



HSBC Global Asset Management (Canada) Limited

Disclosure Regarding Conflicts of Interest

General

In this document, references to “we,” “us” and “our” mean HSBC Global Asset Management (Canada) Limited, and to “you” and “your” mean an investor of HSBC World Selection Portfolio or of the HSBC Pooled Funds.

In the course of providing services to you, there will be situations where a conflict arises between our interests and yours. We believe it is important that you are fully informed regarding these conflicts. Canadian securities laws require us to take reasonable steps to identify and respond to existing and potential material conflicts of interest, and in certain circumstances, to provide you with certain information regarding these conflicts and also to obtain your prior consent before we engage in certain types of transactions. This document contains important information regarding certain of the conflicts of interest that we have identified. Please read it carefully.

Transactions or Arrangements with Certain Related Parties

We are a member of a group of related companies known as the HSBC Group. In the course of providing services to you, we may from time to time advise you or exercise discretion on your behalf with respect to the purchase or sale of securities from or to, or issued by, other members of the HSBC Group or other persons or companies that are related or connected to us. In addition, in the course of providing services to you or in our role as manager of mutual funds and pooled funds managed or administered by us that you hold an investment in, we may also enter into transactions or arrangements with or involving, and perform services for or accept services from, other members of the HSBC Group or other persons or companies which are related or connected to us. These transactions and arrangements are described in further detail below. These transactions and arrangements will give rise to conflicts of interest, and we have adopted policies and procedures to identify and respond to these conflicts. We will only enter into these transactions or arrangements where they are permitted under applicable securities laws and where we believe they are in your (or the funds’) best interests in the applicable circumstances.

The following is a list of the types of these transactions and arrangements and our relationship to the parties involved:

- ▶ The purchase or sale of securities issued or guaranteed by HSBC Holdings plc, HSBC Bank plc, Hang Seng Bank Limited, HSBC Bank Canada, HSBC Canada Asset Trust, HSBC Financial Corporation Limited and other members of the HSBC Group whose securities are traded on recognized stock exchanges or other public markets. These entities are related to us because they are members of the HSBC Group. For example, these transactions may include the purchase or sale of ordinary shares of HSBC Holdings plc, preferred shares of HSBC Bank Canada or other securities of these or other related entities that are traded on a stock exchange or other public market, and also the purchase and sale of principal protected notes or certain debt securities issued by HSBC Bank Canada or other securities of these or other related entities that are not traded on an exchange or other public market.
- ▶ The purchase or sale (or redemption) of securities issued by any of the HSBC Mutual Funds, the HSBC Pooled Funds, and any other mutual fund, exchange-traded fund, unit trust or investment fund managed, administered or promoted by us or other members of the HSBC Group, or for which we or other members of the HSBC Group act as portfolio adviser, including funds managed, advised or promoted by our affiliates. In most cases, our connection to these funds will be obvious to you because the names of the funds will be sufficiently similar to our name. For example, in most cases the names of the funds will include the word “HSBC” as part of their name. If we believe that the name of any fund is not similar enough to convey the fund’s relationship to us, we will provide you with specific disclosure regarding that relationship at the appropriate time.
- ▶ The purchase or sale of securities or other instruments to or from HSBC Securities (Canada) Inc., HSBC InvestDirect and HSBC Bank Canada for their own respective accounts, or through these entities acting as a dealer or distributor or in a similar capacity. Where we purchase or sell securities or other instruments through these entities in their capacity as

dealer or distributor or in a similar capacity, they may receive a fee for their services in that capacity. HSBC Securities (Canada) Inc. is an investment dealer and HSBC InvestDirect is a division of HSBC Securities (Canada) Inc. that offers discount brokerage services. HSBC Bank Canada is a Schedule II chartered Canadian bank. We and HSBC Securities (Canada) Inc. are wholly-owned subsidiaries of HSBC Bank Canada, and we are all members of the HSBC Group.

- ▶ Transactions or arrangements with members of the HSBC Group that involve the other members of the HSBC Group providing services to you or to us on your behalf or to funds managed or administered by us or to us on behalf of such funds, and/or receiving a fee. For example, we may retain other members of the HSBC Group to act as our sub-adviser with respect to discretionary accounts managed by us, including our affiliates.

The information disclosed in this document may change from time to time. You can obtain an updated copy of this information free of charge at any time by visiting our website at www.hsbc.ca/important-info-investors.