



HSBC Investment Funds (Canada) Inc.

HSBC World Selection Portfolio Service – Fee Schedule

In the HSBC Investment Funds (Canada) Inc. Terms and Conditions, you have agreed to pay the Fees for HSBC World Selection Portfolio service as set out in this Fee Schedule. Described below are the terms and conditions that apply to your HSBC World Selection Portfolio account (the “Account”). In this Fee Schedule, the words “you” and “your” mean the Account Holder(s) and the words “us”, “we” and “our” mean HSBC Investment Funds (Canada) Inc.

You acknowledge, understand and agree to the following:

1. **Payment of Fees:** In return for the services you receive from us related to your Account, you will pay us a fee, plus applicable taxes (the “Fees”) based on your selected model portfolio and the market value of investment in your Account on the last day of the quarter. The quarters are January 1–March 31, April 1–June 30, July 1–September 30, October 1–December 31.

We will collect the payments by debiting cash from your Account or, if there is not sufficient cash in your Account, we will redeem the investments in your Account in a manner consistent with your selected model portfolio. Generally, the Fees will be deducted around mid-month after each quarter-end.

2. **Rates for Calculating Fees:** Depending on the market value of the investments in your Account, we either calculate the Fees using the following tiered rates or when your account reaches a certain market value, a flat rate. All rates are annual rates and will be applied to in the market value of the investments in your Account in Canadian dollars on the last day of the quarter.

Market Value of your investments	Conservative and Moderate Conservative Portfolios	Balanced Portfolios Rate	Growth and Aggressive Growth Portfolios
On the first \$150,000	1.70% (minimum fee \$850)	1.95% (minimum fee \$975)	2.10% (minimum fee \$1,050)
On the next \$850,000 (Portion between \$150,001 and \$1,000,000)	1.20%	1.20%	1.20%
On the next \$1,000,000 (Portion between \$1,000,001 and 2,000,000)	0.75%	0.75%	0.75%
On the amount above \$2,000,000 up to the Flat Rate Level (described below) (Portion between \$2,000,001 and the Flat Rate Level)	0.50%	0.50%	0.50%

Flat Rate Level: When the investments in your Account reach a certain market value, we will no longer use the tiered rates to calculate the Fees. Instead, we will calculate the Fees using a flat rate of 0.90% for the entire portfolio when your investments in your Account reach the following market values:

- Conservative and Moderate Conservative Portfolios: \$2,562,500
- Balanced Portfolio: \$2,656,250
- Growth and Aggressive Growth Portfolios: \$2,712,500

To help you understand how the Fees are calculated, here are some examples:

- If you open your account on July 1 and invest in the Balanced portfolio, then on September 30 the market value of your account is \$200,000, we will calculate the fees for that quarter as follows: $((\$150,000 \times 1.95\%) + (\$50,000 \times 1.20\%))$ divided by 4 = \$881.25 plus applicable taxes.

- If you have an account that has been open for a while and on September 30 the market value of your investments is \$2,562,500 in a Conservative portfolio, we calculate the fees for that quarter as follows: $(\$2,562,500 \times 0.90\%)$ divided by 4 = \$5,765.63 plus applicable taxes.
- If you change your selected model portfolio during a quarter period, the Account fees for entire period will be based on the total market value of your investments and the new selected model portfolio on the last day of the quarter.

For example, if you open your account on July 1 and invest in the Balanced portfolio, then on August 1 you change to the Growth portfolio, the fees for an account with a \$200,000 market value will be based on the fees for the Growth portfolio for the entire quarter. The fees are calculated as follows: $(\$150,000 \times 2.10\%) + (\$50,000 \times 1.20\%)$ divided by 4 = \$937.50 plus applicable taxes.

3. **Change in Fees:** We may change the Fees at any time provided we notify you in writing at least 60 days before the new Fees take effect.
4. **First and last payment:** Fees for your first quarter will be calculated by prorating the Fee from the date your Account is opened to the last day of the quarter. If your Account is closed before the last day of a calendar quarter, we will calculate the Fees in accordance with the terms of this document as of the close of business on that day.

We will prorate the Fees payable to us based on the number of days in the applicable calendar quarter during which your Account was open. The Fees will become immediately due and payable at the close of business on the day your Account is closed.

5. **Other fees and expenses:** In addition to the Fees, there are other fees and expenses that may be charged by us described below:
 - **Transfer out fee:** We may charge \$50 per account, plus applicable taxes, if you transfer your registered Account (for example RRSP, RRIF, LIRA, LIF, PRIF or TFSA) to another financial institution. RESP accounts are excluded from the transfer out fee.
 - **Registered Account of Deceased:** If you have a registered Account (including a TFSA) and you pass away, and if your registered Account remains open after the year after your death, we or HSBC Trust Company (Canada) may need to file tax returns for your Account, as required under the Income Tax Act and the Declaration of Trust. In these circumstances, we will charge you the costs related to preparing and filing the tax return, along with any taxes owing.

If the fees or expenses are applicable, we will collect the payments by debiting cash from your Account or, if there is not sufficient cash in your Account, redeem investments in your Account in a manner consistent with your selected model portfolio.

No management fees will be charged by HSBC Global Asset Management (Canada) Limited directly to you or any mutual fund held in your Account. Each mutual fund in the HSBC World Selection Portfolio Service pays its own operating expenses. No sales charges or commissions are payable by you in connection with your Account or the HSBC World Selection Portfolio Service.

Fees impact the investment returns of your portfolio. Fees charged directly to your Account reduce the market value of your Account directly, while fees embedded within the HSBC Mutual Funds and HSBC Pooled Funds reduce the market value of those securities held in your Account. The impact of fees reduces your investment returns and this impact, due to the effect of compounding, increases over time. Every dollar taken out to cover fees is one less dollar left to invest in the portfolio to compound and grow over time.

For more information on fees and expenses that may apply to your Account, please refer to Schedule "E" of your HSBC Investment Funds (Canada) Inc. Terms and Conditions.

HSBC Investment Funds (Canada) Inc. ("HIFC") is a direct subsidiary of HSBC Global Asset Management (Canada) Limited ("AMCA") and an indirect subsidiary of HSBC Bank Canada, and provides its services in all provinces of Canada except Prince Edward Island. AMCA is a wholly owned subsidiary of, but separate entity from, HSBC Bank Canada.

AMCA is the manager and primary investment advisor for the HSBC Mutual Funds and the HSBC Pooled Funds (collectively, the "HSBC Funds"). HIFC is the principal distributor of the HSBC Mutual Funds, which are also distributed through authorized dealers. HIFC also offers the HSBC Funds through the HSBC World Selection® Portfolio. This is a portfolio investment service under which client's assets are invested in model portfolios which are comprised of investments in the Funds. AMCA provides discretionary investment management services to the model portfolios in the HSBC World Selection Portfolio service. Commissions, trailing commissions, management fees, investment management fees and expenses all may be associated with investments in the HSBC Funds and/or the HSBC World Selection Portfolio service. Please read the prospectus, Fund Facts, applicable account opening documentation and any other disclosures before investing in the HSBC Funds and/or the HSBC World Selection Portfolio service. The HSBC World Selection Portfolio service and the HSBC Funds are not guaranteed or covered by the Canada Deposit Insurance Corporation, HSBC Bank Canada, or any other government deposit insurer or financial institution, their values change frequently and past performance may not be repeated. For money market funds, there can be no assurances that the fund will be able to maintain its net asset value per security at a constant amount or that the full amount of your investment in the fund will be returned to you.

® World Selection is a registered trademark of HSBC Group Management Services Limited.