



## HGIF Global Investment Funds (“HGIF”)

### Investor update on HGIF sub-funds with exposure to Russian securities.

This is an update as of March 10<sup>th</sup>, 2022 for HGIF investors who have investments in sub-funds with an exposure to Russian securities. Updates will be posted to the AMG website: <https://www.assetmanagement.hsbc.co.uk/en/institutional-investor/fund-centre> in the event of changes to the information detailed below.

- HGIF BRIC Equity

In accordance with the provisions of the prospectus dated January 2022, HGIF and its appointed agents are now applying a ‘Fair Value’ valuation to the Russian equities and ADR’s in the sub-fund. Up to 9 March 2022, these assets were being valued at 10% of their closing price on 25 February 2022, except in cases where the market price drop was higher than 90%, in which case we used the value of the stock based on the latest market price. Since 10 March 2022, all the local RUB denominated Russian equities are being valued at zero. For the majority of non-RUB Russian stocks (GDRs/ADRs and international listed equities), the latest available market price is being used; otherwise they are also valued at zero.

- HGIF BRIC Markets Equity

In accordance with the provisions of the prospectus dated January 2022, HGIF and its appointed agents are now applying a ‘Fair Value’ valuation to the Russian equities and ADR’s in the sub-fund. Up to 9 March 2022, these assets were being valued at 10% of their closing price on 25 February 2022, except in cases where the market price drop is higher than 90%, in which case we use the value of the stock based on the latest market price. Since 10 March 2022, all the local RUB denominated Russian equities are being valued at zero. For the majority of non-RUB Russian stocks (GDRs/ADRs and international listed equities), the latest available market price is being used; otherwise they are also valued at zero.

- HGIF Global Equity Volatility Focused

In accordance with the provisions of the prospectus dated January 2022, HGIF and its appointed agents are now applying ‘Fair Value’ valuation to the Russian equities and ADR’s in the sub-fund. Until 9 March 2022, these assets were valued at 10% of their closing price on 25 February 2022, except in cases where the market price drop was higher than 90%, in which case we used the value of the stock based on the latest market price. Since 10 March 2022, all the local RUB denominated Russian equities are being valued at zero. For the majority of non-RUB Russian stocks (GDRs/ADRs and international listed equities), the latest available market price is being used; otherwise they are also valued at zero.



## HSBC Investment Funds (Luxembourg) S.A.

- HGIF GEM ESG Local Debt

In accordance with the provisions of the prospectus dated January 2022, HGIF and its appointed agents have now taken the approach to mark the Russian Ruble Government bonds to zero.

As a result, HSBC Investment Funds (Luxembourg) S.A. (“HIFL”) has instructed the administration agent of HGIF to apply zero prices and also mark the coupons to zero for these securities, effective 2 March 2022.

- HGIF GEM Local Debt

In accordance with the provisions of the prospectus dated January 2022, HGIF and its appointed agents have now taken the approach to mark the Russian Ruble Government bonds to zero.

As a result, HIFL has instructed the administration agent of HGIF to apply zero prices and also mark the coupons to zero for these securities, effective 2 March 2022.

### **Benchmark Implications for HGIF GEM Local Debt**

According to our conversations with the benchmark provider, JP Morgan, they will be marking the Russian Ruble bonds to zero in the near term, with the timeline being confirmed shortly. Currently, they are pricing the Russian Ruble bonds at a price of 8, which has caused some performance discrepancy with the sub-fund.

- HGIF GEM Multi-Asset Income

In accordance with the provisions of the prospectus dated January 2022, HGIF and its appointed agents are now applying a ‘Fair Value’ valuation to the Russian equities and ADR’s in the sub-fund. Up to 9 March 2022, these assets were valued at 10% of their closing price on 25 February 2022, except in cases where the market price drop was higher than 90%, in which case we used the value of the stock based on the latest market price. Since 10 March 2022, all the local RUB denominated Russian equities are being valued at zero. For the majority of non-RUB Russian stocks (GDRs/ADRs and international listed equities), the latest available market price is being used; otherwise they are also valued at zero.

HIFL has taken the approach to mark the Russian Ruble Government bonds to zero.

As a result, HIFL has instructed the administration agent of HGIF to apply zero prices and also mark the coupons to zero for these securities, effective 2 March 2022.

- HGIF Russia Equity

The sub-fund was suspended on 1 March 2022 and will remain suspended until further notice.

Please do not hesitate to contact us if we can be of further assistance.

Yours faithfully,

On behalf of the Board of Directors

**HSBC Investment Funds (Luxembourg) S.A.**  
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