

# Unit Trusts

## Why consider/Why not consider

### Important Risk Warning

- Unit Trusts are investment products and some may involve derivatives. The investment decision is yours but you should not invest in the Unit Trusts unless the intermediary who sells it to you has explained to you that the product is suitable for you having regard to your financial situation, investment experience and investment objectives
- Unit Trusts are NOT equivalent to time deposits
- In the worst case scenario, the value of the unit trusts may be worth substantially less than the original amount you have invested

### Consider it if...

- ✓ you would like to benefit from the collective investment scheme by enjoying economy of scale, without hazards of direct investment into various local and overseas markets
- ✓ you would like to start your investment with affordable investment amount either in lump sum or in regular monthly contribution via monthly investment plan
- ✓ you are looking for trading flexibility to buy and sell unit trusts on any dealing day
- ✓ you want to capture wealth growth and yield enhancement opportunities

### Not consider it if...

- ✗ you want to focus your funds on a single investment e.g. a specific company
- ✗ you are not willing to take the fees and charges related to unit trust investments
- ✗ you are not willing to involve currency exchange if the denominated currency of the product is different from your holding currency or home currency
- ✗ you are not willing to invest with the minimum amount requirement
- ✗ you are a person who is US citizen/with US nationality, is US resident or US tax payer, or have a US address (e.g. primary mailing, residence or business address in the US). Or you are a resident of Canada, or national of South Korea who is also a resident of South Korea

## Highlights for your best interest

- 30-day Service Pledge: If your needs change after purchasing any funds and come back to us within 30 days (or 60 days for senior customers aged 65 and above), we will waive the related initial subscription fee or administration fee for 'No subscription Fee Series'. Please see applicable terms and conditions for details
- HSBC Fund Explorer & Trading Service: To help you make an informed investment decision, HSBC Fund Explorer & Trading Service enables you to simplify and standardize the fund comparison process and provides top performing funds under each fund category

### Risk Highlights

- Investment involves risks. Past performance is no guide to future performance of the funds
- Funds which are invested in certain markets and companies (e.g. emerging, commodity markets and smaller companies, etc) may also involve a higher degree of risk and are usually more sensitive to price movements
- Investment returns not denominated in your home currency are exposed to exchange rate fluctuations. Rates of exchange may cause the value of investments to go up or down
- There are other risks you should be aware of. Please refer to the offering documents for products and risk details

Remarks:

The contents of this document are only for general reference.

Making available this document or any marketing materials or any market or product information to you shall not, by itself, constitute solicitation of the sale or recommendation of any product. If you wish to receive solicitation or recommendation from us, please contact us and, where relevant, go through our suitability assessment before transacting.

The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution before investing in this product. **You should not invest in this product based on this document alone.** If you are in any doubt, you should obtain independent professional advice.

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## Product information

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Additional risks are disclosed in the section of “Risk disclosure” below. Please refer to it for details.

Unit trusts pool the resources of many investors into one large fund, which is then divided into shares, or ‘units’. They enable investors to diversify their investments into different markets and investment instruments such as equities, bonds, securities, currencies and warrants/derivatives. Unit trusts are managed by professional fund managers and have varying levels of risk and return according to the investment goal.

### Why invest in unit trusts?

- **Minimise risk and diversification** – you spread your investments across a range of sectors, in different countries, with different levels of risk
- **Peace of mind** – fund managers have access to important information and research statistics from around the world so they are ideally positioned to identify investment opportunities
- **Easy access to worldwide markets** – your money can be invested in local and overseas markets that may not be accessible to individual investors
- **Lower fees** – a large number of investors participate in each fund, sharing the cost of making investments.
- **Flexibility** – you can buy and sell unit trusts on any dealing day (except on public holidays of the countries to which your fund is linked). Proceeds are normally paid within seven days
- **Security** – your investment is safe. Assets are held by trustees or custodians, who operate independently from fund managers, and are registered offshore

### A wide range of unit trusts

HSBC offers you a wide range of funds with various asset classes managed by different fund houses. Our risk profiling analysis can help you to decide which unit trust suits your investment objectives, level of risk and return expectations.

### Invest at your own pace

You can invest a lump sum amount or set up a monthly investment plan.

Payment is easy. Subscriptions can be made by direct transfer from your account with HSBC, or by cheque, demand draft, telegraphic transfer, or autopay. If you choose to invest in our Unit Trust Monthly Investment Plan, you can make your contributions by direct transfer from your cash account maintained with HSBC.

Investment method	Minimum investment
Lump sum	from US\$1,000 / HK\$10,000
Unit Trust Monthly Investment Plan	No initial lump sum is required. Minimum monthly contribution per fund* of HK\$1,000.

\*Irregular lump sum contributions can be made from a minimum of US\$1,000 or HK\$10,000 per fund.

### Keeping track of your unit trust investment

- Whenever you buy, switch or sell unit trusts, we'll send you a contract note detailing your transaction
- Regular statements summarise the activity and value of your portfolio
- Obtain daily prices through phonebanking, internet or data screens at all HSBC branches
- We will mail you useful information on a regular basis to enhance your investment decision-making

### Convenient internet services

Transactions of unit trusts can be made through our internet service, **HSBC Internet Banking<sup>†</sup>**. This service is available to fulfill your needs at any time of day and from any geographical location, providing you the convenience to manage your investments.

For more information:

- Go to our web site at [www.hsbc.com.hk](http://www.hsbc.com.hk)
- Call our investment product information hotline on 2233 3733 (for redemption only)
- Visit any HSBC branch

### Unit Trusts services charge<sup>1</sup>

Service	Rate
Subscription/Redemption/Management/Other fees	Please refer to the respective prospectus of the fund
Unit Trust Monthly Investment Plan Preferential Initial Charge	Bonds      Non-Bonds 2%          3%
Switching fee <sup>2</sup>	up to 1% of switching amount
Investment order confirmation eAlerts	Free of charge
Transfer-out <sup>3</sup>	Administration fee of HK\$100 per fund transferred

### Risk disclosure:

- Investment involves risks. Past performance is no guide to future performance of the funds
- The value of investments and the income from them can fluctuate and is not guaranteed. Investor may not get back the amount they invest
- Funds which are invested in certain markets and companies (e.g. emerging, commodity markets and smaller companies, etc.) may also involve a higher degree of risk and are usually more sensitive to price movements

<sup>1</sup> The Unit Trust services charge are applicable to HSBC Premier, HSBC One, Personal Integrated Account customers and general unit trusts account customers with account number ended with "383"

<sup>2</sup> Switching is only allowed between two funds of the same fund house. Please refer to the respective prospectus of the fund for details of the fees and charges

<sup>3</sup> Please note that only Transfer-in/out across same name accounts will be allowed. Please visit any HSBC branch should you wish to place transfer instruction

<sup>†</sup> The services provided through HSBC Internet Banking involve no solicitation of the sale or recommendation of, or advice on, any product from us. All transactions that you enter into through HSBC Internet Banking are conducted on an execution-only basis and based on your own judgment. We do not have any duty to assess or ensure suitability of the product or the transaction that you enter into. If you wish to receive solicitation or recommendation from us, you should contact us and, where relevant, go through our suitability assessment before transacting.

- Investment returns not denominated in your home currency are exposed to exchange rate fluctuations. Rates of exchange may cause the value of investments to go up or down
- Please refer to the offering documents of the respective funds for details, including risk factors
- This document has not been reviewed by the Securities and Futures Commission

**Note:**

- The Bank will retain any commission, rebate, reallowance, benefits and/or other advantages from relevant fund house (s), including that of the Man Investments Group, arising out of or in connection with handing of unit trust distribution.
- If you have any feedback or complaint about any aspect of the service you have received, please contact our Hong Kong branches, call (852) 2233 3033 for HSBC Jade customers, (852) 2233 3322 for HSBC Premier customers, or (852) 2233 3000 for Other Personal Banking customers, or write to the Customer Relations Department at P.O. Box No. 71169 Kowloon Central Post Office, or send an email to [feedback@hsbc.com.hk](mailto:feedback@hsbc.com.hk). We will respond to a complaint within a reasonable period of time normally not exceeding 30 days in general circumstances. If you are not satisfied with the outcome of your complaint, you have the right to refer the matter to the Enforcement Department of Hong Kong Monetary Authority at 55th Floor Two International Finance Centre, 8 Finance Street, Central, Hong Kong. For monetary disputes arising between the Bank and you out of the selling process or processing of the related transaction, you have the right to refer the matter to the Financial Dispute Resolution Centre at Unit 3701-4, 37/F, Sunlight Tower, 248 Queen's Road East, Wan Chai, Hong Kong. The Bank will enter into a Financial Dispute Resolution Scheme process with you; however any dispute over the contractual terms of the product should be resolved between the fund house and you directly.

**Unit Trusts Offering Documents:**

Make sure you receive and read all of the following Unit Trusts offering documents:

- Product Factsheet & Key Facts Statement
- Prospectus/Explanatory Memorandum
- Annual Report
- Interim Report
- Quarterly Report (if applicable)

If you are in any doubt about any of the contents of the offering documents, you should take independent professional advice.

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## HSBC Open-End Funds Preferential Initial Charge Offer

At HSBC, we can help you to manage your investment costs in an effective manner, so that you can maximize the potential return on your investment capital. HSBC Premier, HSBC One and Personal Integrated Account customers who subscribe to open-end funds via HSBC Personal Internet Banking, can now enjoy our open-end funds preferential initial charge offer\*.

Please refer to the open-end funds preferential initial charge offer pricing table below for details:

	Except Bond Funds/MoneyMarket Funds		Bond Funds/Money Market Funds	
	Unit trust preferential initial charge offer for the <b>Investment Account Type used for Subscription Order</b>		Unit trust preferential initial charge offer for the <b>Investment Account Type used for Subscription Order</b>	
<b>Subscription Amount/Fund Type</b>	HSBC Premier	HSBC One or Personal Integrated Account	HSBC Premier	HSBC One or Personal Integrated Account
Less than HK\$1,000,000 #	2.50%	3.00%	2.00%	2.00%
HK\$1,000,000 or above #	2.00%	2.50%	1.50%	2.00%

# subject to the daily accumulative subscription amount up to dealing cutoff time of each dealing day

### \*Preferential initial charge offer for open-end funds – Terms and Conditions

1. This offer is applicable to HSBC Premier, HSBC One and Personal Integrated Account customers (Eligible Customer) who successfully make a lump-sum subscription order of open-end funds (excluding CapitALL funds and funds in the ‘No Subscription Fee Series”) via a **HSBC Premier, HSBC One or Personal Integrated Account investment services account**.
2. Determination of the open-end funds preferential initial charge that shall apply to each subscription order is based on the relevant fund type, account type and subscription amount in accordance with the above open-end funds preferential initial charge offer pricing table.
3. The actual amount of initial charge imposed on an open-end funds subscription order is calculated based on the relevant open-end funds preferential initial charge offer in accordance with the respective fund house’s fee calculation logic, which varies from fund house to fund house. This may be different from the amount derived from multiplying the subscription amount by the relevant open-end funds preferential initial charge offer.
4. This offer is not applicable to subscriptions made under Unit Trust Monthly Investment Plan.
5. All other fees/charges applicable to the relevant fund (including switching fees, redemption fees, management fees and other fees) still apply.
6. Other promotional offers on open-end funds initial charge may be available from time to time. Eligible Customer may or may not enjoy the preferential initial charge offer set out above with the prevailing promotional offers. Please refer to the Terms and Conditions for the respective promotional offers for details.
7. The open-end funds preferential initial charge offer may be changed from time to time at the discretion of The Hongkong and Shanghai Banking Corporation Limited in Hong Kong SAR (the “Bank”) without prior notice.
8. The Bank reserves the right to change these Terms and Conditions at any time with reasonable notice and the offer may be withdrawn by the Bank at its discretion without prior notice.

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2. Unit Trusts are NOT equivalent to time deposits.
3. Investors should not only base on this marketing material alone to make investment decisions.
4. Investment involves risk. Past performance is no guide to the future performance. For details of the investment products, their related fees and charges and risk factors, please refer to the individual product materials.

## Risk Disclosure

1. In the worst case scenario, the value of the funds may be worth substantially less than the original amount you invested (and in an extreme case could be worth nothing).
2. Funds which are invested in certain markets and companies (e.g. emerging, commodity markets and smaller companies, etc.) may also involve a higher degree of risk and are usually more sensitive to price movements.
3. Credit Risk/Interest Rate Risk – a fund that invests in fixed income securities may fall in value if interest rates change, and is subject to the credit risk that issuers may not make payments on such securities. Price of the fund may have a high volatility due to investment in financial derivative instruments and may involve a greater degree of risk than in the case with conventional securities.
4. Counterparty Risk – a fund will be exposed to credit risk on the counterparties with which it trades in relation to financial derivative instrument contracts that are not traded on a recognised exchange. Such instruments are not afforded the same protections as may apply to participants trading financial derivative instruments on organised exchanges, such as the performance guarantee of an exchange clearing house. A fund will be subject to the possibility of insolvency, bankruptcy or default of a counter party with which a fund trades such instruments, which could result in substantial loss to a fund.

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