

If you have any questions

- Call us on 0800 358 3011*
- Send an e-mail to HSBCenquiries@ntrs.com

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

28 May 2024

THIS DOCUMENT CONTAINS IMPORTANT INFORMATION ABOUT YOUR INVESTMENT AND REQUIRES YOUR ATTENTION. IF YOU ARE IN ANY DOUBTS ABOUT THE CONTENTS OF THIS DOCUMENT, PLEASE CONSULT A FINANCIAL ADVISER.

IMPORTANT CHANGES TO HSBC OPENFUNDS (THE “COMPANY”) AND ITS SUB-FUNDS (THE “FUNDS”)

Investor Reference:

Dear Investor,

We, HSBC Global Asset Management (UK) Limited, are writing to you as an investor in one or more Funds of the Company to advise you of some changes we are making to the Company, including Funds that you hold with us. The changes will take effect from 29 July 2024.

We have explained the changes we are making in this letter. However, if you have any questions or require further information you can contact us using the details shown at the top of this letter.

HSBC Global Asset Management (UK) Limited is the party currently responsible for the management and operation of the Company and the Funds as the current Authorised Corporate Director (“ACD”). In this letter we refer to HSBC Global Asset Management (UK) Limited as “we”, “us”, “our” or the “ACD”.

In summary, HSBC Asset Management (Fund Services UK) Limited is to be appointed as the new Authorised Corporate Director and Alternative Investment Fund Manager for the Company. From 29 July 2024, it will be the party responsible for the day-to-day management of the Company and the Funds.

If you have investments in any other funds for which HSBC Global Asset Management (UK) Limited is currently the ACD, you will receive a further copy of this letter relating to each of the relevant funds.

Change of Authorised Corporate Director / Alternative Investment Fund Manager

HSBC Global Asset Management (UK) Limited is transferring its authorised corporate director business to another HSBC Group company, HSBC Asset Management (Fund Services UK) Limited, which will become the new Authorised

HSBC Global Asset Management (UK) Limited
Forum One, Parkway, Whiteley, Fareham PO15 7PA
Web: www.assetmanagement.hsbc.co.uk

Registered office: 8 Canada Square, Canary Wharf, London, E14 5HQ
Registered number: 01917956
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



HSBC

Opening up a world of opportunity

Corporate Director (“new ACD”) and Alternative Investment Fund Manager (“AIFM”) for the Company. Upon its appointment, HSBC Global Asset Management (UK) Limited will cease to be the ACD of the Company. HSBC Asset Management (Fund Services UK) Limited is authorised and regulated by the Financial Conduct Authority and is a subsidiary within the HSBC Group.

The ACD is responsible for the day-to-day management of the Company and the Funds, which includes ensuring it is managed in accordance with legal and regulatory requirements and in line with the investment objectives and policies. HSBC Asset Management undertook a review of the structure of its business in order to identify how best to continue to manage the Company and the Funds and deliver appropriate outcomes for investors as well as develop its investment management activities. The analysis concluded that separating the Authorised Corporate Director role from the investment manager role and establishing the new ACD would be beneficial to the running of the Funds. It also reflects the most commonly used model in the UK Open Ended Investment Company sector and for HSBC’s global fund ranges. The new ACD has appropriate independence from the investment manager, as well as a governance structure and operating model that is solely focused on the running of HSBC Asset Management’s UK Open Ended Investment Companies, which includes the Company and the Funds, and oversight of the activities of the investment manager and other delegated service providers.

HSBC Asset Management (Fund Services UK) Limited will also be appointed as the Registrar and Administrator in respect of the Company and the Funds. The services undertaken within these two functions include the processing of subscription, redemption, switch and conversion instructions from investors, maintaining the register of investors, paying distributions of income, issuing statements to investors and other administrative functions. In practice, these two functions will continue to be delegated to Northern Trust Global Services SE. This means there will be no changes to the postal address, telephone number or email address at which you can contact us.

HSBC Global Asset Management (UK) Limited will remain as the discretionary investment manager for the Funds. The discretionary investment manager makes the day-to-day decisions about which assets each of the Funds will invest into, subject to each Fund’s investment objective and investment policy. Upon the new ACD appointment taking effect, HSBC Asset Management (Fund Services) UK Limited will need to formally appoint the investment manager, but in practice there will be no difference to the investment management of the Funds.

HSBC Global Asset Management (UK) Limited will also be appointed as a distributor for the Company and the Funds. This means for example you will still be able to find information about the Company and the Funds on the assetmanagement.hsbc.co.uk website, including the revised Prospectus and Key Investor Information Documents (KIIDs) reflecting the changes detailed in this letter. A copy of the revised Prospectus and KIIDs can also be obtained by contacting us.

State Street Trustees Limited will continue to act as Depository and KPMG LLP will continue to act as the Auditors. The other parties currently involved in the operation and management of the Company and the Funds will remain unchanged.

The appointment of the new ACD will not result in any changes to the investment objectives or policies of the Funds, the risks that apply or other features of the Funds.

As part of the business transfer and new ACD appointment, HSBC Asset Management (Fund Services UK) Limited will take over responsibility for the historic acts of HSBC Global Asset Management (UK) Limited while it was ACD, meaning that if any issues should arise for investors relating to the period before the transfer, HSBC Asset Management (Fund Services UK) Limited will be responsible to investors for any resolution or compensation that may be due.

How the changes affect the treatment of client money

The new ACD will continue to treat client money in the same way as the current ACD. When the new ACD receives money following an application to buy shares, or when it receives the proceeds from a Fund when shares are sold, the new ACD will continue to apply the “Delivery versus Payment” approach followed currently. Under this approach, the FCA’s Client Money Rules allow us a period of one business day before it must treat that money as client money. During this time the money does not receive the same level of protection as it would receive if it were held in a client money bank account.

However, any monthly direct debit payments made by regular savers, or money that the new ACD is unable to pay out to investors, will not follow the “Delivery versus Payment” approach and instead will be held by the new ACD as client

money in a client money bank account with HSBC Bank plc and/or other financial institutions. No interest will be paid to you in respect of any client money held in the client money bank account.

Any client money held on investors' behalf by HSBC Global Asset Management (UK) Limited at the date of transfer will be transferred to HSBC Asset Management (Fund Services UK) Limited as the new ACD, which will also hold it as client money as described in the Prospectus. You will be entitled to request the return of any client money from the new ACD if you so wish.

How the changes affect regular savers

Any existing monthly direct debit instructions from regular savers will not be transferred to the new ACD, therefore investors wishing to continue to make regular savings will need to set up a new direct debit mandate with the new ACD. We will write to those investors separately to explain how to do this.

How your information will be treated

Information that the current ACD holds about you will be transferred to the new ACD. The new ACD will be the data controller for your information. There will be no change to the way your information is used (including transferring your information overseas), who your information may be shared with or how long your information will be kept. You will continue to have a number of rights relating to your information, for example to see what information we hold about you and to ask us to update incorrect or incomplete details. Further information can be found in the data privacy notice on our website or by contacting us.

The contact details for the new ACD will not change

There will be no changes to the postal address, telephone number or email address at which you can contact the new ACD.

How the changes affect charges

The overall level of fees payable will not change as a result of the appointment of the new ACD. HSBC Asset Management (Fund Services UK) Limited, as the new ACD, will be entitled to receive payments from the Company and the Funds of the fees and expenses payable to it, including the annual management charge, as set out in the revised Prospectus, instead of the current ACD. HSBC Asset Management (Fund Services UK) Limited will pay, out of its fees, HSBC Global Asset Management (UK) Limited for its services as discretionary investment manager.

Any costs associated with implementing the changes described in the letter will be paid by HSBC Asset Management.

Other changes

Other than the changes described in this letter, there will not be any other changes to the operation and/or manner in which the Funds will be managed. In addition, the above changes will not prejudice the rights and interests of existing investors.

You do not need to take any action

You do not need to take any action, this letter is for your information.

However, you may redeem your holdings or switch to a different sub-fund in line with the Prospectus as usual by contacting us. We do not currently apply a charge for investors switching or redeeming shares, however a dilution adjustment may be applied to the price of shares as set out in the Prospectus.

The view of the regulator and the depositary

The Financial Conduct Authority (FCA) has confirmed that the implementation of the changes set out in this letter will not affect the ongoing authorisation of the Company and the Funds. In accordance with normal market practice, State Street Trustees Limited, the Depositary of the Company and the Funds, while expressing no opinion on the merits or otherwise of the changes set out in this letter, has informed us that it has no objection to the changes.

Where you can obtain further information about these changes

If you have any questions or would like more detail about the changes you can call us on 0800 358 3011* or you can send an e-mail to HSBCenquiries@ntrs.com.



We accept full responsibility for the accuracy of the information stated in this notice. This letter does not constitute advice and if you have any doubts about whether this investment will continue to meet your needs you should consult a financial adviser.

Yours sincerely



Jeff Webb
Senior Product Manager
HSBC Global Asset Management (UK) Limited

Important Notes for Investors

This letter relates to HSBC OpenFunds, an Open Ended Investment Company that is authorised in the UK by the Financial Conduct Authority. The Authorised Corporate Director at the time of writing is HSBC Global Asset Management (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 our website 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 Document.**

* Lines are open 9.00 am to 5.00 pm Monday to Friday (excluding public holidays). To help us to continually improve our service and in the interest of security, we may monitor and/or record your communications with us.