

Fees and Charges that apply to HSBC Investment Funds accounts

In this document, the following words have specific meaning: “Account” means the HSBC Investment Fund account that you have opened with us; “you” and “your” mean our customer who has opened a HSBC Investment Funds account; “we”, “us” and “our” mean HSBC Investment Funds (Canada) Inc.

Charges Paid Indirectly by You: Management Expense Ratio

There are charges when you invest in HSBC Mutual Funds that you do not pay directly. These charges are the management fee and the fund operating expenses, which together form what is called the “management expense ratio” (MER). Each HSBC Mutual Fund has an MER. The management fee is an amount paid to our parent company, HSBC Global Asset Management by each HSBC Mutual Fund(s) held in your Account for HSBC Global Asset Management’s services as manager of the HSBC Mutual Fund(s). Although you are not directly charged the MER, it indirectly affects you because it reduces the amount of the HSBC Mutual Funds’ returns to you.

Under a fee sharing arrangement between us and HSBC Global Asset Management, we receive a share of the fees earned by HSBC Global Asset Management for our services as principal distributor of HSBC Mutual Funds. This compensation is negotiated between us and HSBC Global Asset Management from time to time, and is a percentage of the net management fee retained by HSBC Global Asset Management on the units of the HSBC Mutual Funds distributed by us. You may bear a portion of this compensation as the net management fee is paid by the HSBC Mutual Fund(s) of which you may be a unitholder.

Information about the MER and other expenses associated with an investment in the HSBC Mutual Funds is included in the Fund Facts for each HSBC Mutual Fund and the Prospectus. You can access these documents on our website www.hsbc.ca/investments/mutual-funds/ or ask your Mutual Fund Advisor for copies.

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 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.

Other Fees and Charges Paid Directly by You to Us

There may also be other fees and expenses related to your Account, depending on the circumstances. These other fees and expenses may be charged by us or by our affiliates, as explained below.



Types of Fee	Amount	Details
Annual Administration Fee for registered accounts	\$15	We may charge you \$15, plus applicable taxes, per year to cover the annual administration costs for each registered account established with us, including RRSP, RRIF, PRIF, LIRA, and LIF. This will be charged each year in two instalments (at the middle of year and end of year), with each payment in the amount of \$7.50 plus applicable taxes. RESP and TFSA accounts are excluded from this fee.
Transfer Out Fee for registered accounts	\$50	We charge a fee of \$50, plus applicable taxes, per account, if you transfer your registered account (including RRSP, RRIF, LIRA, LIF, PRIF, TFSA) to another financial institution. RESP accounts are excluded from this fee.
Short-term Trading Fee	Up to 2%	If you switch or sell units of an HSBC Mutual Fund within 30 calendar days of the date you purchased those units, you may be charged up to 2% of the value of the units switched or sold, with the exception of Money Market Funds, Pooled Funds, and switches made under the Automatic Switch Program. Units we consider to be held the longest will be the securities that are redeemed first. This fee is retained by the applicable HSBC Mutual Fund.

For each of the fees or expenses set out above, we will collect the payments by debiting cash from your Account or, if there is not sufficient cash in your Account, we will first redeem units from any Money Market mutual fund(s), and then, as necessary, redeem units of the mutual fund(s) with the highest market value in your Account.

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.

Issued by HSBC Investment Funds (Canada) Inc. ("HIFC")

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. Commissions, trailing commissions, management fees, investment management fees and expenses all may be associated with mutual fund investments. The management expense ratio ("MER") is the total management and operating expenses (operating expenses include a portion of the expenses of the underlying funds and taxes on the management fee but exclude certain distributions, brokerage commissions on securities transactions and foreign withholding taxes) of each fund expressed as a percentage of the average net asset value of that fund for that year. Please read the prospectus, Fund Facts, applicable account opening documentation and any other disclosures before investing. 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 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.