B R I N G I N G

O P P O R T U N I T I E S T O Y O U

HSBC Alternative Investments

Prepare to go beyond traditional investments

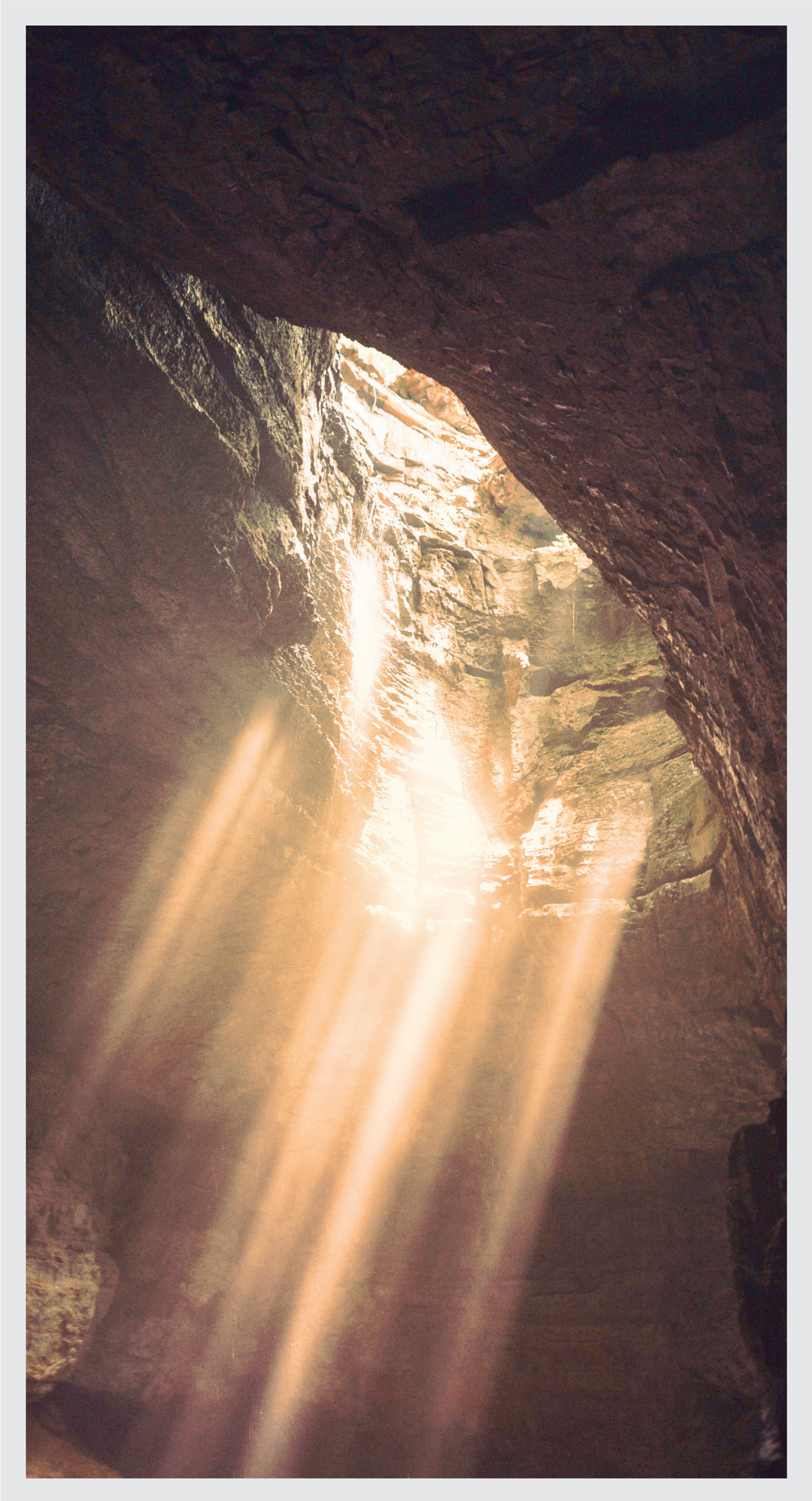
Alternative investments offer exciting opportunities to build increased diversification for your portfolio through non-traditional assets such as hedge funds, private equity and real estate. Through our global network, we can bring these opportunities to you.

HSBC Private Banking, in partnership with HSBC Alternative Investments Limited (HAIL) has over 30 years of history in this territory, which has earned us a strong reputation and makes working with us an attractive proposition for investment managers.

Enhance your portfolio's diversification

Alternative investment strategies react differently to market movements than other traditional assets. This lower correlation makes them an attractive extension to a traditionally-constructed portfolio. We believe this approach is key to managing risk and to effectively diversifying your portfolio.

This, combined with the lower minimum entry we offer to alternative investments, allows our experienced advisors to add an alternative investment element to your portfolio, using hedge funds, private equity and real estate assets.



Unique insights. Specialist knowledge

Thanks to HSBC's global reach, scale and experience, your portfolio can benefit from the insights and access to investment opportunities this brings.

A central part of our service is to keep you informed about real, actionable opportunities as they emerge.

Whether you wish to delegate the management of your alternative investments to a Portfolio Manager or receive the information and advice you need to help you make the final decisions yourself, we have the platform and expertise to accommodate your needs. We will continuously support you throughout your investment journey.

Every fund Every manager Rigorously screened

Your portfolio will benefit from our highly-disciplined approach to manager selection across alternative investments. This ensures that we only include investments that we understand and have conviction in.

We screen the universe of managers and funds on an investment and operational risk basis, selecting them through three types of due diligence: qualitative, quantitative and operational. The resulting approved managers and funds are then placed in a rating and approval system, only after which, and if appropriate, we put them on our platform.

Your expert alternatives partner

Our alternative investment solutions are delivered in partnership with HAIL, part of the HSBC Asset Management Group. Their global team has been advising on alternative investments since 1989.

HAIL manage and advise on over USD40.9 billion[1] of alternative assets, with resources across three continents. They are one of the largest allocators in the industry and one of the world's largest hedge fund investors.

A team with strength and depth

HAIL's team of 49 investment professionals[2] includes portfolio managers, research analysts and due diligence experts. They use a rigorous process to provide highly- selective access to best-in-class managers across hedge funds, private equity and real estate assets. This diligence means we always look at alternatives with fresh eyes.

[1] Source as of October 2019, HSBC Global Asset Management. Includes assets HSBC Alternative Investments Limited manages or has oversight of, and includes USD6.8bn from committed capital ("dry powder") in Private Equity and Hedge funds.

[2] Ibid.

Tap into the potential of hedge funds

Hedge funds offer investors a variety of investment strategies across asset classes. They can provide the potential of long-term returns and protection in volatile markets. We can give your portfolio access to actively-managed hedge funds, which can tap into a broader range of opportunities and strategies.

A leading force in hedge funds for over a quarter of a century, HAIL are one of the largest hedge fund investors globally. Through their long-standing relationships with many of the world's leading hedge funds they provide access to a wide range of funds, including capacity-limited and hard/soft-closed funds.

Benefit from our hedge fund expertise

Behind our hedge fund solutions sits a rigorous process of due diligence which guides our screening of over 1,500 funds. These solutions are delivered by our expert team of analysts and advisors who work together to ensure you consistently receive high-conviction solutions that complement your portfolio and take advantage of evolving market opportunities.

We meet regularly with hedge fund managers to stay up-to-date with the latest macro research and hedge fund updates. This active monitoring of performance means we always keep you informed with regular market updates, in-depth reporting and communications.

In addition to HAIL's global hedge fund expertise, their longevity and market position allows us to offer lower minimum investments in hedge funds, access to institutional share classes and the ability to execute trades on short notice.

Flexible solutions to suit you. And your portfolio

Our platform gives you access to hedge funds in a variety of ways to suit your needs, with a level of involvement that suits your circumstances. Our discretionary service offers lower levels of involvement, while our advisory service allows you to choose a level of involvement that helps you to build a customised portfolio with the help of an advisor.

Our extensive platform offers single line funds, fund of funds and liquid alternatives across a spectrum of hedge fund investment strategies.

Explore the potential of private equity

Private equity funds are portfolios of private companies that provide returns uncorrelated to public markets. Which enables clients to gain exposure to appealing investment opportunities and specialised investments from around the world. The asset class can bring the added benefits of diversification and reduced volatility to a portfolio over the long term.

Rigorous manager selection

HAIL take an in-depth, high-conviction approach to manager selection, with the aim of capturing the optimum potential returns. Their due diligence process is complemented by our knowledge of target themes and sectors to identify what we consider 'best-in-class' managers and 'high-conviction' opportunities. We provide private equity across sectors, strategies, geographies and vintages (years) as appropriate, giving you the potential to build-in increased resilience to economic cycles and shocks. They also monitor investments and take advisory board seats.

To compensate for illiquidity, HAIL only select managers with a proven track record of aiming for and achieving upper quartile returns. Our private equity strategy is built around providing a consistent performance, based on steady, sustained returns. However, there is no guarantee of future returns.

Bringing you carefully screened opportunities

Through our close collaboration with HAIL we provide opportunities for you to invest in select, high-conviction single funds each year (known as vintages). We also provide access to our HSBC diversified private equity fund.

End-to-end real estate expertise

Real estate assets can bring an additional measure of portfolio diversification with performance derived from a combination of capital growth market conditions and rental income.

HAIL's real estate capabilities span both listed and unlisted assets. This expertise means they can advise on the entire investment lifecycle for managed mandates, including deal sourcing, due diligence, structuring, financing, execution, asset management and disposal.

Their rigorous framework assesses relative value using proprietary models of over 55 real estate markets globally.

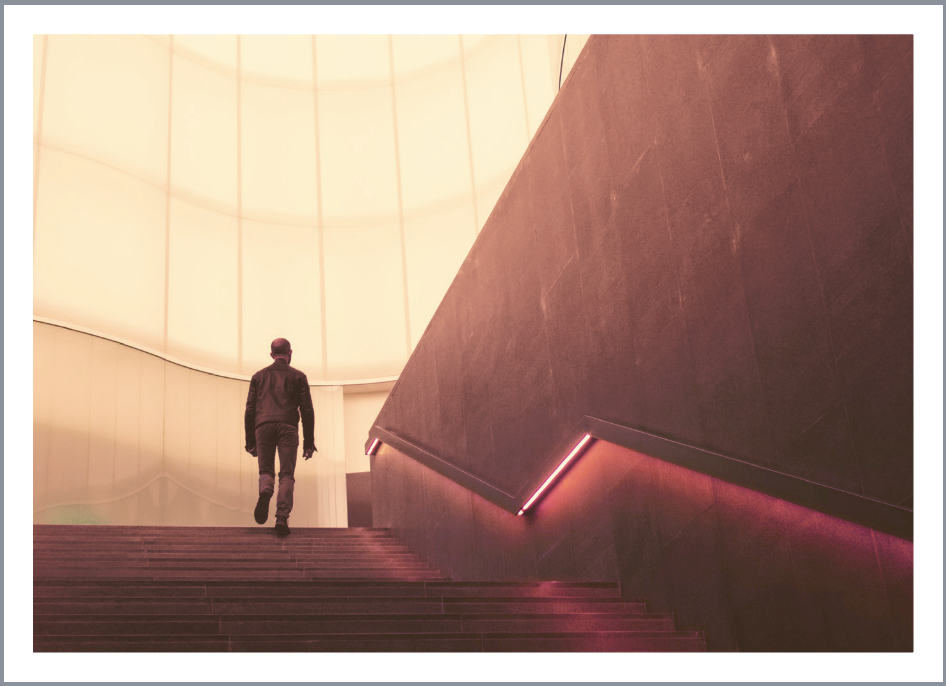
Using the HSBC Group's globally connected network ensures the opportunities recommended are informed by local knowledge and expertise across geographies and sectors including retail, logistics, offices and student accommodation.

Helping you unlock the world of real estate

Through HAIL, we can provide you with access to club deals. These include institutional grade, landmark real estate investments in gateway cities. The structure of club deals may be suitable if you have a diversified portfolio and are seeking tangible investments.

Real estate funds are diversified pools of real estate assets advised within HAIL's Private Markets team. They can provide access to highly-restricted and segmented markets across numerous geographies and manager styles, according to your risk profile. All real estate managers go through a rigorous due diligence and selection process.

Our Investment Advisory service is a scalable and flexible solution designed to support your real estate investment needs by creating a portfolio that balances income return, capital growth and preservation. This can provide access to unique opportunities, including sole ownership deals with associated control and transferability.



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

Not all products and services referred to in this brochure are offered in all jurisdictions.

Risks of Alternatives Investing

The risk factors listed below are not exhaustive

Hedge Funds

Regulation
The hedge fund industry is lightly regulated, with the majority of funds domiciled in offshore jurisdictions. Regulation is more prominent at the investment adviser level, those based in the UK are regulated by the Financial Conduct Authority and/or the Prudential Regulation Authority and many in the US are regulated by the Securities and Exchanges Commission. However, it should be noted that these funds themselves are generally classified as "unregulated" and are not typically subject to the same levels of scrutiny and protection as a traditional investment fund. A thorough due diligence process can mitigate these concerns. For these reasons, these funds can generally only be offered to experienced and sophisticated investors.

Gating
In event that redemptions requests on a particular dealing date is much higher than the normal level and full satisfaction would jeopardize the longer term portfolio balance, a gate or partial execution of redemption requests may be implemented generally on a pro-rata basis. Gating essentially provides a floodgate to temporarily relieve the pressure of unloading fund assets in big amounts at inappropriate market conditions.

Side Pocket
There may be instances when certain assets in a fund portfolio could become less liquid and the fund manager may segregate these illiquid positions from the main portfolio into a side pocket (or a separate vehicle). Generally, the side pocket is self-liquidating, i.e. selling down the illiquid positions once market liquidity returns. There may not be a fixed timeline for the redemption of the side pocket and investors may receive no payments in some cases.

Suspension of Redemption
Suspension of redemption is a temporary halt in exiting the fund during a given redemption window. This is a stronger measure than gating because there is no dealing for the fund. This is generally used under special circumstances such as when liquidity conditions have markedly deteriorated in a short period of time or when there are heavy asset outflow such as the loss of a core investor. Typically this would lead to a restructuring of the fund or other plan to ensure an orderly liquidation of assets on basis of equal and fair treatment to all investors.

Capacity
Hedge fund managers identify a certain amount of capital where they can effectively and successfully manage the fund on behalf of their investors. Once the assets of the hedge fund reach this level, the managers tend to close the fund to new investment in order not to dilute the return to the existing investors. Therefore, the majority of the longer-running "star" hedge funds are now closed to new money and investors are not able to access them. However, long term investors who have built a strong relationship with the hedge funds over time are often favoured when capacity becomes available.

Transparency
Many hedge fund managers are wary of regularly publishing their positions in the belief that this will remove any advantage that they have over their peers. This can pose a problem to the investor, as he or she cannot be certain to which stocks, geographies, markets or even strategies he or she will be exposed to when investing in the hedge fund. However, trusted investors who have built strong relationships with the hedge funds can access this information for the majority of funds, enabling thorough monitoring of the investment.

Liquidity
Hedge funds typically have much longer dealing cycles than traditional investment funds. Depending on the strategy being utilised, a hedge fund may only allow subscriptions and redemptions on a monthly or quarterly basis. Furthermore, some hedge funds have long lock-up periods, where an investor is not permitted to redeem from the hedge fund unless a period of 6 months, a year or even 2 years has passed. Some may allow a redemption before the lock-up period is over, but the investor would have to pay a hefty penalty to be able to do this. Some hedge fund managers may also operate a redemption gate, where they place a limit on the amount of shares that can be redeemed during any set period. The objective of these terms is to provide the manager with a stable capital base that enables them to execute strategies they would not otherwise be able to. Such strategies can provide a better risk reward ratio than would be available to a more liquid fund.

Access
Hedge funds operate larger investment minima than traditional investment funds. Investors are often unable to access a hedge fund unless they were willing to invest US$500,000 to US$2million, implying that only wealthy individuals, who can meet those minimum investment requirements, would be able to access hedge funds. However, investing through fund of hedge fund products or managed accounts can provide access to these managers with greatly reduced minima.

Tax
Due to the nature of hedge funds and their domicile, an investment in one of these vehicles could have tax implications for the investor. Therefore, tax advice must be sought by the investor prior to investing in any hedge fund.

Manager failure
Over time, a number of hedge funds will close or fail, due to weak performance or operational difficulties. An investor must take this into consideration before making an investment, seeking professional advice to help minimize the risk of investing in a fund that is likely to fail.

Private Equity

Long Term Horizon
Investors should expect to be locked-in for the full term of the investment, which is subject to extensions

Illiquidity
There is no guarantee of distributions, and no established secondary market

No Capital Protection
In the worst case scenario, investors may lose the entirety of invested capital

Unpredictable Cash Flows
Capital may be called and distributed at short notice

Economic Conditions
Ability to realise/divest from existing investments depends on market conditions and the regulatory environment

Risk of Forfeiture/Default
Failure to make call payments could result in forfeiture of commitment, including invested capital, without compensation. In the event of default investors risk losing their entire remaining interest in the vehicle and may be subject to legal proceedings to recover unfunded commitments

Strategy Risk
As secondary investments may be made to partnerships following different strategies (leveraged buyout, venture capital, distressed debt, etc), the investor faces the risks specific to each strategy

Reliance on Third-Party Management Teams
Underlying investments will be managed by various different third-party management teams that will in aggregate determine the eventual returns for the investor

Real Estate

General Real Estate Risk
An investment in real estate may be affected by various matters, including, but not limited to, vacancies following expiry or termination of leases or licenses leading to reduced occupancy rates, the property manager's ability to collect rents or license fees, competition for tenants, fluctuating local real estate conditions, changes in government regulations relating to land use and zoning, environmental, occupational and safety matters, existence of uninsured or uninsurable risk, natural disasters, acts of war or terrorism. Property markets can be cyclical.

Leverage Risk
Where leverage is used, it will be subject to the risks normally associated with debt financing, including the risk that cash flows will be insufficient to meet required payments of principal and interest and the risk that indebtedness will not be able to be refinanced at all or on favourable terms.

Liquidity Risk
Investors in real estate, including investments made through corporate or fund structures, are warned that it is likely that there is no secondary market for the asset or for their shares or partnership interests as the case may be. It can be difficult to buy and sell underlying property investments quickly.

Credit Risk of Tenants
Adverse changes in the operation of a real estate asset, or the financial condition of any tenant, could have an adverse effect on the ability to collect rent payments and, accordingly, on the ability to make distributions to Investors.

Exit Risks
Investments are made with the assumption that an exit will be made through a sale. There is no guarantee that favourable market conditions will prevail when a sale is contemplated. The process of exiting from an investment may take longer than anticipated.

Tenure Risks
An investment in real estate has a long investment period and is only suitable for investors who have a long term investment horizon.

Important notice

The following may be subject to local requirements:

This is a marketing communication issued by HSBC Private Banking. This document does not constitute independent investment research under the European Markets in Financial Instruments Directive ('MiFID'), or other relevant law or regulation, and is not subject to any prohibition on dealing ahead of its distribution. HSBC Private Banking is the principal private banking business of the HSBC Group. Private Banking may be carried out internationally by different HSBC legal entities according to local regulatory requirements. Different companies within HSBC Private Banking or the HSBC Group may provide the services listed in this document. Some services are not available in certain locations. Members of the HSBC Group may trade in products mentioned in this publication.

This document is provided to you for your information purposes only and should not be relied upon as investment advice. The information contained within this document is intended for general circulation to HSBC Private Banking clients and it has not been prepared in light of your personal circumstances (including your specific investment objectives, financial situation or particular needs) and does not constitute a personal recommendation, nor should it be relied upon as a substitute for the exercise of independent judgement. This document does not constitute and should not be construed as legal, tax or investment advice or a solicitation and/or recommendation of any kind from the Bank to you, nor as an offer or invitation from the Bank to you to subscribe to, purchase, redeem or sell any financial instruments, or to enter into any transaction with respect to such instruments. The content of this document may not be suitable for your financial situation, investment experience and investment objectives, and the Bank does not make any representation with respect to the suitability or appropriateness to you of any financial instrument or investment strategy presented in this document.

If you have concerns about any investment or are uncertain about the suitability of an investment decision, you should contact your Relationship Manager or seek such financial, legal or tax advice from your professional advisers as appropriate.

Market data in this document is sourced from Bloomberg unless otherwise stated. While this information has been prepared in good faith including information from sources believed to be reliable, no representation or warranty, expressed or implied, is or will be made by HSBC Private Banking or any part of the HSBC Group or by any of their respective officers, employees or agents as to or in relation to the accuracy or completeness of this document.

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 original amount invested. Past performance is not a guide to future performance. Forward-looking statements, views and opinions expressed and estimates given constitute HSBC Private Banking's best judgement at the time of publication, are solely expressed as general commentary and do not constitute investment advice or a guarantee of returns and do not necessarily reflect the views and opinions of other market participants and are subject to change without notice. Actual results may differ materially from the forecasts/estimates. When an investment is denominated in a currency other than your local or reporting currency, changes in exchange rates may have an adverse effect on the value of that investment. There is no guarantee of positive trading performance.

Foreign securities carry particular risks, such as exposure to currency fluctuations, less developed or less efficient trading markets, political instability, a lack of company information, differing auditing and legal standards, volatility and, potentially, less liquidity.

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.

You should contact your Relationship Manager if you wish to enter into a transaction for an investment product. You should not make any investment decision based solely on the content of any document.

Some HSBC Offices listed may act only as representatives of HSBC Private Banking, and are therefore not permitted to sell products and services, or offer advice to customers. They serve as points of contact only. Further details are available on request.

In the United Kingdom, this document has been approved for distribution by HSBC UK Bank plc whose Private Banking office is located at 8 Cork Street, London W1S 3LJ and whose registered office is at 1 Centenary Square, Birmingham, B1 1HQ. HSBC UK Bank plc is registered in England under number 09928412. Clients should be aware that the rules and regulations made under the Financial Services and Markets Act 2000 for the protection of investors, including the protection of the Financial Services Compensation Scheme, do not apply to investment business undertaken with the non-UK offices of the HSBC Group. This publication is a Financial Promotion for the purposes of Section 21 of the Financial Services & Markets Act 2000 and has been approved for distribution in the United Kingdom in accordance with the Financial Promotion Rules by HSBC UK Bank plc, which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

In Guernsey, this material is distributed by HSBC Private Banking (C.I.) a division of HSBC Bank plc, Guernsey Branch which is licensed by the Guernsey Financial Services Commission for Banking, Insurance and Investment Business. HSBC Bank plc is registered in England and Wales, number 14259. Registered office 8 Canada Square, London, E14 5HQ. HSBC Bank plc is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority (UK FCA reference number: 114216).

In Jersey Issued by HSBC Private Banking (Jersey) which is a division of HSBC Bank plc, Jersey Branch: HSBC House, Esplanade, St. Helier, Jersey, JE1 1HS. HSBC Bank plc, Jersey Branch is regulated by the Jersey Financial Services Commission for Banking, General Insurance Mediation, Fund Services and Investment Business.

Australia

If you are receiving this document in Australia, the products and services are provided by The Hongkong and Shanghai Banking Corporation Limited (ABN 65 117 925 970, AFSL 301737) for
"wholesale" customers (as defined in the Corporations Act 2001). Any information provided is general in nature only and does not take into account your personal needs and objectives nor whether any investment is appropriate. The Hongkong and Shanghai Banking Corporation Limited is not a registered tax agent. It does not purport to, nor does it, give or provide any taxation advice or services whatsoever. You should not rely on the information provided in the documents for ascertaining your tax liabilities, obligations or entitlements and should consult with a registered tax agent to determine your personal tax obligations.
Where your location of residence differs from that of the HSBC entity where your account is held, please refer to the Disclaimer at http://www.hsbcprivatebank.com/en/utilities/cross-border-disclosure for disclosure of cross-border considerations regarding your location of residence. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, on any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior written permission of HSBC UK Bank plc. A complete list of private banking entities is available on our website, www.hsbcprivatebank.com.

GPB/481/12/2019
HNK-12-31-2019-26
PBSG- 2019-12-26

HSBC
Private Banking

Together we thrive