

Our ref: Sample

(Date)

# Sample copy

Dear (Salutation)

## Changes to the HSBC Global Property fund

**Account number:** \*\*\*\*\*

**Your financial adviser:** \*\*\*\*\*

I am writing to you because you are invested in the HSBC Global Property fund, provided by HSBC Global Asset Management (UK) Limited.

HSBC will change the name and objective of the fund from **27 August 2024**.

You'll see the new fund name on our valuations and statements after this date.

Old fund name	New fund name
HSBC Global Property	HSBC Global Listed Real Assets

The old and new objectives are overleaf for you to compare.

You may want to speak to your financial adviser about the impact of the change. Please speak to them before making any investment decisions, or if you have any questions about the change.

**If you don't have a financial adviser**, we recommend that you consider the benefits of receiving professional financial advice, which can be especially important when you need to make investment decisions. If you would like to search for an adviser in your area you can start by visiting [quilter.com/financial-advice/find-an-adviser](https://quilter.com/financial-advice/find-an-adviser).

### How this will affect your account

- **The value of your holding** – The changes may affect the value of your fund holding. To implement the revised investment strategy, the fund manager will need to initially buy some new holdings for the fund and sell some existing holdings. The costs associated with these transactions will be borne by the fund and are estimated to be approximately 0.36% of the fund value.
- **Risk profile** – The fund's risk profile will not change.

- The Annual Management Charge (AMC) of the fund will not change.
- The Ongoing Charges Figure (OCF)/ Total Expense Ratio (TER) will decrease. The OCF/TER represents the ongoing charges for the fund, expressed as a percentage. It is the sum of the AMC and all other running costs of the fund. OCF is increasingly replacing the TER.
- No change to reimbursed amount - We receive a rebate from the fund manager in respect of the fund. This is effectively a discount that we negotiate on the fund manager's AMC. We reinvest part of the rebate as a 'reimbursed amount' into your account. You can see more details of this in the 'Customer Account Credit' section of your quarterly statements.

The reimbursed amount which we reinvest into your account will remain at 0.50%.

The effective OCF/TER is the Ongoing Charges Figure/Total Expense Ratio less the reimbursed amount.

This table shows the current and the new amounts once the change has completed.

	AMC %	OCF/TER %	Reimbursed amount %	Effective OCF/ TER %
Current	1.25	1.89	0.50	1.39
New	1.25	1.33	0.50	0.83

**Please note that none of the changes detailed in this letter affect any charges made by Quilter.**

### Why the funds are changing

HSBC believe changing the investment approach has the potential to deliver improved outcomes for investors. The fund has been decreasing in size over the last three years. This is because new investors are not replacing investors that are withdrawing from the fund.

Their view is that investing in the shares of infrastructure companies is a natural extension of the fund's existing approach of investing in property companies. As infrastructure companies provide essential, long term services to society, HSBC believe they have the potential to provide consistent earnings and reliable dividends and that the value of infrastructure assets may be affected less by rising inflation rates.

### The next steps

You don't need to take any action unless you would like to choose a new asset from our extensive range. Please speak to your financial adviser before making any investment decisions or if you have any questions about this change.

If you have any questions about this letter, please speak to your financial adviser who will be able to help you. Alternatively, you can call or email us using the details shown and we will be happy to help. Our Customer Service Centre is open 8:30am – 5:30pm, Monday to Friday.

Yours sincerely



### Callum Earl

Head of Customer Operations

## Fund objectives

Current fund HSBC Global Property	New fund HSBC Global Listed Real Assets
<p><b>Fund objective:</b> To achieve its objective, the fund will invest at least 80% of its value in property-related securities and collective investment schemes that, in turn, invest in direct property (physical buildings) and property-related securities. There will be no geographical restrictions.</p> <p>The fund may also invest up to 20% of its value in money market instruments, deposits, cash and collective investment schemes that invest in such assets to manage day-to-day cash flow requirements.</p> <p>The collective investment schemes in which the fund may invest will, where possible, be those managed or operated by the HSBC Group.</p>	<p><b>Fund objective:</b> To achieve its objective, the fund will invest at least 90% of its value in listed infrastructure securities and listed property-related securities. There will be no geographical restrictions.</p> <p>The fund may invest up to 10% of its value in depositary receipts and other assets that provide indirect exposure to listed infrastructure securities and listed property-related securities.</p> <p>The fund may invest up to 10% of its value in collective investment schemes, which in turn invest in listed infrastructure securities, listed property-related securities and/or other assets. The collective investment schemes may be managed or operated by the HSBC Group.</p> <p>To manage day-to-day cash flow requirements, the fund may also invest in money market instruments, deposits and cash.</p>