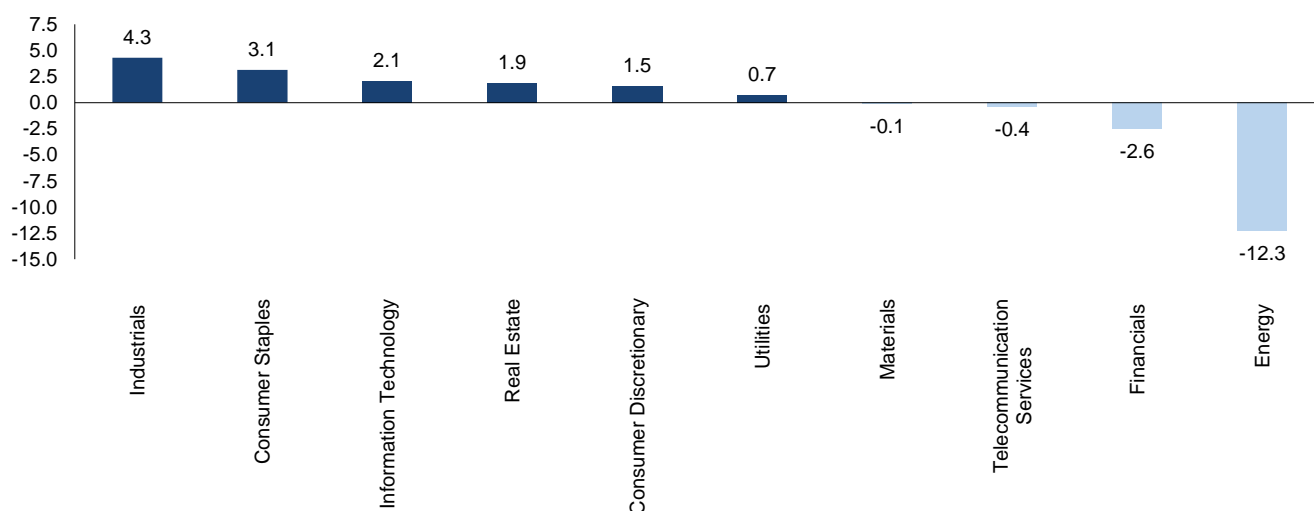
Top 10 Holdings	Sector	Weight (%)
Lukoil Pjsc	Energy	9.8
Sberbank Of Russia Pjsc	Financials	9.5
Novatek Oao	Energy	7.0
Magnit Pjsc	Consumer Staples	6.0
Inter Rao Ues Pjsc	Utilities	4.8
Mobile Telesystems Ojsc	Telecommunication Services	4.8
Rosneft Oil Co Pjsc	Energy	4.7
Gazprom Pjsc	Energy	4.5
Alrosa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

Source: MSCI, the MSCI information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the "MSCI Parties") expressly disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages. (www.msci.com)

Important information

This document is distributed by HSBC Global Asset Management (France) and is only intended for professional investors as defined by MiFID. The information provided on this product is simplified and therefore incomplete. The information contained herein is subject to change without notice. All non-authorised reproduction or use of this commentary and analysis will be the responsibility of the user and will be likely to lead to legal proceedings. This document has no contractual value and is not by any means intended as a solicitation, nor an investment advice for the purchase or sale of any financial instrument in any jurisdiction in which such an offer is not lawful. They do not constitute any kind of commitment from HSBC Global Asset Management (France). The commentary and analysis presented in this document reflect the opinion of HSBC Global Asset Management on the markets, according to the information available to date. Consequently, HSBC Global Asset Management (France) will not be held responsible for any investment or disinvestment decision taken on the basis of the commentary and/or analysis in this document. All data come from HSBC Global Asset Management unless otherwise specified. Any third party information has been obtained from sources we believe to be reliable, but which we have not independently verified. If you have any doubts about the suitability of this investment, you should contact an independent financial adviser.

The fund presented in this document may not be registered and/or authorised for sale in your country. The performance figures displayed in the document relate to the past and past performance should not be seen as an indication of future returns. Any forecast, projection or target where provided is indicative only and is not guaranteed in any way. HSBC Global Asset Management (France) accepts no liability for any failure to meet such forecast, projection or target. They do not constitute any kind of commitment from HSBC Global Asset Management (France).

HSBC GIF Russia Equity is a sub fund of HSBC Global Investment Funds, a Luxembourg domiciled SICAV. Shares of the Company may not be offered or sold for sale or sold to any "U.S. Person within the meaning of the Articles of Incorporation, i.e. a citizen or resident of the United States of America (the "United States"), a partnership organised or existing under the laws of any state, territory or possession of the United States, or a corporation organised or existing under the laws of the United States or of any state, territory or possession thereof, or any estate or trust, other than an estate or trust the income of which from sources outside the United States is not includible in gross income for purposes of computing United States income tax payable by it. It is important to remember that the value of investments and any income from them can go down as well as up and capital is not guaranteed. All subscriptions in any fund presented in this document are accepted only on the basis of the current prospectus accompanied by the latest annual or half-yearly report, available on request from HSBC Global Asset Management (France), the centralisation agent, the financial department or the usual representative. Before subscription, investors should refer to the Key Investor Information Document (KIID) of the fund as well as its complete prospectus. For more detailed information on the risks associated with this fund, investors should refer to the complete prospectus of the fund.

HSBC Global Asset Management (France) - 421 345 489 RCS Nanterre.

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

Postal address: 75419 Paris cedex 08 - France.

Office: Coeur Défense | 110, esplanade du Général de Gaulle - La Défense 4 - Tour A

www.assetmanagement.hsbc.com/fr

Copyright © 2017 HSBC Global Asset Management. All rights reserved.