Asset Management

Dilution

When a Fund buys or sells underlying investments it will usually incur a cost in the form of dealing charges and any spread between the buying and selling prices of the investment. This cost will not be reflected in the sale or purchase price paid by the Shareholder. In some circumstances (for example, deals that are large relative to the size of a Fund) this may have an adverse effect on the interests of Shareholders in the Fund. This effect is referred to as “Dilution”. So as to prevent this, HSBC Asset Management (Fund Services UK) Limited has the power to make a dilution adjustment to the price of a Share on the purchase and/or sale of Shares.

Dilution adjustment

A dilution adjustment may be made if on any Dealing Day the aggregate transactions in Shares of all Share Classes in a Fund result in a net increase or decrease of Shares which exceed a threshold we set for that Fund, (relating to the cost of market dealing for that Fund).

Estimated dilution adjustment rates are shown on the table overleaf, as at the date shown on the table. More recent information may be available by contacting us. Note that during times of heightened uncertainty in the financial markets (increased volatility) the costs that a Fund incurs when buying and selling underlying assets may be greater and therefore the dilution adjustment that is applied may also be increased as a result.

In all cases where the threshold is exceeded the Share price of the relevant Fund may be adjusted by an amount which shall reflect both the estimated fiscal charges and dealing costs that may be incurred by the Fund and the estimated bid/offer spread of the assets into which the Fund invests. The calculated dilution adjustment amount will be an addition when the net movement results in an increase of all Shares of the Fund and a deduction when it results in a decrease. As certain stock markets and jurisdictions may have different charging structures on the buy and sell sides, the resulting adjustment may be different for net inflows and for net outflows.

Furthermore, HSBC Asset Management (Fund Services UK) Limited shall have discretion to apply a dilution adjustment in any other case where it considers that the imposition of a dilution adjustment shall be in the interest of Shareholders.

As dilution adjustment is directly related to the inflows and outflows of monies from a Fund, it is not possible to predict accurately whether dilution adjustment will occur at a future point in time. However, HSBC Asset Management (Fund Services UK) Limited expects to make a dilution adjustment on all occasions when the threshold is exceeded.

Definitions

An explanation of the key words and phrases used in this document can be found in the relevant Prospectus.

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Registered office: 8 Canada Square, Canary Wharf, London, E14 5HQ
Registered number: **13596573**
Authorised and regulated by the Financial Conduct Authority
To help improve our service and in the interest of security we may record and/or monitor your telephone calls with us

Swinging factors; Effective 10 August 2026

FUND	REPURCHASE %	SALE %
BALANCED	0.10	0.10
CORPORATE BOND	0.15	0.15
EUROPE EX UK EQUITY	0.12	0.20
INCOME	0.08	0.57
MONTHLY INCOME	0.11	0.25
UK GROWTH & INCOME	0.08	0.58
AMERICAN INDEX	0.07	0.07
DEVELOPED WORLD LOWER CARBON ESG TILT EQUITY INDEX FUND	0.10	0.12
EUROPEAN INDEX	0.09	0.18
FTSE 100	0.05	0.50
FTSE 250	0.13	0.56
FTSE ALL SHARE	0.06	0.47
FTSE ALL-WORLD INDEX	0.12	0.14
JAPAN INDEX	0.13	0.13
PACIFIC INDEX	0.38	0.26
MSCI EMERGING MARKETS INDEX	0.31	0.24
MSCI EMERGING MARKETS EX CHINA INDEX	0.31	0.23
SP 500 EQUAL WEIGHT EQ INDEX	0.06	0.06
STERLING CORPORATE BOND INDEX	0.15	0.15
USA LOWER CARBON ESG TILT EQUITY INDEX FUND	0.06	0.06
UK GILT INDEX	0.01	0.01
UK MULTI-FACTOR EQUITY	0.08	0.55
US MULTI-FACTOR EQUITY	0.09	0.09
GLOBAL STRATEGY ADVENTUROUS PORTFOLIO	0.05	0.05
GLOBAL STRATEGY BALANCED PORTFOLIO	0.05	0.05
GLOBAL STRATEGY CAUTIOUS PORTFOLIO	0.05	0.05
GLOBAL STRATEGY CONSERVATIVE PORTFOLIO	0.05	0.05
GLOBAL STRATEGY DYNAMIC PORTFOLIO	0.05	0.05
GLOBAL RESPONSIBLE MULTI-ASSET ADVENTUROUS PORTFOLIO	0.05	0.05
GLOBAL RESPONSIBLE MULTI-ASSET BALANCED PORTFOLIO	0.05	0.05
GLOBAL RESPONSIBLE MULTI-ASSET CAUTIOUS PORTFOLIO	0.05	0.05
GLOBAL RESPONSIBLE MULTI-ASSET CONSERVATIVE PORTFOLIO	0.05	0.05
GLOBAL RESPONSIBLE MULTI-ASSET DYNAMIC PORTFOLIO	0.05	0.05
WORLD SELECTION - ADVENTUROUS PORTFOLIO	0.10	0.10
WORLD SELECTION - BALANCED PORTFOLIO	0.10	0.10
WORLD SELECTION - CAUTIOUS PORTFOLIO	0.10	0.10
WORLD SELECTION - CONSERVATIVE PORTFOLIO	0.10	0.10
WORLD SELECTION - DIVIDEND DISTRIBUTION PORTFOLIO	0.15	0.15
WORLD SELECTION - DYNAMIC PORTFOLIO	0.10	0.10
WORLD SELECTION - INTEREST INCOME PORTFOLIO	0.15	0.15
GLOBAL LISTED REAL ASSETS FUND	0.21	0.28