

Firm Brochure

HSBC Global Asset Management (Hong Kong) Limited

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This brochure provides information about the qualifications and business practices of HSBC Global Asset Management (Hong Kong) Limited. If you have any questions about the contents of this brochure, please contact us at 852 2284 1111. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about HSBC Global Asset Management (Hong Kong) Limited also is available on the SEC's website at www.adviserinfo.sec.gov.

HSBC Global Asset Management (Hong Kong) Limited is a federally registered investment adviser with the SEC. Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

Item 2: Material Changes

There was no material changes made to the HSBC Global Asset Management (Hong Kong) Limited (“AMHK”) Form ADV Part 2A (commonly referred to as the “Brochure”) since the last annual update of the Brochure dated 31 December 2017.

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Item 4: Advisory Business

A. GENERAL DESCRIPTION OF THE ADVISORY FIRM

HSBC Global Asset Management (Hong Kong) Limited (“AMHK”) is wholly-owned subsidiary of The Hongkong and Shanghai Banking Corporation Limited, and is indirectly owned by HSBC Holdings plc (“HSBC Group”). HSBC Group is a publically owned corporation based in London, England and trades on various stock exchanges around the world. AMHK registered with United States Securities and Exchange Commission (“SEC”) as an investment advisor effective July 2, 1987. AMHK has been providing discretionary investment management and investment advisory service to US clients since then. We have been providing investment advisory service to an investment company registered under the Investment Company Act of 1940 since June 2012.

AMHK is an entity within HSBC Global Asset Management (“AMG”), which is made up of a group of companies in countries and territories throughout the world that are engaged in investment advisory and portfolio management activities.

B. TYPES OF ADVISORY SERVICES

AMHK provides discretionary investment management and investment advisory services to US clients on one or more types of the following investments only:

- Equities
- Fixed Income
- Unit Trusts and Mutual Funds
- ETFs
- REITs
- Deposits

C. INVESTMENT RESTRICTIONS

AMHK offers advisory services to meet institutional clients’ needs. Clients may provide us with their specific investment guidelines and we will use our best efforts to meet their needs.

D. WRAP FEE PROGRAMS

AMHK do not participate in wrap fee programs with respect to providing portfolio management services to our US clients.

E. REGULATORY ASSETS UNDER MANAGEMENT

Total clients asset under our management as of 31 December 2018 are as follows:

- USD 74,746,769,481 on a discretionary basis

Item 5: Fees and Compensation

A. ADVISORY FEES AND COMPENSATION

AMHK charges a percentage of the value of assets under management for our service, typically up to 1.75%. Fees for segregated and advisory mandates are negotiable and minimum fee may apply subject to various factors including assets under management and type(s) of investments and client services required.

B. BILLING METHOD AND FREQUENCY

AMHK will bill our US client for fees incurred quarterly. The client will pay our management fees in arrears.

C. OTHER FEES AND EXPENSES

Clients may also incur the following fees and charges in connection with the portfolio management and advisory services that we offer:

- Brokerage fees (please refer to item 12 of this document for details)
- Custodian fees
- Foreign exchange spreads
- Stamp duty
- Levy
- Regarding ETF investments, underlying investment adviser, custodian and administrator fees

Clients have the option to purchase investment products that we recommend through other brokers or agents that are not affiliated to us.

AMHK charges advisory fees but do not charge commissions nor spreads on transactions undertaken for US clients' portfolios under management or advice.

Item 6: Performance-Based Fees and Side-By-Side Management

AMHK has entered into performance-based fees arrangements with some non-U.S. clients. AMHK maintains policy and procedures to ensure that any potential conflict is managed in an appropriate way and ensure that all clients are treated fairly.

Item 7: Types of Clients

AHMK offers investment advisory/sub-advisory services to varying types of clients that may include, but are not limited to:

- Government and Government Agencies
- Pensions/Retirement Funds
- Corporations
- Insurance Companies
- Financial Institutions
- Investment Funds or Companies
- Charities
- Other investment advisers

AMHK will consider new segregated accounts with a minimum client revenue of USD 100,000 per annum.

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

A. AMHK uses one or more of the following methods of analysis in formulating investment advice or managing assets:

- Quantitative Analysis
- Fundamental Research, bottom-up research
- Stock specific analysis
- Multi-faceted risk systems
- Issuer selection
- Credit review
- Fundamental credit analysis
- Bottom-up proprietary model Valuations/Earnings
- Top-down macro economic indicators
- Economic indicators
- Macro Economy, Valuation, Technical factors, Event risk

AMHK uses one or more of the following investment strategies in formulating investment advice or managing assets:

- Active Fundamental – Investing with conviction, seeking to produce strong and consistent performance over the long term
- Quantitative – Seeking to deliver robust performance in a risk-adjusted environment
- Liquidity – Offering a wide range of cash funds matching investment horizon, regulation and currency constraints

The prices of securities fluctuate, sometimes dramatically. The price of a security may move up or down, and may become valueless. Investing in securities involves risk of loss that a client should be prepared to bear.

B. Material risks involved in Active Fundamental and Quantitative strategies are:

- Equity risk
- Liquidity risk
- Credit risk
- Interest Rate risk
- Currency risk
- Counterparty risk

Material risks involved in Liquidity strategy are:

- Liquidity risk
- Credit risk
- Interest Rate risk
- Currency risk
- Counterparty risk

C. AMHK primarily manages portfolio of equities, fixed incomes and mixed-assets subject to one or more of the following risks:

- Equity risk
- Liquidity risk
- Credit risk
- Interest Rate risk
- Currency risk
- Counterparty risk

Item 9: Disciplinary Information

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of AMHK advisory business or the integrity of AMHK management.

Item 10: Other Financial Industry Activities and Affiliations

A. BROKER-DEALER REGISTRATION STATUS

AMHK (including its management persons) is not registered nor required to register with FINRA as a broker-dealer, and does not conduct broker-dealer activities.

B. REGISTRATIONS STATUS WITH OTHER INDUSTRY ENTITIES

AMHK (including its management persons) is not registered as a futures commission merchant, commodity pool operator, a commodity trading adviser, nor is an associated person of such entities.

C. MATERIAL RELATIONSHIPS

AMHK is part of the HSBC Group and our affiliates carry out various types of financial and non-financial activities. AMHK may use banking, custodian, broking and other financial and non-financial services offered by our affiliates. AMHK treats these affiliates as if they are independent third parties and deal with them at arm's length terms regarding investments made for our clients.

AMHK implemented proper measures (Chinese Wall) to ensure that information of a price sensitive nature, or which could give rise to conflicts of interest or conflicts of duty owed to clients and which is known to or produced by individuals employed in one part of the HSBC Group, is not available directly or indirectly to individuals elsewhere in a connected company or to outside persons.

AMHK Regulatory Compliance Department reviews samples of trades with both affiliates and non-affiliates to testify best-execution standard compliant.

D. RECOMMEND OR SELECT OTHER INVESTMENT ADVISERS

AMHK does not recommend or select other investment advisers for its clients for which it receives compensation directly or indirectly from those advisers that creates a material conflict of interest.

Item 11: Code of Ethics, Participation or Interest in Client Transaction and Person Trading

A. CODE OF ETHICS AND PERSONAL TRADING

AMHK has adopted Code of Ethics in areas including conflict of interests, protection of material non-public information, personal account dealing and reporting, outside business activities, gifts and entertainment, sanctions, violation, administration of the Code.

A copy of the Code of Ethics is available upon request.

B. SECURITIES IN WHICH AMHK OR RELATED PERSON HAS A MATERIAL FINANCIAL INTEREST

AMHK, our staff and related persons shall not cross trade with clients' portfolio. We do not cross trade one US client's portfolio asset with another client's asset.

C. INVEST IN THE SAME SECURITIES AS RECOMMENDED TO CLIENTS

AMHK staff who are 'access person' shall not trade for personal account in securities or related securities on a date that we traded or recommended to clients the same securities within 7 calendar days before or after that date or on that date. However, for the top 25 Hong Kong Stocks, one trading day blackout period applies. The "top 25 Hong Kong Stocks" means the top 25 Hong Kong stocks (in terms of Market Capitalization) as set out in the website of the Hong Kong Exchange and Clearing Limited, with the section headed "50 Leading companies in market capitalization" by referring to the link http://www.hkex.com.hk/Market-Data/Statistics/consolidated-Reports/Monthly-Bulletin?sc_lang=en#select1=0&select2=1. Further, our staff must not deal in circumstances which present a conflict of interest with our clients.

D. PERSONAL TRADING AT ABOUT THE SAME TIME WITH CLIENTS TRANSACTIONS

AMHK, our staff and related persons must not deal in the same securities until our clients' order has been fully executed or cancelled when such persons know that a client's order has been accepted, or that we have made a decision to deal on behalf of a discretionary managed client.

AMHK, our staff and related persons may not buy or sell for its own an investment on a day in which we have a pending 'buy' or 'sell' order in the same investment for clients until that order is fully executed or withdrawn.

Item 12: Brokerage Practices

A. BROKERAGE SELECTION

1. Research and Other Soft Dollar Benefits

AMHK does not have soft dollars practices. For non-US clients, we may have arrangements with brokers on commission sharing arrangements for permissible services and goods under Hong Kong rules and regulations, such as research for the benefits of our clients as a whole regardless whom the commission generated from. We do not have commission sharing arrangements for US client.

2. Brokerage for Client Referrals

Not Applicable.

3. Directed Brokerage

AMHK may accept clients directing brokerage. However, in directed brokerage, we may be unable to obtain most favourable execution of the client's transactions. Directing brokerage may cost the client more money.

B. TRADE AGGREGATION

AMHK may aggregate various clients' orders for efficient execution if the market conditions allow. Aggregation in general will reduce the execution cost. If we are not allowed to aggregated trades when it has the opportunities to do so, the client may pay higher brokerage costs.

Item 13: Review of Accounts

A/B. PERIODIC REVIEW OF CLIENT ACCOUNTS

The performance of clients portfolios would be reviewed and monitored on a regular basis. In addition, portfolio review meetings are conducted with clients on a regular basis, at least once a year. The portfolio reviews may be conducted with Client Directors, Client Service or the Investment Team.

C. CONTENT AND FREQUENCY OF ACCOUNT REPORTS

AMHK will provide monthly statements of account to clients in writing by mail or other means mutual agreed with clients. The statements of account include portfolio holdings with market value, cash balance, receivables, and payables as of the statement date and transactions history since last statement date.

Item 14: Client Referrals and Other Compensation

A. CLIENT REFERRALS

AMHK may engage affiliates and/or non-affiliates for client referrals. In successful referral cases where business is concluded, our remuneration will be an investment management fee received from the client based on a percentage of the assets we manage on behalf of the client.

Item 15: Custody

AMHK does not directly or indirectly hold or maintain physical custody or possession of US client funds or securities, nor have any authority to obtain possession of them.

AMHK urges clients who have appointed own custodian to compare statements of account from us to the statements of account the client received from the custodian.

Item 16: Investment Discretion

AMHK accepts discretionary authority to manage clients' portfolio accounts upon signing of investment management agreements. We do not accept discretionary authority to manage securities accounts on behalf of clients.

AMHK receives discretionary authority from the client, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

Item 17: Voting Client Securities

A. POLICIES AND PROCEDURES RELATING TO VOTING CLIENT SECURITIES

AMHK shall generally cast/recommend FOR or AGAINST vote for a resolution for very substantial acquisition, major transaction, discloseable transaction, share transaction and connected transactions with the benefit of the clients in mind.

For general non-contentious matters raised at the Annual General Meeting of listed company, we shall cast/recommend vote in favour of the listed company board's recommendation.

Clients may have specified different instructions and direct us through agreed procedures to vote regarding the clients' investments under our management.

AMHK will generally vote proxies in accordance with our in-house market specialists' recommendations. The market specialists will make the recommendation based on the principles set out in the Voting Policy and Procedures. In the event a proxy proposal giving rise to a material conflict of interest, the market specialists should consult Chief Investment Officer ("CIO") and Regulatory Compliance Officer ("RCO") and legal advice, if deemed necessary by CIO or RCO.

Our clients may write to us for information on how their securities were voted.

Our clients may request a copy of our proxy voting policies and information about how proxies were voted. Please send the request via mail addressed to: HSBC Global Asset Management (Hong Kong) Limited, HSBC Main Building, Level 22, 1 Queen's Road Central, Hong Kong.

Item 18: Financial Information

AMHK does not require, solicit or receive prepayment of management fees.

AMHK has no financial condition that impairs its ability to meet contractual commitments to clients, and has not been the subject of a bankruptcy petition.

Item 19: Requirements for State-Registered Advisers

Not Applicable.