

# Asset Management

**If you have any questions**

- Call us on 0800 358 3011\*
- Send an e-mail to [HSBCenquiries@ntrs.com](mailto:HSBCenquiries@ntrs.com)

\* Lines are open 9.00 am to 5.00 pm  
Monday to Friday (excluding public  
holidays).

20 September 2024

**THIS DOCUMENT CONTAINS IMPORTANT INFORMATION ABOUT YOUR INVESTMENT IN THE GLOBAL STRATEGY SUSTAINABLE PORTFOLIOS AND REQUIRES YOUR ATTENTION.**

**IF YOU ARE IN ANY DOUBTS ABOUT THE CONTENTS OF THIS DOCUMENT, PLEASE CONSULT A FINANCIAL ADVISER.**

Investor Reference:

Designation:

Dear Investor,

We are writing to you about your investment in one or more of the Global Strategy Sustainable Portfolios ("the Funds") listed below:

- Global Strategy Sustainable Adventurous Portfolio
- Global Strategy Sustainable Balanced Portfolio
- Global Strategy Sustainable Cautious Portfolio
- Global Strategy Sustainable Conservative Portfolio
- Global Strategy Sustainable Dynamic Portfolio

Each of the Funds is a sub-fund of HSBC OpenFunds (the "Company"), managed by HSBC Asset Management (Fund Services UK) Limited (the "ACD"). **The ACD has decided to close and wind up the Funds and will commence the closure on Friday 22 November 2024.**

The Funds were launched in April 2022 to offer lower cost investment options that invest in a range of assets. We have promoted the Funds to make them available through a number of fund distributors in the UK but, despite this, to date the Funds have not attracted the level of investment we anticipated. Looking forward, we do not expect the Funds to receive significant levels of new investment, therefore we no longer consider the Funds to be commercially viable.

We do not operate other funds that are managed to the same strategy at a similar lower cost and therefore propose to close the Funds and return the proceeds to you. This will create a potential Capital Gains Tax liability but whether any tax is payable will depend on your individual circumstances (for example the amount of any gain, any applicable tax allowances and any ISA exemptions). You may wish to obtain tax advice to understand any potential liability.

The ACD has notified the Financial Conduct Authority (FCA) of its intention to close and wind up the Funds.

**HSBC Asset Management (Fund Services UK) Limited**  
Forum One, Parkway, Whiteley, Fareham, Hampshire, PO15 7PA UNITED KINGDOM  
Web: [www.assetmanagement.hsbc.co.uk](http://www.assetmanagement.hsbc.co.uk)

Registered office: 8 Canada Square, Canary Wharf, London, E14 5HQ, UNITED KINGDOM

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



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## The costs of closing the Funds

The ACD will meet all the expenses of closing and winding up the Funds, except for the transaction costs involved with selling the Funds' assets which will be borne by the Funds. These costs are estimated to be:

Fund	Estimated Transaction Costs
Global Strategy Sustainable Adventurous Portfolio	0.06%
Global Strategy Sustainable Balanced Portfolio	0.05%
Global Strategy Sustainable Cautious Portfolio	0.36%
Global Strategy Sustainable Conservative Portfolio	0.15%
Global Strategy Sustainable Dynamic Portfolio	0.06%

## The closure process

Normal dealing on the Funds will be suspended at 12:00 noon on Thursday 21 November 2024 to facilitate the closure process.

We will begin to sell the assets of the Funds from Friday 22 November 2024 when we commence the closure. This means that a proportion of the Funds, and eventually all of the Funds, will be held as cash and will therefore not be exposed to market movement (either positive or negative) where cash is held.

We will take a final valuation of the Funds at 12:00 noon on Thursday 28 November 2024. To ensure that we can accurately determine the final valuation, this must reflect all transactions for the sale (liquidation) of the underlying assets. This includes any currency exchange transactions, where the proceeds from the sale of assets are initially in a currency other than Sterling.

## Your choices

### 1. Switch into another one of our funds before 12:00 noon Thursday 21 November 2024

Shareholders wishing to switch shares into another of our funds may send written instructions to the Administrator at HSBC Asset Management (Fund Services UK) Limited, Sunderland SR43 4BF or may call the Administrator's Fund Servicing Centre on 0800 358 3011\* before 12:00 noon on Thursday 21 November 2024.

You will be aware that HSBC manages a wide range of Open Ended Investment Company (OEIC) funds. If you are considering switching your investment into another HSBC fund(s), you should read the relevant Prospectus and Key Investor Information Document ("KIID"), which describe the aims and objectives of each fund and the eligibility criteria for each share class. These documents can be found at [www.assetmanagement.hsbc.com](http://www.assetmanagement.hsbc.com). Choose "United Kingdom" then "Individual Investors" or "Financial Intermediary" and then "Funds". Alternatively, you can request the relevant Prospectus and KIID by telephoning the Administrator's Fund Servicing Centre on 0800 358 3011\*.

If you do decide to switch your investment into another HSBC fund(s) there will be no charge for the switch. However, please note that we cannot advise you on the suitability of switching into any particular fund(s) and the information we have provided here does not constitute any advice. Any deal you place with us will be strictly on a non-advised basis. If you are in any doubt as to what action you should take, including the suitability of any other fund(s), we recommend that you contact a financial adviser. **Or**

### 2. Redeem before 12:00 noon Thursday 21 November 2024 and have the proceeds returned to you as cash

Shareholders wishing to sell shares may send written instructions to the Administrator at HSBC Asset Management (Fund Services UK) Limited, Sunderland SR43 4BF or may call the Administrator's Fund Servicing Centre on 0800 358 3011\* before 12:00 noon on Thursday 21 November 2024.

If we receive instruction from you to redeem shares in the Fund(s) immediately then the proceeds of the sale will be deposited into your bank account within three business days after the shares have been sold or, if we do not hold bank account details for you, sent by cheque to you at the address held on our register, which is the address used above. **Or**

### 3. Wait until Friday 22 November 2024 when the closure of the Funds will commence

At that time the assets of the Funds will be sold and the proceeds, allowing for any outstanding liabilities of the Funds, will be apportioned between the shareholders. Your proportion of the proceeds will depend on the number of shares you hold when each of the Funds is closed. Payment will be made within three business days of the determination of the final proceeds that are due to shareholders (as set out in 2 above). Holders of income shares will receive the capital value of their shares on this date and the income accrued since the last distribution date, if any, will be paid out to shareholders on or before Wednesday 22 January 2025.

Additional capital payments may be made, which typically we would expect to be no later than 12 months after the closure of the Funds has commenced, once all liabilities of the Funds (for example fees due to companies that provide services to the Funds) have been settled.

Whichever course of action you choose, the sale of your shares in the Fund(s) will be treated as a disposal for Capital Gains Tax ("CGT") purposes. If the price of the shares when they are sold is greater than the price of the shares when you originally purchased them, then you may need to pay CGT on this gain. CGT is only payable if your total gain, less any allowable losses, from all sources, for the whole tax year, is more than your CGT allowance.

### What you need to do

1. Read the enclosed Question and Answer Sheet.
2. If you wish to sell your shares and have the cash proceeds returned to you or to switch to another HSBC fund(s) on or before 12:00 noon on Thursday 21 November 2024, please contact us as detailed above.
3. If you want to wait for the closure of the Funds to receive the proceeds from the sale of the Funds' assets, then you need take no action.

### Key dates

- Normal dealing on the Funds will be suspended at **12:00 noon on Thursday 21 November 2024** to facilitate the closure and winding up process. Any requests for switching or redemption under options 1 or 2 above must be received before 12:00 noon on this date.
- We will commence the closure of the Funds at **12:00 noon on Friday 22 November 2024**. We will begin to sell the assets of the Funds from this point.
- We will determine the final proceeds, allowing for any outstanding liabilities of each of the Funds, that are due to shareholders at **12:00 noon on Thursday 28 November 2024**.
- Proceeds will be paid to you on **Tuesday 3 December 2024**.
- For income shares your final income payment will be made by **Wednesday 22 January 2025**.

Please read the enclosed Questions and Answers Sheet and if you still have any questions regarding this action please contact the ACD using the contact details shown above.

Yours sincerely



Matthew Higginbotham  
Chief Executive Officer  
HSBC Asset Management (Fund Services UK) Limited

\* Lines are open 9.00 am to 5.00 pm Monday to Friday (excluding public holidays).

### **Important Notes for Investors**

This letter relates to HSBC HSBC OpenFunds, an Open Ended Investment Company that is authorised in the UK by the Financial Conduct Authority. The Authorised Corporate Director is HSBC Asset Management (Fund Services UK) Limited. All applications are made on the basis of the Prospectus, Key Investor Information Document (KIID), Supplementary Information Document (SID) and most recent annual and interim Report & Accounts, which can be obtained upon request free of charge from HSBC Global Asset Management (UK) Limited, 8, Canada Square, Canary Wharf, London E14 5HQ, UK, or from the HSBC Global Asset Management (UK) Limited website [www.assetmanagement.hsbc.co.uk](http://www.assetmanagement.hsbc.co.uk) or the local distributors where applicable. **Investors and potential investors should read and note the risk warnings in the prospectus and relevant KIID and additionally, in the case of retail clients, the information contained in the supporting Supplementary Information Documentation.**

To help improve our service and in the interests of security we may record and/or monitor your communication with us. HSBC Asset Management (Fund Services UK) Limited provides information to Institutions, Professional Advisers and their clients on the investment products and services of the HSBC Group.

Approved for issue in the UK by HSBC Asset Management (Fund Services UK) Limited, who are authorised and regulated by the Financial Conduct Authority. [www.assetmanagement.hsbc.co.uk](http://www.assetmanagement.hsbc.co.uk)

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Further Information can be found in the prospectus and in our Key Investor Information Documents published in the Fund Centre at [www.assetmanagement.hsbc.co.uk](http://www.assetmanagement.hsbc.co.uk)

# Asset Management

## Questions & Answers

### Why are we closing the Global Strategy Sustainable Portfolios?

HSBC Asset Management (Fund Services UK) Limited, in its capacity as Authorised Corporate Director (the "ACD") has decided to close and wind up the Global Strategy Sustainable Portfolios (the "Funds"), sub-funds of HSBC OpenFunds (the "Company"). The closure will commence on Friday 22 November 2024.

The Funds were launched in April 2022 to offer lower cost investment options that invest in a range of assets. We have promoted the Funds to make them available through a number of fund distributors in the UK but, despite this, to date the Funds have not attracted the level of investment we anticipated. Looking forward, we do not expect the Funds to receive significant levels of new investment, therefore we no longer consider the Funds to be commercially viable.

We do not operate other funds that are managed to the same strategy at a similar lower cost and therefore propose to close the Funds and return the proceeds to you as we are not able to merge the Funds into other funds in our range.

The ACD has notified the Financial Conduct Authority ("FCA") of its intention to close and wind up the Funds.

### What do I need to do if I want to sell or switch my investment before the closure?

You must provide us with your instruction on or before 12:00 noon on Thursday 21 November 2024 if you wish to either sell your investment and have the proceeds returned to you as cash, or switch your investment into another HSBC fund(s). Individual shareholders wishing to switch or sell shares may call our Administrator's Fund Servicing Centre on 0800 358 3011\*. Joint shareholders wishing to switch or sell shares must provide written instructions to the Administrator signed by all registered shareholders. Joint shareholders should send their written instructions to the Administrator at HSBC Asset Management (Fund Services UK) Limited, Sunderland SR43 4BF.

Before choosing to switch to another HSBC fund, you should note in particular the different objectives of the funds and the different charges and expenses which apply to these funds, as these may well be different to those of the Funds. Visit [www.assetmanagement.hsbc.com](http://www.assetmanagement.hsbc.com) and choose "United Kingdom", then "Individual Investors" or "Financial Intermediary" and then "Funds". Choose a fund that you would like to consider. Each fund listed has a "Documents" tab that contains the prospectus and key investor information document (KIID) that you should read prior to making your decision.

*\* Lines are open 9 am to 5 pm Monday to Friday (excluding public holidays). To help the ACD and the Administrator continually improve their services and in the interests of security, they may monitor and/or record your communications with them.*

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## **What choices do I have if I send in or telephone my instructions before 12:00 noon on Thursday 21 November 2024?**

### **Switch into another HSBC fund**

Before deciding to switch your investment into another HSBC fund(s), you should read the relevant fund prospectus(es) and KIID(s), which can be found on the HSBC Global Asset Management (UK) Limited website as detailed above. Once your instructions are received, your shares in the Fund(s) will be sold at the next valuation point. Shares in the fund of your choice will then be purchased at that same valuation point. We will send you a confirmation once the switch has taken place. **Or**

### **Have the proceeds from the sale of your shares returned to you as cash**

Once your instructions are received, your shares in the Fund(s) will be sold at the next valuation point and the proceeds sent to you within three business days after the shares have been sold.

**We must receive your instruction no later than 12:00 noon on Thursday 21 November 2024.**

**Please note if you wish to wait for the closure of the Fund to commence and take the proceeds of the sale of your shares at that time, you need take no further action.**

## **What happens if I do not return my instructions by 12:00 noon on Thursday 21 November 2024?**

We will begin to sell the assets of the Funds from Friday 22 November 2024 when we commence the closure. This means that a proportion of the Funds, and eventually all of the Funds, will be held as cash and will therefore not be exposed to market movement (either positive or negative) where cash is held.

We will determine the final proceeds that are due to shareholders of the Funds at 12:00 noon on Thursday 28 November 2024. To ensure that we can accurately determine the final valuation, this must reflect all transactions for the sale (liquidation) of the underlying assets. This includes any currency exchange transactions, where the proceeds from the sale of assets are initially in a currency other than Sterling. Proceeds will be paid to you within three business days of Thursday 28 November 2024.

Holders of income shares will receive the capital value of their shares on this date and the income accrued since the last distribution date, if any, will be paid out to shareholders on or before Wednesday 22 January 2025.

Additional capital payments may be made, which typically we would expect to be no later than 12 months after the closure of the Funds has commenced, once all liabilities of the Funds (for example fees due to companies that provide services to the Funds) have been settled.

### **When will dealing in the Funds be suspended?**

Dealing in the Funds will be suspended at 12:00 noon on Thursday 21 November 2024. However, dealing may be suspended before this date if the ACD, with prior agreement from the Depositary (who oversees the Funds) believes it is necessary to protect the remaining shareholders' investment. Should this happen, the ACD will notify the remaining shareholders at that time.

### **How will the closure affect the value of my shareholding?**

This will not affect your proportionate shareholding in the Fund(s). Your shares will continue to be subject to market movements up to the point the underlying assets in the Fund(s) are sold. The assets in the Funds will be sold at the prevailing market price. We will begin to sell the assets of the Funds from Friday 22 November 2024 when we commence the closure. This means that a proportion of the Funds, and eventually all of the Funds, will be held as cash and will therefore not be exposed to market movement (either positive or negative) where cash is held.

### **Who will pay for the closure?**

The ACD will pay any costs involved in closing the Funds, except for the transaction costs involved with selling each Fund's assets, which will be borne by the relevant Fund.

Fund	Estimated Transaction Costs
Global Strategy Sustainable Adventurous Portfolio	0.06%
Global Strategy Sustainable Balanced Portfolio	0.05%
Global Strategy Sustainable Cautious Portfolio	0.36%
Global Strategy Sustainable Conservative Portfolio	0.15%
Global Strategy Sustainable Dynamic Portfolio	0.06%

# Asset Management

## Will it create a tax liability?

Whichever course of action you choose, the sale of your shares in the Fund(s) will be treated as a disposal for Capital Gains Tax (CGT) purposes. If the price of the shares when they are sold is greater than the price of the shares when you originally purchased them, then you may need to pay CGT on this gain. CGT is only payable if your total gain, less any allowable losses, from all sources for the current tax year, is more than your CGT allowance.

The information here is based on current UK legislation and HM Revenue & Customs ("HMRC") practice in force at the time of printing and does not constitute legal or tax advice and applies only to UK shareholders holding shares as investments.

Shareholders may wish to consult their own professional advisers as to the implications of switching or redemption of shares under the laws of the jurisdiction in which they may be subject to tax.

## Will any charges be refunded to me if I have invested recently?

Any subscriptions received from 12:00 noon Thursday 21 November 2024, will not be processed and we will refund the subscription amount. The initial charge is 0% on all subscriptions so there are no charges to be refunded.

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