



13 March 2015

## **HSBC ANNOUNCES FUND TERMINATIONS AND NEW OPERATING EXPENSE FOR HSBC MORTGAGE FUND**

HSBC Global Asset Management (Canada) Limited, manager of the HSBC Pooled Funds and HSBC Mutual Funds, announced today that it intends to terminate two of the HSBC Pooled Funds. In addition, and consistent with industry practice for similar funds, it proposes to include a new mortgage administration fee in the operating expenses for the HSBC Mortgage Fund.

### **HSBC Pooled Fund Terminations**

It is intended that on or around 31 March 2015, HSBC Global Asset Management (Canada) Limited will wind up and terminate the HSBC MultiAlpha International Equity Pooled Fund and the HSBC MultiAlpha U.S. Small/Mid Cap Equity Pooled Fund, (together, the “MultiAlpha Funds”).

These MultiAlpha Funds are part of the HSBC Pooled Funds family, mutual funds which are available to investors through discretionary management services offered by HSBC Investment Funds (Canada) Inc., HSBC Private Wealth Services (Canada) Inc. and HSBC Global Asset Management (Canada) Limited.

HSBC Global Asset Management (Canada) Limited is the sole unitholder of each MultiAlpha Fund. The termination of the MultiAlpha Funds will have no impact on the other funds in the HSBC Pooled Fund family.

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## **2 / HSBC announces fund terminations and new operating expense for HSBC Mortgage Fund**

### **New Mortgage Administration Fee for the HSBC Mortgage Fund**

HSBC Global Asset Management (Canada) Limited proposes to include in the operating expenses for the HSBC Mortgage Fund (the “Mortgage Fund”) an annual mortgage administration fee (the “Mortgage Administration Fee”). It is proposed that the Mortgage Fund pay to HSBC Bank Canada a Mortgage Administration Fee equal to 0.10% of the value of the mortgages purchased from HSBC Bank Canada. The Mortgage Fund’s fundamental investment objective is to invest primarily in residential first mortgages purchased from HSBC Bank Canada and the Mortgage Administration Fee is to cover HSBC Bank Canada’s cost of administering the mortgages. The new Mortgage Administration Fee would be charged in addition to the management fees and operating expenses currently charged to the Mortgage Fund and will affect each series of units of the Mortgage Fund.

The Independent Review Committee of the Mortgage Fund has considered the proposed introduction of the Mortgage Administration Fee as an expense to be charged to the Mortgage Fund, and provided its recommendation that the proposal achieves a fair and reasonable result for the Mortgage Fund. The inclusion of the Mortgage Administration Fee in the Mortgage Fund’s operating expenses is subject to unitholder approval. Unitholders of the Mortgage Fund will receive materials detailing the proposal and will be asked to approve the proposal at a special meeting of unitholders of the Mortgage Fund to be held on or about 28 May 2015. If the proposal is approved by unitholders, the Mortgage Administration Fee is expected to be charged to the Mortgage Fund commencing on or about 1 July 2015.

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### **3 / HSBC announces fund terminations and new operating expense for HSBC Mortgage Fund**

#### **Notes to Editors:**

1. HSBC Bank Canada, a subsidiary of HSBC Holdings plc, is the leading international bank in Canada. The HSBC Group serves customers worldwide from over 6,100 offices in 73 countries and territories in Europe, Asia, North and Latin America, and the Middle East and North Africa. With assets of US\$2,634bn at 31 December 2014, HSBC is one of the world's largest banking and financial services organizations.
2. HSBC Global Asset Management (Canada) Limited ("AMCA") is a wholly owned subsidiary, but separate entity from, HSBC Bank Canada. HSBC Investment Funds (Canada) Inc. ("HIFC") is a direct subsidiary of AMCA and an indirect subsidiary of HSBC Bank Canada. HSBC Private Wealth Services (Canada) Inc. ("HPWS") is an affiliate of AMCA and a wholly owned subsidiary of HSBC Bank Canada. AMCA, HIFC and HPWS provide services in all provinces except Prince Edward Island.
3. HSBC Global Asset Management, the investment management business of the HSBC Group, invests on behalf of HSBC's worldwide customer base of retail and private clients, intermediaries, corporates and institutions through both segregated accounts and pooled funds. HSBC Global Asset Management connects HSBC's clients with investment opportunities around the world through an international network of offices in around 30 countries, delivering global capabilities with local market insight. As at 31 December 2014, HSBC Global Asset Management managed assets totaling US\$454bn on behalf of its clients. For more information see [www.global.assetmanagement.hsbc.com](http://www.global.assetmanagement.hsbc.com). HSBC Global Asset Management is the marketing name for the asset management businesses of HSBC Holdings plc.
4. HSBC Global Asset Management (Canada) Limited ("AMCA") is the manager and primary investment advisor of the HSBC Mutual Funds and HSBC Pooled Funds, a family of public mutual funds. These mutual funds are sold only to investors as part of a discretionary investment management service, which requires an investor to enter into an agreement with AMCA or HSBC Investment Funds (Canada) Inc., or another approved advisor or dealer. Commissions, trailing commissions, management fees, investment management fees and expenses all may be associated with mutual fund investments. Please read the Fund Facts before investing. Mutual funds are not guaranteed or covered by the Canada Deposit Insurance Corporation, HSBC Bank Canada, or any other deposit insurer. Their values change frequently and past performance may not be repeated. The unit value of money market funds may not remain constant.