

What's happening?

We're intending to convert your fund holdings to a different share class with lower fees

When will this happen?

8th January 2021.

Do I need to do anything?

If you don't accept the changes you can choose to opt-out by contacting your HSBC Global Asset Management (UK) Ltd Relationship Manager or completing the enclosed opt-out form.

01/000001

26 October 2020

We're making changes to your account which will affect the charges you pay

Account Number(s):

Dear Sir / Madam,

We're making changes to the charges on investments you hold with us.

This will result in a reduction to the fund charges you pay.



We're intending to convert the share class of your funds

The funds you're invested in were priced prior to the introduction of the UK Retail Distribution Review (RDR) on 1st January 2013. As such they include the cost levied by HSBC Global Asset Management (UK) Ltd (the "fund manager") for managing the investment as well as any fees, commission or commercial terms that may be payable to you. These are known as legacy share classes.

Following the FCA clarification on fund switching introduced in Policy Statement 19/4 we have taken the decision to convert legacy share class unitholders to what is known as the clean share class. The management fee in this class only consists of our fee for managing the investment and no other fees.

Once converted to the clean share class any fees, commission or commercial terms previously agreed with the fund manager will cease.

This conversion will take place on 8th January 2021.

HSBC Global Asset Management (UK) Limited
Forum One, Parkway, Whiteley, Fareham PO15 7PA

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If you wish to maintain any existing terms you have with the fund manager, you can choose to opt-out of the conversion by contacting your Relationship Manager directly or by returning the enclosed Share Class Conversion Opt-Out Form before 8th January 2021.

Unitholders who decide to opt-out will remain invested in the legacy share class and will not be subject to the mandatory conversion scheduled to take place on 8th January 2021.

How converting will affect your investments in legacy share classes

The amount you pay in management charges will decrease.

You currently pay a management charge on the legacy share classes you hold with us. This covers the cost of managing the funds in addition to any fees, commission or commercial terms that may be payable to you. As management charges for the clean share class only cover the cost of managing the fund any payments due to you will cease after the conversion.

Comparing the cost of your legacy and equivalent clean share classes

Full details of the current charges for legacy and equivalent clean share classes are shown on the enclosed 'Fund Cost Comparison' insert. Details of which funds you currently hold can be found in your half yearly statement. Statements are issued in April and October each year.

There are other costs paid by the fund that, together with the management charges, make up the 'Ongoing Charges Figure'. Please see the latest prospectus and key investor information document (KIID), available on our website, for information on these.

The number of shares you'll hold after the conversion

After the conversion is completed, the number of shares you hold may change. This is because the share price for the legacy and clean share classes may differ. However, the value of your overall investment will remain the same.

For example, if you have 100 shares in a legacy share class, each with a share price of £1, then your investment is worth £100. If the share price of the clean share class is £2, then you'll receive 50 shares after the conversion is completed. Although you now have fewer shares, the value of your investment is still £100 (100 shares at £1 each is equivalent to 50 shares at £2 each).

What you need to do next

If you're happy for your legacy share classes to be converted, you don't need to do anything. We'll send you a letter shortly after we complete each conversion to confirm your new holding.

However, if you don't want your holdings to be converted to the clean share class please contact your Relationship Manager or complete the enclosed Share Class Conversion Opt-Out Form.

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Further information

If you have any question regarding the share class conversion, please contact your Relationship Manager directly or call us on 0800 358 3011 and one of our team will be happy to help.

Yours faithfully,

A handwritten signature in black ink, appearing to read "Jeff Webb".

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



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Legacy Share Class Conversion

Questions and Answers

1. Can we continue to invest in the legacy classes up until the conversion date?

Yes, it is possible to continue investing in the legacy share classes up until the 12pm dealing cut-off on Friday 8th January 2021.

2. Is there a cut off / final trading date for legacy classes?

Final trades prior to the conversion should be placed by 12pm on Friday 8th January.

Following this cut off we will not be able to accept any trades until the following business day (Monday 11th January 2021).

If you elect to opt out of the conversion you will still be able to invest in the legacy share class when trading resumes on the following business day.

3. Can we partially opt-out of the conversion

We appreciate that you may have terms in place that only apply to specific legacy share classes. In this instance, rather than converting at account level, you may elect to only opt-out of the conversion for these share classes. To partially opt-out please complete the enclosed "Share Class Conversion Opt-Out Form" ensuring you select the partial opt-out option. Details of any share classes you **do not** want converted should be entered on page 2 of the form.

4. If we proceed with the conversion, can we buy units, or acquire via a re-registration, units in a legacy class post-conversion?



If all unitholders in a particular legacy share class elect to convert to the corresponding clean share class the legacy share class will be closed.

Any legacy share classes left open post-conversion can still be accessed; subject to approval from the Fund Manager.

5. When will we receive our final rebate payment?

We'll calculate rebates up to the conversion date. Any rebates due will be paid in accordance with the timescales in your distribution agreement. However, we will not calculate a rebate from the conversion date unless you decide to opt out in advance.

6. Are our distribution agreements being updated?

We don't expect to make wholesale changes to our distribution agreements, however we will contact you separately if we feel an update is required.

Fund Cost Comparison

Existing fund/share class (legacy)	New fund/share class (clean)	Annual Management Charge for legacy shares (%)	Annual Management Charge for clean shares (%)	Total Ongoing Charge for legacy shares%	Total Ongoing Charge for clean shares%
American Index Fund (Retail Income)	American Index Fund (Income C)	0.14	0.04	0.16	0.06
American Index Fund (Retail Accumulation)	American Index Fund (Accumulation C)	0.14	0.04	0.16	0.06
American Index Fund (Institutional A Income)	American Index Fund (Income C)	0.14	0.04	0.16	0.06
American Index Fund (Institutional A Accumulation)	American Index Fund (Accumulation C)	0.14	0.04	0.16	0.06
European Index Fund (Retail Income)	European Index Fund (Income C)	0.13	0.03	0.15	0.05
European Index Fund (Retail Accumulation)	European Index Fund (Accumulation C)	0.13	0.03	0.15	0.06
European Index Fund (Institutional A Accumulation)	European Index Fund (Accumulation C)	0.13	0.03	0.15	0.06
FTSE 100 Index Fund (Retail Income)	FTSE 100 Index Fund (Income C)	0.25	0.07	0.28	0.09*
FTSE 100 Index Fund (Retail Accumulation)	FTSE 100 Index Fund (Accumulation C)	0.25	0.07	0.28	0.09*
FTSE 250 Index Fund (Retail Income)	FTSE 250 Index Fund (Income C)	0.25	0.10	0.27	0.12*
FTSE 250 Index Fund (Retail Accumulation)	FTSE 250 Index Fund (Accumulation C)	0.25	0.10	0.27	0.12*
FTSE All-Share Index Fund (Retail Income)	FTSE All-Share Index Fund (Income C)	0.14	0.04	0.16	0.06
FTSE All-Share Index Fund (Retail Accumulation)	FTSE All-Share Index Fund (Accumulation C)	0.14	0.04	0.16	0.06
FTSE All-Share Index Fund (Institutional A Income)	FTSE All-Share Index Fund (Income C)	0.14	0.04	0.16	0.06
FTSE All-Share Index Fund (Institutional A Accumulation)	FTSE All-Share Index Fund (Accumulation C)	0.14	0.04	0.16	0.06

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Existing fund/share class (legacy)	New fund/share class (clean)	Annual Management Charge for legacy shares (%)	Annual Management Charge for clean shares (%)	Total Ongoing Charge for legacy shares%	Total Ongoing Charge for clean shares%
Japan Index Fund (Retail Income)	Japan Index Fund (Income C)	0.25	0.10	0.29	0.12*
Japan Index Fund (Retail Accumulation)	Japan Index Fund (Accumulation C)	0.25	0.10	0.28	0.12*
Pacific Index Fund (Retail Income)	Pacific Index Fund (Income C)	0.25	0.10	0.33	0.17*
Pacific Index Fund (Retail Accumulation)	Pacific Index Fund (Accumulation C)	0.25	0.10	0.33	0.17*
UK Gilt Index Fund (Retail Income)	UK Gilt Index Fund (Income C)	0.25	0.10	0.28	0.13*
UK Gilt Index Fund (Retail Accumulation)	UK Gilt Index Fund (Accumulation C)	0.25	0.10	0.28	0.13*

The Annual Management Charge and Total Ongoing Charge information is as at 15th May 2020, unless otherwise indicated.

* Estimated following a change to the charging structure on 1st April 2020.

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HSBC Global Asset Management (UK) Limited

Share Class Conversion Opt-Out Form

Please complete and return using the enclosed return envelope:

Company details:

Company Name	<input type="text"/>
Address	<input type="text"/>
	<input type="text"/>
	<input type="text"/>
Postcode	<input type="text"/>
Plan ID	<input type="text"/>
Contact Number	<input type="text"/>
Email address	<input type="text"/>

We confirm that we wish for the listed Plan ID(s) to **fully** opt-out of the share class conversion (please use page 2 to list any additional Plan IDs)

We confirm that we wish for the listed Plan ID(s) to **partially** opt-out of the share class conversion (please use page 2 to opt-out on a specific share class)

For and on behalf of the company

Signature

Signature 1:	Signature 2:
<input type="text"/>	<input type="text"/>

Full Name (Please print)

<input type="text"/>	<input type="text"/>
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Date:

<input type="text"/>	<input type="text"/>
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Any queries regarding this form please contact us on 0800 358 3011 †

If you would like to provide feedback please fill the box in below

† To help continually improve our services and in the interest of security, we may monitor and/or record your telephone call with us.



If you wish to opt-out on multiple accounts, please enter the Plan IDs below:

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If you have selected to partially opt-out please enter the share classes you do not wish to be converted below:

Share Class Name	ISIN Code