HSBC Global Asset Management

Pricing Adjustment

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Attention Please

Due to the current market conditions the Adjustment Rates may be subject to change significantly and frequently. Please contact HSBC Investment Funds (Hong Kong) Limited for the latest Adjustment Rates.

HSBC Global Asset Management

Important: This document only contains information relevant to funds which are authorized for sales to the public in Hong Kong.^

HSBC Global Asset Management – Pricing Adjustment

What is a pricing adjustment?

A pricing adjustment (also called swing pricing) is a mechanism specifically designed to protect existing investors in a fund from the transaction costs of large [net] subscriptions or redemptions. These transactions costs include, but are not limited to, brokerage fees and taxes on transactions.

Without a pricing adjustment, transactions costs would fall on all shareholders in the fund. Instead, when this mechanism applies, the transaction costs are borne only by those client(s) who have just subscribed or redeemed, since it is their transactions that cause the costs.

HSBC Global Asset Management use a pricing adjustment mechanism to protect their existing investors in this way.

How does this mechanism work?

The pricing adjustment mechanism is a system of rates – expressed in % – with three main components (see the example opposite for an illustration).

1. A threshold rate

The total subscriptions minus the total redemptions in the fund is calculated on every valuation day.

If there are more subscriptions, the result will be "net subscriptions" and if there are more redemptions, the result will be "net redemptions".

If, on any given valuation day, the result of 'subscriptions – redemptions' is a larger percentage of the fund's Net Asset Value (NAV) than the threshold rate, it triggers one of the adjustment rates.

2. A buy adjustment rate

This is applied when the amount of net subscriptions is bigger than the threshold rate.

In this case, the fund's NAV per share is increased by the buy adjustment rate.

The effect is the same as asking investors to pay an extra fee to subscribe on that day, and then putting this fee back into the fund so the existing shareholders don't suffer the impact of the transaction costs.

3. A sell adjustment rate

This rate works exactly like the buy adjustment rate, but for situations when the amount of net redemptions is bigger than the threshold rate.

When this happens, the fund's NAV per share is reduced by the sell adjustment rate.

The rates may be different for each fund, as shown in our table of adjustment rates on page 2.

An example

- Fund AUM: USD100 million
- Threshold rate: 1% of the AUM
- Subscriptions: USD10 million
- Redemptions: USD 8 million
- Subscriptions – Redemptions: USD2 million (net subscriptions)

In this example, the amount of net subscriptions (USD2 million) is higher than the threshold rate (1% of USD100 million, which is USD1 million).

Therefore, the fund's NAV per share will be adjusted up using the buy adjustment rate.

The table in the next page shows the current adjustment rates (buy and sell rates) for each fund where pricing adjustment applies. HSBC Global Asset Management do not disclose the threshold figures.

Do threshold and adjustment rates ever change?

HSBC Global Asset Management review the threshold and adjustment rates on a quarterly basis.

However, we may also adjust these rates on an *ad hoc* basis, to respond to market-specific circumstances and protect our funds' investors.

Conclusion

The sole objective of a pricing adjustment is to protect shareholders.

Whenever investors are impacted by the pricing adjustment when subscribing/ redeeming, they are in fact paying for the transaction costs of dealing so existing shareholders are not disadvantaged.

In addition, they would incur these dealing costs themselves if they decided to invest directly.

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HSBC Global Asset Management – Pricing Adjustment

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Investors should note that the Adjustment Rates are reviewed on at least a quarterly basis. However, the Adjustment Rates are also subject to be updated on an *ad hoc* basis. As a result, the Adjustment Rates may suddenly change and therefore differ from the rates provided in this document.

Global Fund	Adjustment Rate	
	Buy (%)	Sell (%)
HSBC GIF ASEAN Equity	0.16	0.17
HSBC GIF Asian Currencies Bond[1]	0.17	0.17
HSBC GIF Asia ex Japan Equity	0.50	0.62
HSBC GIF Asia ex Japan Equity Smaller Companies	0.66	0.78
HSBC GIF Asia Pacific ex Japan Equity High Dividend	0.12	0.24
HSBC GIF Asian Currencies Bond[2]	0.17	0.17
HSBC GIF Brazil Equity	0.38	0.37
HSBC GIF BRIC Equity	0.40	0.40
HSBC GIF BRIC Markets Equity	0.37	0.38
HSBC GIF Chinese Equity	0.59	0.63
HSBC GIF Economic Scale US Equity	0.09	0.14
HSBC GIF Euro Bond	0.10	0.10
HSBC GIF Euro High Yield Bond	0.30	0.30
HSBC GIF Euroland Equity Smaller Companies	0.80	0.70
HSBC GIF Euroland Value	0.20	0.05
HSBC GIF Europe Value	0.25	0.10
HSBC GIF Frontier Markets[3]	1.39	1.42
HSBC GIF Global Bond	0.07	0.07
HSBC GIF Global Corporate Bond	0.06	0.06
HSBC GIF Global Emerging Markets Bond	0.37	0.37
HSBC GIF Global Emerging Markets Equity	0.38	0.42
HSBC GIF Global Emerging Markets Multi Asset Income	0.28	0.29
HSBC GIF Global Equity Sustainable Healthcare	0.20	0.10
HSBC GIF Global Equity Volatility Focused	0.16	0.21
HSBC GIF Global Government Bond	0.03	0.03
HSBC GIF Global High Income Bond	0.26	0.26
HSBC GIF Global High Yield Bond	0.23	0.23
HSBC GIF Global Infrastructure Equity	0.52	0.56
HSBC GIF Global Investment Grade Securitised Credit Bond	0.04	0.15
HSBC GIF Global Corporate Bond Climate Transition	0.07	0.07
HSBC GIF Global Equity Climate Transition	0.12	0.16
HSBC GIF Global Real Estate Equity	0.43	0.47
HSBC GIF Global Flexible Securitised Credit Bond	0.28	0.28
HSBC GIF Global Short Duration Bond	0.07	0.07
HSBC GIF Global Equity High Dividend	0.20	0.15
HSBC GIF Hong Kong Equity	0.56	0.58
HSBC GIF India Fixed Income	0.10	0.10

[1] The Sub-Fund is not yet launched in Hong Kong.
[2] The Sub-Fund is not yet launched in Hong Kong.
[3] The Sub-Fund is not yet launched in Hong Kong.

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Global Fund	Adjustment Rate	
	Buy (%)	Sell (%)
HSBC GIF Indian Equity	0.18	0.17
HSBC GIF Managed Solutions - Asia Focused Conservative	0.16	0.16
HSBC GIF Managed Solutions - Asia Focused Growth	0.31	0.40
HSBC GIF Managed Solutions - Asia Focused Income	0.21	0.28
HSBC GIF Russia Equity[4]	2.00	2.00
HSBC GIF Strategic Duration and Income Bond	0.13	0.13
HSBC GIF Ultra Short Duration Bond	0.10	0.10
HSBC GIF US Dollar Bond	0.17	0.17
HSBC GIF US High Yield Bond	0.23	0.23
HSBC GIF US Income Focused	0.15	0.15
HSBC GIF US Short Duration High Yield Bond[5]	0.23	0.23
HSBC Global Funds ICAV- China Government Local Bond UCITS ETF* (**Unlisted Classes only- the fund is not authorized as an exchange traded fund listed in Hong Kong*)	0.01	0.08
HSBC Global Funds ICAV- Global Aggregate Bond UCITS ETF* (**Unlisted Classes only- the fund is not authorized as an exchange traded fund listed in Hong Kong*)	0.04	0.10
HSBC Global Funds ICAV- Global Corporate Bond UCITS ETF* (**Unlisted Classes only- the fund is not authorized as an exchange traded fund listed in Hong Kong*)	0.00	0.20
HSBC Global Funds ICAV- Global Emerging Market Government Bond Index Fund	0.00	0.34
HSBC Global Funds ICAV- Global Equity Index Fund	0.07	0.09
HSBC Global Funds ICAV- Global Government Bond UCITS ETF* (**Unlisted Classes only- the fund is not authorized as an exchange traded fund listed in Hong Kong*)	0.00	0.10
HSBC Global Funds ICAV- US Equity Index Fund	0.08	0.09
HSBC Global Funds ICAV- Global Emerging Market Government Local Bond Index Fund[6]	N/A	N/A

HK Local Fund	Adjustment Rate	
	Buy (%)	Sell (%)
HCIT - HSBC Asia Pacific ex Japan Equity Volatility Focused Fund	0.49	0.59
HCIT - HSBC Asia High Income Bond Fund	0.27	0.27
HCIT - HSBC Asia Multi-Asset High Income Fund	0.37	0.38
HCIT - HSBC China Multi-Asset Income Fund	0.40	0.42
HCIT - HSBC European Multi-Asset Income Fund	0.15	0.07
HCIT - HSBC All China Bond Fund	0.20	0.20
HCIT - HSBC Evolving Asia Equity Fund	0.07	0.15
HCIT - HSBC Global Sustainable Multi-Asset Income Fund	0.08	0.10
HCIT – HSBC Global Diversified Real Return Fund	-	-
HCIT - HSBC India Multi Income Fund	0.17	0.17
HCIT - HSBC Post Retirement Multi-Asset Fund	-	-
HCIT – HSBC US Dynamic Opportunities Equity Fund	0.04	0.04
HIFT - HSBC Asian Bond Fund	0.25	0.25
HIFT - HSBC Asian High Yield Bond Fund	0.37	0.37

[4] This Sub-Fund has been terminated with effect from 30 July 2025 and is no longer offered to the public in Hong Kong despite it remained authorised by the SFC as of the date of this document. An application will be made to the SFC for the withdrawal of authorisation of the Sub-Fund in due course.
[5] The Sub-Fund is not yet launched in Hong Kong.
[6] The Sub-Fund is not yet launched.

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HK Local Fund	Adjustment Rate	
	Buy (%)	Sell (%)
HIFT - HSBC China Growth Fund	0.30	0.33
HIFT - HSBC China Momentum Fund	0.58	0.62
HSBC Managed Balanced Fund	0.01	0.01
HSBC Managed Growth Fund	-	-
HSBC Managed Stable Fund	0.02	0.02
HSBC Managed Stable Growth Fund	-	-

Risk Considerations

Investment in any fund carries with it a degree of risk. The value of an investment, and any income from it, may fall as well as rise, and you may not get back the amount you originally invested.

Potential investors should review the Offering Document in its entirely including the risk factors and consult with their legal, tax and financial advisors prior to making a decision to invest.

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