

## Non-UCITS retail scheme Key Investor Information

This document provides you with key investor information about this Fund. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this Fund. You are advised to read it so you can make an informed decision about whether to invest.

# World Selection - Dividend Distribution Portfolio

a sub-fund of HSBC OpenFunds, (the "OEIC");  
managed by HSBC Global Asset Management (UK) Limited

Class: Income C  
ISIN: GB00B84BZW11

**Explanations of terms shown within the objectives and policy in bold, can be found within the glossary on our website: <http://www.assetmanagement.hsbc.com>.**

## Objectives and Investment Policy

- The aim of the Fund is to provide a high level of **income** by investing in a broad range of asset classes, across global markets.
- This is one of a range of **actively managed** World Selection Portfolios offered at five different risk levels. The **asset allocation** of each fund in the range reflects the risk level. The Fund is rated as 3, where 1 is a lower level of risk and 5 is a higher level of risk. The Fund is managed with the aim of providing **income** in line with its agreed long term risk profile. Therefore any potential **returns** are likely to be limited by the risk profile of the Fund.
- The level of risk stated is to allow investors to compare the risk relative to other World Selection Portfolios. This differs from the Risk and reward profile below. This is information we are required to provide by regulation, which allows investors to compare the risk for different Funds.
- To achieve its objective the Fund invests primarily in **collective investment schemes** (funds) that in turn invest in fixed interest securities (fixed interest securities, including **bonds** and gilts, are a type of loan taken out by companies and governments that pay interest), **equities** (shares of companies), alternative asset classes (including property, infrastructure, hedge funds and private **equity**) and **derivatives** (financial instruments whose value is based on an underlying asset). Typically the Fund will have a bias towards asset classes that focus on fixed interest strategies.
- Currently 99% of the Fund invests in **collective investment schemes**. This includes 9% in **collective investment schemes** that aim to track the performance of **market indices**.
- The **collective investment schemes** that the Fund invests in will, where possible, be those managed or operated by the ACD or an **associate** of the ACD. Where this isn't possible the Fund may invest in **collective investment schemes** operated by third party fund providers.
- The Fund may invest directly in **equities** and fixed interest securities where the investment objective can be more efficiently achieved.
- The Fund may use **derivatives** (financial instruments whose value is based on an underlying asset) for investment purposes. Using **derivatives** for investment purposes means, in particular, maintaining positions in the investments for the longer term. **Derivatives** may also be used to offset against movements in currency exchange rates, falls in asset values and reducing the risk associated with changes to prices within the market. However, it is envisaged that the use of **derivatives** will not be extensive and will not affect the overall risk profile of the Fund.
- Under normal market conditions, the Fund will have the following asset class exposures: **Equity**: 30-70%, Fixed Interest: 20-70%, Alternatives: 0-20%. These percentages will fluctuate based upon market movement and adjustments to the **asset allocation** to enable the Fund to meet its aim.
- The Fund may also invest in **money market instruments**, deposits and cash to manage day-to-day cash flow requirements.
- Income is distributed.
- You may sell your investment on any business day by contacting the administrator before the dealing deadline at 12pm.
- Recommendation: this Fund may not be appropriate for investors who plan to withdraw their money within a period of 5 years.

## Risk and Reward Profile



The risk and reward indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund.

The risk and reward category shown is not guaranteed to remain unchanged and may shift over time. The lowest category does not mean a risk-free investment.

### Why is this Fund in this specific category?

This Fund is classified in category 4 because its price or simulated data has shown medium fluctuations historically.

### Material risks not fully captured by the Risk and Reward Indicator:

- Counterparty Risk** The possibility that the counterparty to a transaction may be unwilling or unable to meet its obligations.
- Credit Risk** A bond or money market security could lose value if the issuer's financial health deteriorates.
- Default Risk** The issuers of certain bonds could become unwilling or unable to make payments on their bonds.
- Derivatives Risk** Derivatives can behave unexpectedly. The pricing and volatility of many derivatives may diverge from strictly reflecting the pricing or volatility of their underlying reference(s), instrument or asset.
- Emerging Markets Risk** Emerging markets are less established, and often more volatile, than developed markets and involve higher risks, particularly market, liquidity and currency risks.
- Exchange Rate Risk** Changes in currency exchange rates could reduce or increase investment gains or investment losses, in some cases significantly.
- Interest Rate Risk** When interest rates rise, bond values generally fall. This risk of this happening is generally greater the longer the maturity of a bond investment and the higher its credit quality.
- Investment fund risk** Investing in other funds involves certain risks an investor would not face if investing in markets directly. Governance of underlying assets can be the responsibility of third-party managers.
- Investment Leverage Risk** Investment Leverage occurs when the economic exposure is greater than the amount invested, such as when derivatives are used. A Fund that employs leverage may experience greater gains and/or losses due to the amplification effect from a movement in the price of the reference source.
- Liquidity Risk** Liquidity is a measure of how easily the Fund's holdings can be quickly converted to cash. The value of the Fund's holdings may be significantly impacted by liquidity risk during adverse market conditions.
- Operational Risk** Operational errors may affect transactions, valuation, accounting, financial reporting and other processes relating to the Fund.

## Charges

The charges you pay are used to pay the running costs of the Fund, including the marketing and distribution costs. These charges reduce the potential growth of the investment.

### One-off charges taken before or after you invest

Entry charge	0.00%
Exit charge	0.00%

This is the maximum that might be taken out of your money before it is invested or before the proceeds of your investment are paid out.

### Charges taken from the Fund over a year

Ongoing charge	0.93%
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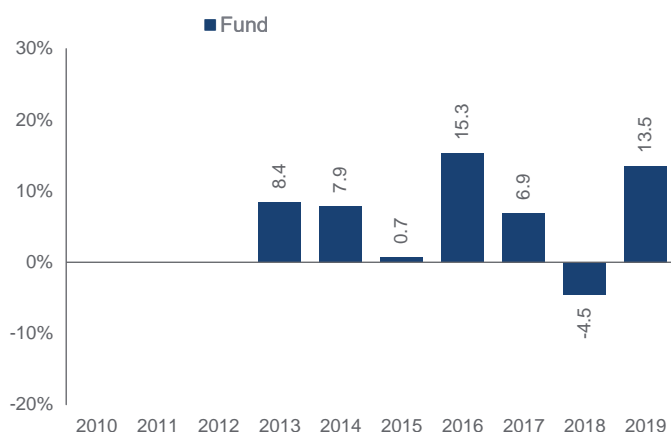
### Charges taken from the Fund under certain specific conditions

Performance fee	None
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- The entry and exit charges shown are the maximum that may be charged. In some cases you may pay less. You can obtain the actual charges from your financial adviser.
- A conversion charge may be payable.
- The ongoing charges figure shown here is an estimate of the charges. The ongoing charges figure shown is an estimate due to a change of investment strategy. The Fund's annual report for each financial year will include detail on the exact charges made.

Further information on Charges can be found in the "Fees and Expenses" section of the Fund's Prospectus.

## Past Performance



- Warning: the performance returns before the change in investment objective(s) on 29 October 2018 were achieved under circumstances that no longer apply.
- Past performance is not a guide to future performance; the value of your investment and any income from it can go down as well as up.
- Performance returns are based on the net asset value with distributable income reinvested. Past performance takes account of all ongoing charges but not entry, exit or conversion charges.
- The past performance of this share class is calculated in GBP.
- The Fund was launched on 09 November 2006.

## Practical Information

### Depository

State Street Trustees Limited.

### Further information

Further information about the OEIC including the latest Prospectus, latest published prices of shares, annual report and half yearly report may be obtained free of charge, in English, from the Administrator, HSBC Global Asset Management (UK) Limited, PO Box 3733, Royal Wootton Bassett, Swindon SN4 4BG or by visiting [www.assetmanagement.hsbc.com](http://www.assetmanagement.hsbc.com). The most recent Prospectus is available in English. This document describes a single share class of the OEIC. The Prospectus, annual and half yearly reports are prepared for the entire OEIC.

### Share classes

Other share classes are available, as detailed in the Prospectus. It is possible to convert your shares into a different share class or switch your shares into a different Fund within the OEIC. Details of how to do this are in the Prospectus (please note an initial charge may apply).

### Remuneration Policy

The Remuneration Policy of the Authorised Corporate Director, which describes the remuneration practices and governance arrangements for UCITS and AIFMD Authorised entities, is available at [www.assetmanagement.hsbc.com](http://www.assetmanagement.hsbc.com) (please select "About Us" then "Our Governance" then "Remuneration Practices and Governance Arrangements for UCITS and AIFMD Authorised Entities") or on request free of charge from the Administrator.

### Tax

UK tax legislation may have an impact on your personal position.

### Segregated liability

The OEIC is an umbrella investment company with segregated liability between Funds. This means that the holdings of one Fund are kept separate from the holdings of the other Funds and your investment in the Fund cannot be used to pay the liabilities of any other Fund.

The Fund is authorised in the United Kingdom and regulated by the Financial Conduct Authority. HSBC Global Asset Management (UK) Limited is authorised in the United Kingdom and regulated by the Financial Conduct Authority. This key investor information is accurate as at 19 February 2020.