



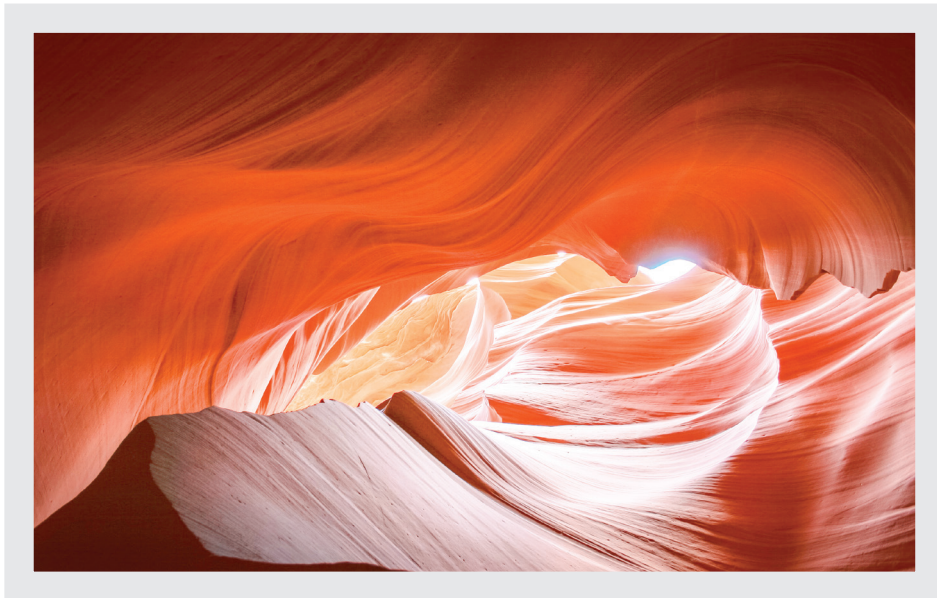
HSBC PRISM MANAGED  
INVESTMENT SOLUTIONS

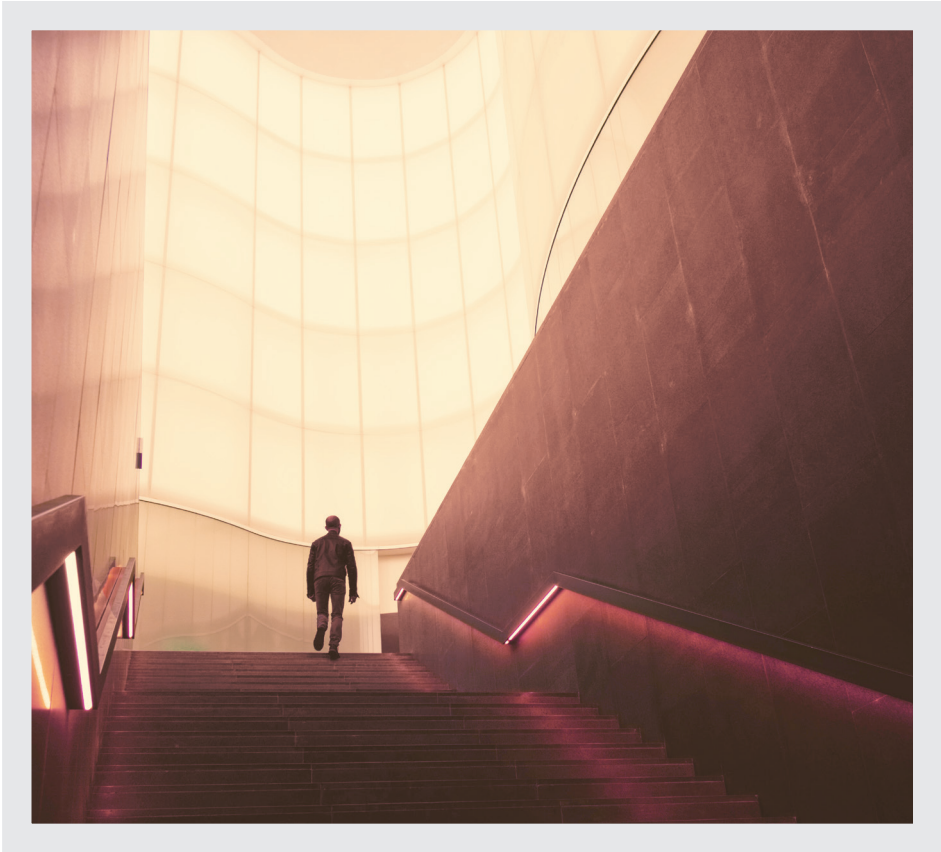
HSBC Private Banking

# Invest with a partner who can help you build your future

Managed Investment Solutions are designed to give you peace of mind while freeing up your time to focus on other pursuits. Our experts will manage your assets in accordance with your needs, risk parameters and investment criteria.

It's impossible to accurately predict market movements or fluctuations, so we believe playing the long game – by investing and staying invested – is the best way to ensure you don't miss out.





# We measure our success by yours

While managing your investments is a top priority, it may need more time and attention than your busy schedule permits. Managed Investment Solutions are designed to address this situation, providing peace of mind and the time to focus on other priorities by handing over day-to-day investment responsibilities to our experts.

Our investment experts are fully-focused on your interests – monitoring and researching emerging opportunities, to work towards your objectives. Taking into consideration your investment needs as well as your attitude to risk and investment knowledge. Combining this with our depth of discretionary management experience means HSBC is well-placed to help you meet your objectives.

Fully understanding you, your family, your business and your aspirations forms the basis of your investment plan, together with your investment knowledge can help us to build a suitable portfolio. The end result being a portfolio with an optimal blend of assets, aligned to our Strategic Asset Allocation strategy.

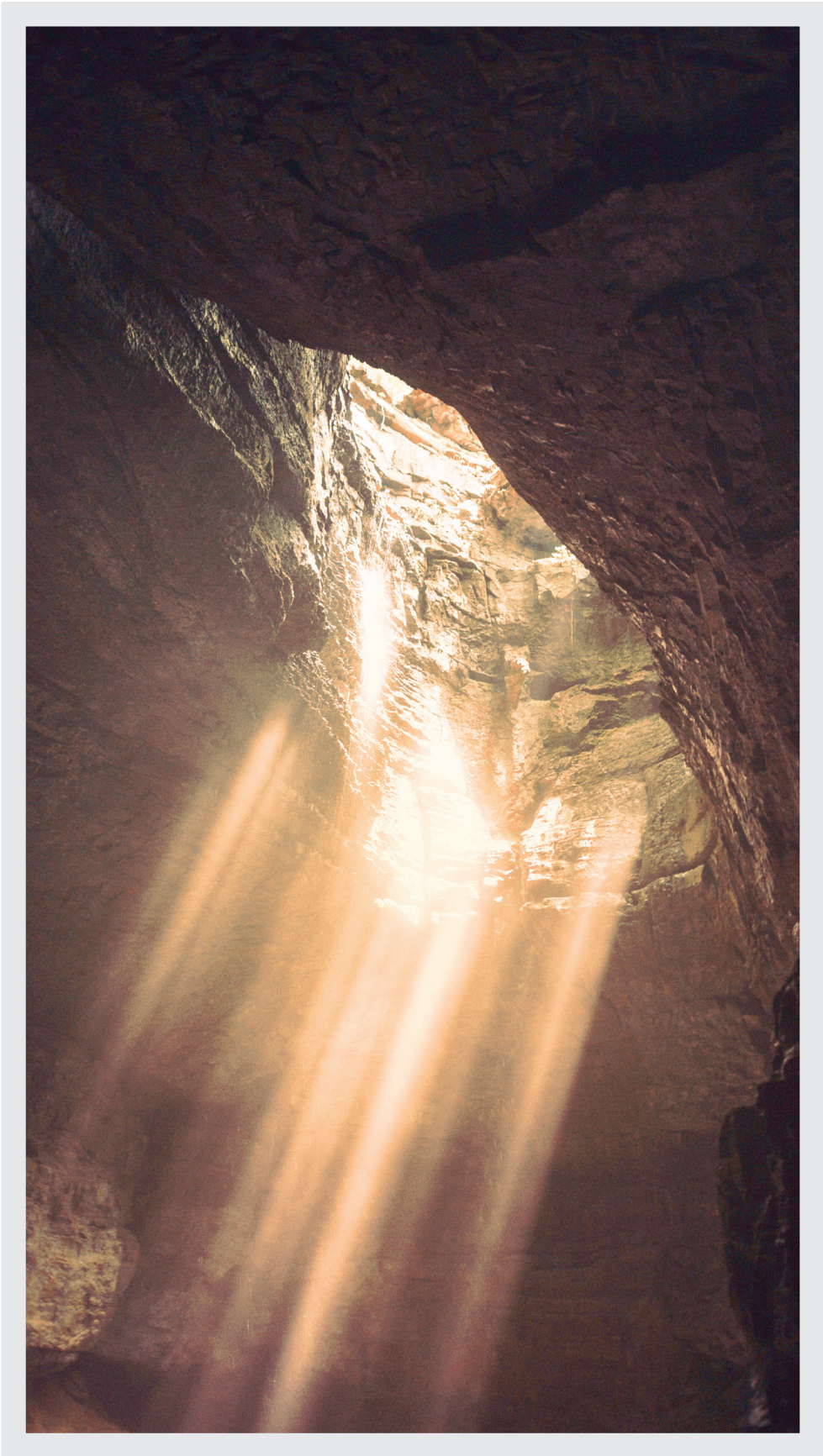
Our Strategic Asset Allocation encompasses our latest investment thinking and is the long-term anchor for how we manage your portfolio. Your portfolio is consistently managed to what we believe is the optimal positioning.

# Bringing opportunities to you

Choice and flexibility are fundamental to Managed Investment Solutions. To provide this, we offer a number of local and global HSBC-managed and third-party solutions, across multi- or single-asset strategies.

Whether you want to work exclusively with HSBC's managers, or for us to select third-party managers, all portfolio management is founded on four common principles:

- » **Dynamic Asset Allocation:** The core driver of your portfolio's performance returns is a HSBC-driven set of asset allocation choices.
- » **Risk management:** Central to our investment philosophy is putting controls in place so that any activity undertaken in your portfolio is within your risk tolerance.
- » **Rigorous rebalancing:** Your portfolio will benefit from a disciplined process of rebalancing, intend to optimise long-term risk and returns.
- » **Cost efficiency:** A consistent focus on negotiating the most competitive fees.



# A goal without a plan is just a wish<sup>1</sup>

Our Strategic Asset Allocation is designed to form the foundations of your long-term investment plan. We carefully analyse asset classes and continuously assess and reassess our opinions regarding their current and future relative valuations. By doing so, we can maintain the appropriate balance of risk-weightings across equities, bonds and/or alternative investments in your portfolio. As valuations change over time, future expected returns change, and so the optimal portfolio composition changes as well.

Four key principles underpin our strategy:

## **Diversification**

We look for a diversified blend of traditional and alternative assets (if selected) to suit current market conditions aimed at providing you with a smoother investment journey.

## **Flexibility**

Your personal circumstances are constantly evolving and changing, but so are investment markets. This is why we regularly reassess investment decisions made in the context of your requirements and market changes.

## **Long-term strategy with tactical thinking**

We believe trying to time markets is a high risk strategy that often results in failure. We therefore blend assets to manage and reduce unnecessary risk, while also taking measured tactical moves that seek to maximise market opportunities as they arise.

## **Cost efficiency/Value Investing**

In a world of low returns and high fees, we always weigh up the return, risk and cost of an investment to make sure you receive the best value for your money.

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<sup>1</sup> Commonly attributed to Antoine de Saint-Exupery





# Solutions built around you

Our investment experts work closely with HSBC Global Asset Management to generate innovative portfolio construction ideas, while benefiting from their securities analysis and risk management tools.

We also partner with SEI to offer an open architecture, third-party manager selection programme. SEI select who they consider to be the best investment managers and blend them to deliver an investment portfolio to reflect your risk profile.

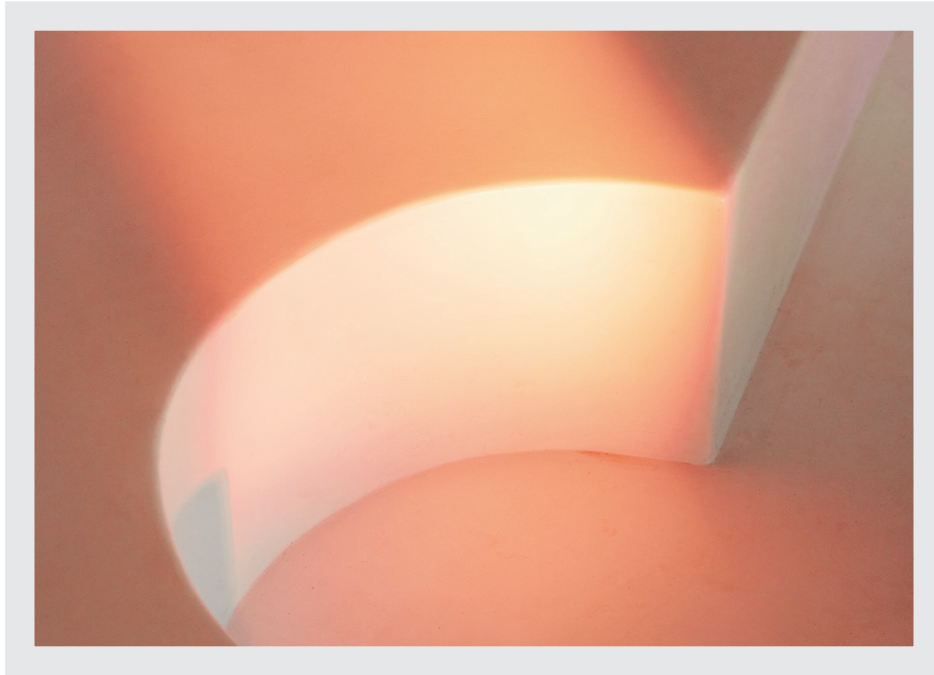
Whichever fulfilment option you choose, you'll benefit from HSBC's global capabilities and infrastructure.

## Core Multi-Asset Solution (CMS)

CMS aims to deliver cost-effective exposure to markets by providing broad coverage of the risk spectrum through a blend of equity, fixed income and alternative investments (if appropriate). These multi-asset portfolios are managed with a careful mix of Exchange Traded Funds (ETFs) and low-cost funds.

## Active Multi-Asset Solution (AMS)

A more flexible variant of CMS, AMS offers an extra layer of risk through exposure to individual equity securities. Using a concentrated, 'high-conviction' approach, the selection of ETFs and low-cost funds in your portfolio can be globally or regionally-biased as appropriate. Our selective approach means your AMS portfolio will be made up of 50-70 individual securities.

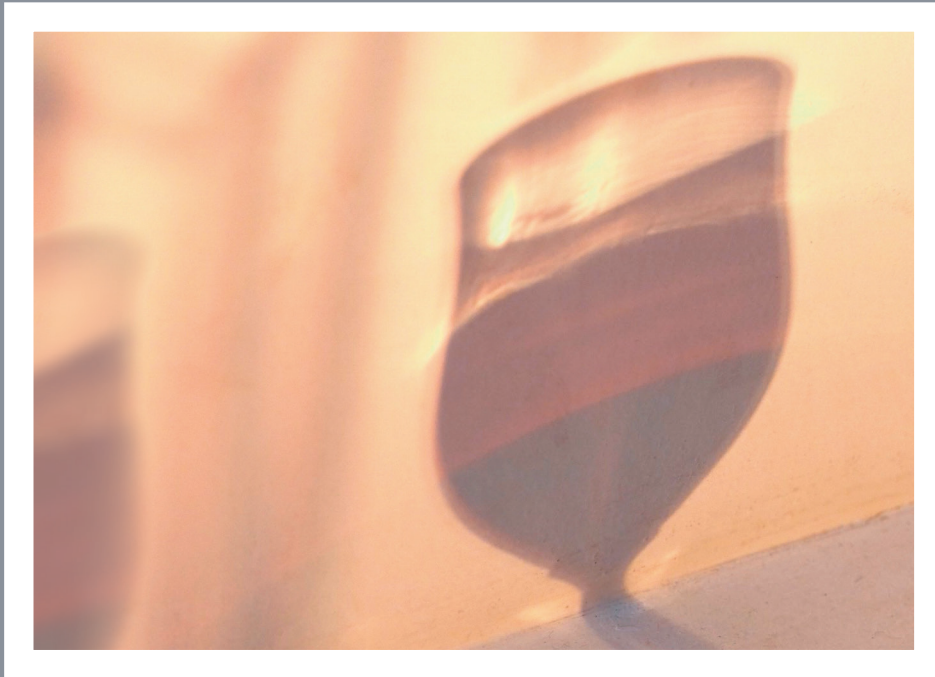


## Strategic Investment Solutions (SIS)

Working in partnership with SEI, we provide economic, monitored and diligent third-party manager selection. With our Strategic Asset Allocation at its core, SIS also seeks to align investment strategies with an optimal mix of managers. Your SIS portfolio will benefit from SEI's size and scale, their in-depth risk analysis and exposure management, as well as lower costs than achievable via publicly-available share classes.

## Single-Asset Strategies (SAS)

Ideal if you wish to focus on a single asset class or strategy. With SAS, you have the choice of using HSBC's expertise in globally or regionally-biased equity and fixed income markets, or a carefully chosen portfolio of third-party managers (customised SIS) who specialise in a particular market or strategy.



## Bespoke Solutions

We can also offer a highly-tailored service to pinpoint exact risk exposures that complement your portfolio. To meet your institutional needs, we'll partner with HSBC Global Asset Management to create a customised service.

We can offer access to equity and fixed income opportunities, from investment grade bonds to high yield, emerging markets. Your portfolio can be globally or regionally-weighted as appropriate, and will benefit from the same disciplined, dependable and sustainable process that has made HSBC Global Asset Management one of the leading institutional asset managers in the world.





# Designed for you

Your discretionary managed portfolio will be built around your choices. If you choose our multi-asset solutions, your portfolio will benefit from a Strategic Asset Allocation designed to meet your needs. You can also use Single Asset Strategies to provide pinpoint exposure to equity and bond investment strategies, or blend them together to create a 'mandate of mandates'.

## STRATEGY

	 HSBC SAA	 Disciplined Rebalancing	 Tactical Macro Overlay	 Tactical Strategy Rebalancing
CMS	✓	✓	✓	
AMS	✓	✓	✓	
SIS	✓	✓		✓
SAS		✓		
Customised SIS		✓		✓

## ASSET FULFILMENT

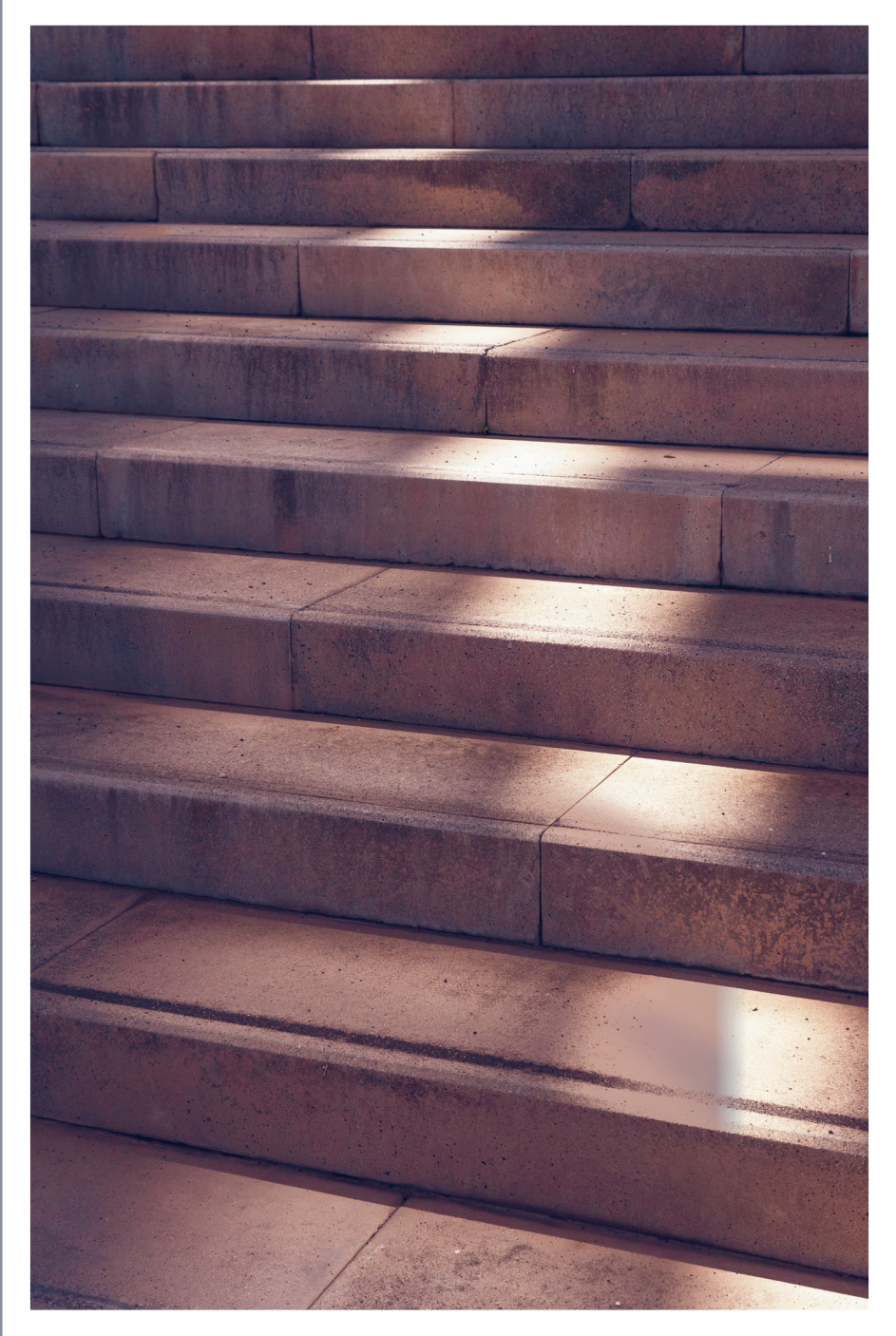
	 ETFs	 HSBC Managed Funds	 Non HSBC Managed Funds	 Single Line Securities
CMS	✓	✓		
AMS	✓	✓		✓
SIS			✓	
SAS	✓			✓
Customised SIS			✓	

# Get in touch today

You've worked hard to get where you are now. But even the most successful people need the right help to get to where they want to be. At HSBC Private Banking we can help you to grow and sustain your family wealth for generations to come. Using our business knowledge, unrivalled global connections and decades of experience, we'll bring a world of opportunity to you.

Speak to your Relationship Manager to find out how HSBC Private Banking can help you.

[www.hsbcprivatebank.com](http://www.hsbcprivatebank.com)



# Risks of Discretionary Investing

**Investment Risk** – The investment is subject to normal market fluctuations and there can be no assurance that an investment will return its value or that appreciation will occur

**Liquidity Risk** – Liquidity constraints where subscriptions and redemptions are not available daily, or where lockups apply, mean that investors are subject to market risk during interim pricing periods and may not be able to access funds on short notice

**Emerging Markets Risk** – There is a greater risk associated with emerging markets; liquidity may be less reliable and price volatility may be higher than that experienced in more developed economies which may result in the fund suffering sudden and large falls in value. Investors are advised to consider carefully the special risks of investing in emerging market securities.

**Sector Concentration Risk** – Funds with a single sector focus will typically be more volatile than funds which invest broadly across markets

**Country Concentration Risk** – Funds with a single country focus will typically be more volatile than funds which invest broadly across markets and geographies

**Regional Concentration Risk** – Region-specific funds have a limited investment scope and are susceptible to a decline in the region in which they invest. Therefore, these funds may be more risky than those which invest more broadly across markets and geographies

**Political Risk** – Countries where political leadership is either unstable or where it exerts a very strong influence on markets and business practices may be subject to greater volatility. Political risk may include potential for currency controls which would disrupt efficient financial markets

**Limited Transparency** – Limited transparency is typically a feature of both hedge funds and funds of funds. Funds of funds rely on underlying managers' allocations and holdings may be less transparent than in single manager long-only funds. Furthermore, hedge funds in particular may have highly tactical investments along with less frequent and less stringent reporting requirements which does not provide investors with a picture of holdings on any given day

**Currency Risk** – Currency may have either a direct or indirect effect on individuals' investments. Where the reference currency is different from the reporting currency, foreign exchange movements will directly impact the value of the holdings. Currency will indirectly impact the value of the underlying investments as foreign exchange movements strongly influence the market economy and the competitiveness of both domestic and international companies. Funds which try to hedge to a reference currency can mitigate the direct impact of currency movements but cannot completely isolate the indirect effects of foreign exchange movements

**Key Man Risk** – Where investment decisions are made by an individual or a very small team, the potential loss of any one individual represents a significant risk to the ongoing viability of the Fund

**Tracking Error Risk** – Passive Index Funds are designed to track the reference index before fees and expenses. However, these funds may deviate from the index depending on several factors including: how fully the Fund replicates the index, if the makeup of the index changes and if dividends are not fully captured

**Smaller Company Risk** – Small companies may be less liquid than larger companies and therefore price movements in securities of smaller companies may be more volatile and involve greater risk

It is important to note that the capital value of, and income from, any investment may go down as well as up and you may not get back the full amount invested. We can give no assurance that the expectations reflected in those forward-looking statements will prove to have been correct or come to fruition. Actual results may differ materially from the forecasts/estimates. Past performance is not a reliable indicator of

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Investment in emerging markets may involve certain additional risks, which may not be typically associated with investing in more established economies and/or securities markets. Such risks include (a) the risk of nationalization or expropriation of assets; (b) economic and political uncertainty; (c) less liquidity in so far of securities markets; (d) fluctuations in currency exchange rate; (e) higher rates of inflation; (f) less oversight by a regulator of local securities market; (g) longer settlement periods in so far as securities transactions and (h) less stringent laws in so far the duties of company officers and protection of Investors.

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