# PRIIPs Key Information Document – For Execution Only and Advisory Services



## **Introducing PRIIPS**

From 1 January 2018 the Packaged Retail and Insurance-based Investment Products Regulation ("PRIIPs Regulation") will be introduced.

The Regulation aims to increase the transparency and comparability of in scope investment products through the issue of a standardised disclosure document; the Key Information Document (KID). The KID is intended to make it easier for investors to understand and compare the key features, risks, rewards and costs of different products in scope of PRIIPs.

### How the PRIIPs Regulation affects you

The PRIIPs Regulation applies to all products, where the amount repayable is subject to fluctuation because of exposure to reference values, or is subject to the performance of one or more assets which are not directly purchased by the investor. This includes products such as investment funds, life insurance policies with an investment element, structured products and structured deposits.

The regulation applies to purchases of these types of products by Retail Investors who are resident within the EEA, regardless of their nationality.

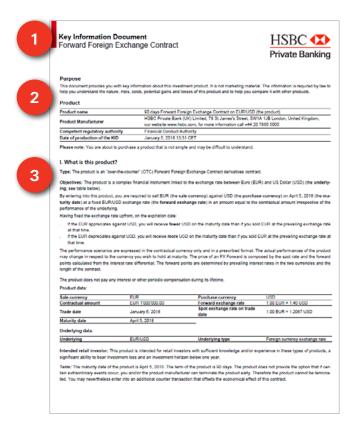
#### The Key Information Document (KID)

A KID must be provided before each transaction so that you, the investor, can compare different products that are in scope of the PRIIPs Regulation and make an informed choice on whether to invest. In the case of our Foreign Exchange (FX) products, so as not to delay execution, we will make illustrative KIDS available for the most commonly traded currency pairs and durations via a dedicated Website <a href="https://priips.hsbcprivatebank.com/">https://priips.hsbcprivatebank.com/</a> or in paper form as agreed with you. For other products, KIDs will be provided to you on a trade-by-trade basis, before you trade.

It is important to read the KID carefully before you trade so that you fully understand the nature, risks, costs, potential gains and losses of the product.

#### **KID** content

The KID is a standardised document and all product manufacturers are required to include the same information and explanations. We have explained below the key elements of this document:





This tells you the name of the product that you are purchasing

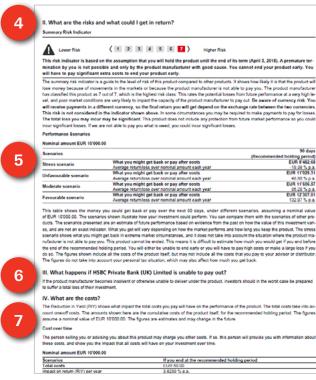
Product General Information

Details of the product manufacturer and their contact details including who regulates them

What is this product?
Specification of product type ar

Specification of product type and features including objectives and how these are to be achieved, the type of retail investor for whom this product is intended and the term of the product

2/3 PUBLIC



	ind what could I get in return?	
Summary Risk Indicator	The White Court of the Court	
Summary Risk Indicator		
Lower Risk	( 1 2 3 4 5 6 7 ) Higher Risk	
This risk indicator is based	on the assumption that you will hold the product until the end of its term (/	ipril 5, 2018). A premature ter
	ssible and only by the product manufacturer with good cause. You cannot	end your product early. Yo
will have to pay significan	t extra costs to end your product early.	
	a guide to the level of risk of this product compared to other products. It shows h	
	rements in the markets or because the product manufacturer is not able to pay	
	7 out of 7, which is the highest risk class. This rates the potential losses from futures are very likely to impact the capacity of the product manufacturer to pay out.	
	ins are very likely to impact the capacity of the product manufacturer to pay out. I different currency, so the final return you will get depend on the exchange ra	
	in the indicator shown above. In some circumstances you may be required to r	
	ur may be significant. This product does not include any protection from future r	
	are not able to pay you what is owed, you could incur significant losses.	
Performance Scenarios		
Nominal amount EUR 10'00	0.00	
Scenarios		90 da
	What you might get back or pay after costs	Recommended holding perio EUR 9'482.
Stress scenario	Average return/loss over nominal amount each year	-19.38 % g
Unfavourable scenario	What you might get back or pay after costs	EUR 11'029.
Ollavourable scenario	Average return loss over nominal amount each year	48.80 % p
Moderate scenario	What you might get back or pay after costs Average return(oss over nominal amount each year	EUR 11'656. 86.20 % p
Favourable scenario	What you might get back or pay after costs	EUR 12'307.
havourable scenario	Average return/loss over nominal amount each year	132.07 % p
This table shows the mon-	ry you could get back or pay over the next 90 days, under different scenar	ine perumina a nominal val
	arios shown illustrate how your investment could perform. You can compare then	
	ed are an estimate of future performance based on evidence from the past on how	
es, and are not an exact indi-	ator. What you get will vary depending on how the market performs and how long	you keep the product. The stre
	th get back in extreme market circumstances, and it does not take into account the	
	you. This product cannot be ended. This means it is difficult to estimate how much	
	holding period. You will either be unable to end early or you will have to pay high	
	lude all the costs of the product itself, but may not include all the costs that you	
rne igures do not take into	account your personal tax situation, which may also affect how much you get bac	
III. What happens if H	SBC Private Bank (UK) Limited is unable to pay out?	
If the product manufacturer becomes insolvent or otherwise unable to deliver under the product, investors should in the worst case be prepared.		
to suffer a total loss of their in		u use murat case pe prepare
IV. What are the costs	?	
The Reduction in Yield (RIY)	shows what impact the total costs you pay will have on the performance of the pro	duct. The total costs take into a
count one-off costs. The am	ounts shown here are the cumulative costs of the product itself, for the recomme	nded holding period. The figur
assume a nominal value of	IUR 10'000,00. The figures are estimates and may change in the future.	
Cost over time		
		and the control of the last control of
	vising you about this product may charge you other costs. If so, this person will prive impact that all costs will have on your investment over time.	tovice you with information abo
Nominal amount EUR 10'00	0.00	
Nominal amount EUR 10'00 Scenarios Total costs	0.00  If you end at the recommended holding peri-	nd

Exit costs  Cortfolio transaction costs  Other ongoing costs		The impact of the costs you pay when entering your investment. The impact of the costs already included in the price. This is the most you will pay and you could pay less. This includes the cost of distribution of your product.
osts	n.a.	n.a.
Wher angoing costs	n.a.	n.a.
reme and apply and re-	n.a.	n.a.
Performance fees	n.a.	n.a.
arried interests	n.a.	n.a.
		s not provide for an early termination right of the investor other than the termina it above under "Term" in Section I. if any. Therefore, investors should be prepa
nce of certain extraord r the term of the produ		t above under "Term" in Section I, if any. Therefore, investors should be prepa
nplain?		
to HSBC Private Bar	nk (UK) Limited, Cor	n with the product or about the person advising on or selling the product should implaint Management, 78 St James's Street, SW1/1.1JB London, England, by e coling your Relationship Management team. Further information can be found or the street of the
nt information		
	it and applicable an facturer. The inform no substitute for ind Yield, due to costs.	we underlying master agreement will constitute the contractual basis of this pro- nesses will be provided by the product manufacturer. The confirmation has to be atom contained in this key information document does not constitute a recom- niumal consultation. The percentage cost figures disclosed in Dection Or repre- assuming the theoretical market development from the moderate performance upon which the bank applies, and may change based on actual performance or
by the o	oduct and is r Reduction in	oduct and is no substitute for ind Reduction in Yield, due to costs,

## What are the risks and what could I get in return?

Details of the level of risk associated with the product explained through the use of a Summary Risk Indicator from 1 to 7 with 1 being the lowest risk and 7 the highest

# **Performance Scenarios**

Presentation of a range of performance scenarios that shows what you might get back after costs

# What happens if the Manufacturer is not able to pay out?

The consequences of a potential default of the Manufacturer. Indication of whether the investor can face a financial loss and whether the loss is covered by a compensation or guarantee scheme.

## What are the costs?

Description of the costs associated with the product including their composition and how they may impact the investment return

# How long should I hold it and can I take my money out early?

Explains how long you should hold the product (i.e. the recommended holding period) as well as the consequences of taking your money out early.

# How can I complain?

Information about how and to whom the client can make a complaint about the product or its manufacturers, distributor or advisor

If you need further assistance in understanding any aspect of this document, please speak to your Relationship Manager or Investment Counsellor.

## Disclaimer

This document is for information and educational purposes only. The use of the label `HSBC Private Banking', `we', or `us' refers to HSBC's worldwide private banking business and is not indicative of any legal entity or relationship. This information is entirely qualified by reference to the terms and conditions of the specific service, if any, provided by the relevant HSBC company. The contents of this document are not and should not be construed as an offer to sell any investment, instrument or service. Furthermore, this document does not constitute the solicitation of an offer to purchase or subscribe for any investment, instrument or service in any jurisdiction where, or from any person in respect of whom, such a solicitation of an offer is unlawful. No part of this document 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 Private Bank.

This table shows the impact on return per year