

# Key Features of the Funds Portfolio and ISA Funds Portfolio

Global Investment Centre

This is an important document. You need to read this before you invest in the Funds Portfolio and ISA Funds Portfolio.

Effective date on and from – 6 April 2018

## What is the purpose of this document?

- ▶ To provide you with important information about our Funds Portfolio and ISA Funds Portfolio. In this document both the Funds Portfolio and ISA Funds Portfolio are referred to as an 'Account' for simplicity.
- ▶ The Financial Conduct Authority is a financial services regulator. It requires us, HSBC Bank plc, to give you this important information to help you to decide whether our Funds Portfolio and ISA Funds Portfolio are right for you. You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference.
- ▶ This document only outlines the key features so it is important that you also read the Global Investment Centre Terms and Conditions and the relevant Fund Details for each fund and share class you wish to invest in. You should also read any applicable Key Investor Information Document provided by the fund provider before investing in a fund, and we can provide this electronically or by post.
- ▶ The terms capitalised in this document are explained in the Global Investment Centre Terms and Conditions.

## Global Investment Centre

- ▶ This is our investments service through which you can open and invest in a Funds Portfolio and an ISA Funds Portfolio.

### Its aims

- ▶ The aim of the Account is to enable you to invest in funds from a range of providers via our Global Investment Centre, and to allow you to invest in a tax efficient way through the ISA Funds Portfolio.
- ▶ The specific aims of each fund and the dates when income will be paid or accumulated are explained in the relevant Fund Details.

### Your commitment

- ▶ You must hold an eligible HSBC current or savings account to open and retain a Funds Portfolio or ISA Funds Portfolio. If an eligible HSBC current or savings account is not retained then we will close your Account(s).
- ▶ You must open and retain a Funds Portfolio in order to open an ISA Funds Portfolio. However, you do not need to make an investment in the Funds Portfolio if you do not wish to.
- ▶ Where you hold fund shares in clean share classes, you must pay the Account Fee of 0.39% per annum on the value of those fund shares.
- ▶ The minimum you can invest in each fund share class in each Account is £100. The maximum you can invest in each transaction is £99,999.99. You are also required, in respect of the ISA Fund Portfolio, to comply with the annual subscription limits, which we explain further in the section "What is an ISA?".

- ▶ You should view your investment as a medium to long term investment, and should plan to keep an investment in a fund for at least five years.
- ▶ You should regularly review the funds you have chosen to ensure they still meet your requirements.
- ▶ If you subscribe to an ISA Funds Portfolio but thereafter do not subscribe to it during one complete tax year, you will need to complete a new Application before you can make further subscriptions.
- ▶ You should inform us if you register or de-register from Online Banking (OB) by calling using the numbers on page 4.

## Risks

### General risks

- ▶ Any investment has an element of risk and your investment is not guaranteed. The value of your investment, and any income taken from it, may fall and you may not get back the amount you invested.
- ▶ Past performance of a fund is not a reliable indicator of future returns.
- ▶ The favourable tax treatment of ISAs may not be maintained in the future if UK tax law and HM Revenue & Customs (HMRC) practice change.
- ▶ Further risks relating to specific events or actions are described in the relevant sections of this document.

### Fund specific risks

- ▶ There are additional risks that can apply to funds. Funds that invest in other collective investment schemes can have additional risks that apply to the underlying funds.  
Certain funds invest in equities and/or fixed interest securities. Both equities and fixed

interest securities are at risk if the company issuing them becomes insolvent. If this happens the fund may not recover the whole investment relating to this company and this will affect the return that the individual investors receive.

- ▶ You should be aware of currency movements between sterling and the currencies of other countries. This could have an impact on your investment return from funds that invest outside the UK.
- ▶ For funds that invest predominantly in one specialist sector, country or geographic area, any decline in that sector or the economy of that country or area may significantly affect the prices and value of the shares held by that fund.
- ▶ Markets in some countries are described as 'emerging markets'. Some of these may involve higher risks than where investment is within a more established market. These risks include the possibility of failed or delayed settlement. Registration and custody of securities, and the level of investor protection offered, may not be as reliable.
- ▶ Some of the funds may hold derivative financial instruments in pursuit of their objectives and these may involve a high degree of financial risk. There is a risk that a small movement in the price of the underlying security, or benchmark, may result in a disproportionately large movement (favourable or unfavourable) in the price of the derivative instrument and there is a risk of default by a counterparty.
- ▶ Further information relating to the risks associated with a particular fund can be found in the Key Investor Information Document and the prospectus for that fund.

# Questions and answers

## How can I open a Funds Portfolio and ISA Funds Portfolio?

- ▶ You can open a Funds Portfolio and ISA Funds Portfolio by using our Global Investment Centre either online or by telephoning our Customer Service Centre.
- ▶ You can also apply for an ISA Funds Portfolio by completing the ISA Funds Portfolio Transfer Form.

## How can I access this service?

- ▶ Online – The Global Investment Centre is accessed through logging into OB and then in to Global Investment Centre at [www.hsbc.co.uk](http://www.hsbc.co.uk)
- ▶ By telephone – This service can be accessed over the telephone. Call our Customer Service Centre on 03456 076 180. Please use this for any queries you may have about your Funds Portfolio or ISA Funds Portfolio. To help us continually improve our services and in the interests of security we may monitor and record your telephone calls with us.
- ▶ If you have a speech or hearing impairment, you can call our textphone service on 03457 660391. Lines are open from 8am to 6pm Monday to Friday (excluding public holidays).
- ▶ We will verify your identity before providing you with any information or accepting any instruction over the telephone.

- ▶ If you need to write to us, please use the following address:

Global Investment Centre  
 HSBC Bank Plc  
 PO Box 715  
 Forum 1, The Forum  
 Parkway, Whiteley  
 Fareham PO14 9QB

- ▶ If you write to us, we may need to contact you about your investment. Please provide a telephone number for us to contact you so that possible delays in processing your requests can be avoided.

## How will you contact me?

- ▶ You will receive certain documents relating to the day to day activity on your Account into My Documents if you are registered for OB when you open that Account or if you tell us you have registered for OB after opening the Account. Otherwise we will send all documents relating to an Account to you by post.
- ▶ If you open your Accounts at different times you may receive documents to My Documents for one Account and post for the other if you register for OB between opening the two Accounts.
- ▶ You should always tell us if you register for OB or if you de-register for OB to ensure you get your documents by the correct channel.
- ▶ Documents sent to My Documents can be found by logging in to the Global Investment Centre. These documents will be available in My Documents while you have a relationship with us. If your relationship with us ends you can ask us to provide paper copies for up to six years in My Documents and so you should save and print all documents for your records.

You should call our Customer Service Centre if you de-register for OB, after which we will no longer send documents to My Documents. In addition you will not be able to access My Documents once your Account(s) are closed or you de-register for OB.

## What are the Funds Portfolio and ISA Funds Portfolio?

- ▶ The Funds Portfolio is an Account offered by HSBC Bank plc in which you can invest in OEIC and unit trust funds from a range of fund providers through our Global Investment Centre.
- ▶ An ISA Funds Portfolio is a Stocks and Shares ISA offered by HSBC Bank plc that allows you to hold OEIC and unit trust funds from a range of fund providers on our Global Investment Centre within a tax efficient ISA.

## What is an OEIC or Unit Trust?

- ▶ Open Ended Investment Companies (OEICs) and unit trusts are both types of collective investment schemes. These investments are bought with a 'pool' of money received from a large number of investors.
- ▶ Holdings in OEICs are divided into shares and unit trusts are divided into units. In this document we refer to them both as 'fund shares'.

## What is an ISA?

- ▶ An ISA is a tax efficient way of saving or investing as all income and capital gains arising within an ISA are exempt from any personal liability to UK Income Tax and Capital Gains Tax.

There are four different types of ISA:

- stocks and shares ISA
- cash ISA
- innovative finance ISA; and
- lifetime ISA.

A payment by you into an ISA in any tax year is called a subscription. You can only subscribe to one of each type of ISA per tax year.

Because of their tax advantages, ISAs are subject to annual subscription limits. For tax year 2018/2019 you can invest:

- ▶ up to £20,000 into a cash ISA; or
- ▶ up to £20,000 into a stocks and shares ISA; or
- ▶ up to £20,000 into an innovative finance ISA; or
- ▶ up to £4,000 into a lifetime ISA
- ▶ you can subscribe to a cash ISA, a stocks and shares ISA, an innovative finance ISA and lifetime ISA, and split up to £20,000 between the four ISAs as you choose (provided you do not subscribe more than £4,000 to a lifetime ISA).

**Please note:** that each year all ISA providers are required to report details of ISA subscriptions made by their customers to HMRC so that HMRC can check that individuals do not exceed the limits.

## Who might the Funds Portfolio and ISA Funds Portfolio be suitable for?

- ▶ The Funds Portfolio and ISA Funds Portfolio may be suitable for investors:
  - who like to make their own investment decisions without advice
  - with a lump sum to invest
  - who expect to keep their investment for five years or more

- who are looking to grow their investment, generate a regular income or achieve a combination of both.
- ▶ We will categorise you as a retail customer and treat you as such in all our dealings with you in respect of this investment.
- ▶ This is a general outline of who the Funds Portfolio and ISA Funds Portfolio may be suitable for. The Global Investment Centre service is provided without advice. We are not giving advice on whether any investment you make into your Account is suitable to meet your needs. This means that the investment is your own decision and HSBC will not be required to assess the suitability of the investment for you. You will not be protected by the Financial Conduct Authority rules on assessing suitability. If you have any doubts about whether this service or any investment is suitable for your needs, you should seek advice from a Financial Adviser. You may be charged for any advice you receive.

### **Who can apply for a Funds Portfolio and ISA Funds Portfolio?**

- ▶ You can apply for an Account(s) if you:
  - are aged 18 or over
  - are a UK resident; and
  - hold an eligible HSBC current and/or savings account.
- ▶ You cannot apply for a Funds Portfolio or an ISA Funds Portfolio if you are a non-UK resident (including if you are a UK Crown Servant working overseas).
- ▶ Accounts cannot be held in joint names and non-personal accounts are not permitted.

### **Can I change my mind about my Account?**

- ▶ You have the right to cancel your Account and your agreement to the Terms for a period of 14 days from the date we open your Account. You will not be charged for exercising your right to cancel.
- ▶ You do not have the right to cancel any transactions which have already been processed before you ask to cancel your Account.
- ▶ On receipt of a request to cancel your Account, if your Account holds Fund Shares, we will treat this as an instruction to sell all Fund Shares within your Account and close your Account. If the value of your Fund Shares has fallen, the amount returned to you may be less than the amount you invested and you will not be entitled to a refund of any charges applicable to any transactions in Fund Shares.
- ▶ You will not be charged any Account Fee for the period your Account was open, however you will not receive any interest on any amount returned to you as a result of you exercising your cancellation rights,
- ▶ To make a cancellation you can telephone our Customer Service Centre on 03456 076 180.
- ▶ If you do not exercise your right to cancel your Account(s) you will be subject to all the Terms and Conditions of the Global Investment Centre (including any risks and charges such as the Account Fee).
- ▶ Where you cancel your ISA Funds Portfolio within the 14 calendar day period, the amount you subscribed will not count towards the annual ISA subscription limit for that tax year and you will be treated as though you have not subscribed to an ISA Funds Portfolio.

## Which funds and share classes can I invest in?

- ▶ We offer funds from a range of fund providers. The funds and share classes available for investment through the Global Investment Centre are shown in the list of funds which is available online.

## What are clean share classes?

- ▶ **Clean share classes** – these are share classes which only include the fund provider's charge for managing the fund within their AMC. You will pay us separately for our services through an Account Fee.

We no longer accept any new investments, transfers in or top ups into Legacy Share Classes. We will not accept re-registrations of Legacy Share Class holdings.

- ▶ It is important that you consider the Account Fee when researching funds with clean share classes. Although clean share classes may appear cheaper based solely on AMC, the Account Fee increases the overall cost of investing in clean share classes. Please see 'What are the charges?' for more information.

## What are the charges?

### Account Fee

- ▶ The Account Fee will be payable by you for the services we provide when arranging the sale and purchase of fund shares in clean share classes as well as custody and administration of those fund shares when they are held in your Account.
- ▶ The Account Fee only applies to holdings in clean share classes within your Account.

- ▶ The Account Fee is 0.39% per annum payable monthly for the previous month. It is calculated using the average daily value of fund shares held in clean share classes within your Account.
- ▶ The Account Fee for your Funds Portfolio and, if applicable, ISA Funds Portfolio, will be calculated and charged for separately. Both amounts will be taken from your eligible HSBC current or savings account which you have nominated as the default settlement account for your Funds Portfolio. We will take the payment(s) on the 22nd of the month or the next business day if the 22nd is not a business day. We will provide you with at least 14 days' notice of the total Account Fee you owe us for a particular month either into My Documents or by post.

The example below shows how the Account Fee is calculated.

### Example

You have two funds, within your Funds Portfolio, Fund A and Fund B, where your holdings are in clean share classes.

The example assumes:

- the month has 30 calendar days and the fee is calculated on the last day of the month;
- the funds have been held for the entire month;
- during the month, the average daily value of each fund is consistent and is £10,000 for Fund A and £20,000 for Fund B.

Account fee calculation:  $\text{£}10,000 + \text{£}20,000 = \text{£}30,000 \times 30 \text{ days} \times 0.39\% / 365 \text{ days}$

Account Fee payable is £9.61

- ▶ When you purchase, transfer in, convert or switch into a clean share class you will be asked to provide agreement to the Account Fee being taken from the default settlement account for your Funds Portfolio. You will have to provide this agreement before you are able to submit your instruction.

### **Initial charge**

- ▶ There is currently no initial charge payable on any funds purchased through the Global Investment Centre.

### **Annual Management Charge (AMC)**

- ▶ The AMC is a percentage of the value of each fund and is payable directly to the applicable fund provider. It is reflected in the price of the fund shares or the income distributed by the fund rather than being taken from each individual's investment.
- ▶ The ongoing charges shown in the Fund Details includes the AMC for the relevant fund and other expenses payable by the fund provider.
- ▶ Charges taken from the capital of a fund may have the effect of limiting capital growth or eroding capital if there is insufficient growth.
- ▶ If charges are taken from the income of a fund, and there is insufficient income to meet such charges, any deficit will be taken from the capital of the fund.

### **Dilution**

- ▶ To protect existing investors in a fund, a fund provider may charge a dilution levy or make a dilution adjustment when there is a large purchase or sale. It is not possible to predict when this may happen. Neither we nor the fund provider benefit from this levy or adjustment.

Certain other costs, including taxes, may also apply which are not paid via us or imposed by us.

Where can I find out about the charges?

- ▶ The relevant Fund Details will show the initial charge, AMC and ongoing charges payable for the fund. It will also show whether AMCs and other annual costs are taken from capital or income and whether an Account Fee will be payable in respect of that fund share class.

### **How much will my investment cost?**

- ▶ We provide important information about charges and the breakdowns of the costs of your investments and the services we provide to you in The Costs and Charges Disclosure Document.

### **Do you receive any payments from the fund providers for offering these funds?**

- ▶ For Legacy Share Classes, fund providers pay a percentage of the AMC for administering and introducing new business to them. However, we do not accept any new business, transfers in or top ups into Legacy Share Classes.
- ▶ For clean share classes, we do not receive any payment from the fund provider out of the AMC.
- ▶ Occasionally, we may benefit from minor non-monetary benefits that we only receive on the basis that we believe they enable us to improve the service we provide to you without impairing our ability to always act in your interest.
- ▶ We maintain strict policies to control how benefits of this type are managed to protect the interests of customers. Further information is available on request.



## How can I buy fund shares?

- ▶ You can buy fund shares by logging in through OB and using the Buy screens on Global Investment Centre online or by telephoning us.
- ▶ Provided you place your buy instruction with us before the dealing deadline for the fund you wish to invest in, we will normally place your order with the fund provider before the fund's next valuation point. Buy instructions received after the dealing deadline will be placed with the fund provider at the next valuation point.
- ▶ The dealing deadlines and valuation points for each fund are set out in the relevant Fund Details.
- ▶ At the time you place your instruction to buy fund shares for your Account, you must have a sufficient available balance in your settlement accounts otherwise we will not place your instruction with the fund provider.
- ▶ The available balance in your settlement account will then be reduced by the amount needed for the purchase. The purchase amount will then be removed from your settlement account and paid to the fund provider on the settlement date. It remains your responsibility to have a sufficient amount in your settlement account on the settlement date to pay for your purchase.
- ▶ You will also be able to use the proceeds due in from the sale of fund shares to pay for your purchase, provided the sale transaction is due to settle before the purchase transaction.

## What is the Settlement Account?

- ▶ Your settlement account is the bank account used to settle transactions, receive the proceeds of any sales, and receive income or other payments.
- ▶ You will need to select one of your eligible HSBC current or savings accounts as your default settlement account for receiving any income. This default settlement account will also be the account used to take the Account Fee for your Funds Portfolio and, if applicable, your ISA Funds Portfolio.
- ▶ For a Funds Portfolio, you will also be able to select any eligible HSBC current or savings account you hold as your settlement account for a particular transaction when you place your instruction to buy or sell fund shares. (This selection will not change your default settlement account; income will continue to be paid into it and your Account Fee will still be taken from that default settlement account).
- ▶ For an ISA Funds Portfolio, your settlement account will be your Uninvested Cash Account.

## Can I change the bank account used to pay my Account fee?

- ▶ Yes, you can change the bank account used to pay your Account Fee to another eligible HSBC current or savings account by telephoning us. This change will also result in any income from your Funds Portfolio being paid into this new account.

### What is the Uninvested Cash Account?

- ▶ The Uninvested Cash Account is a deposit account with us which forms part of your ISA Funds Portfolio and which will act as your settlement account for your ISA Funds Portfolio.
- ▶ You will be able to subscribe to your ISA Funds Portfolio by transferring money from an eligible HSBC current or savings account into your Uninvested Cash Account using OB or by telephoning us.
- ▶ If you instruct a transfer of cash from an HSBC Cash ISA to your Uninvested Cash Account this will not be an ISA transfer. It will be a withdrawal from your Cash ISA and a subscription to your ISA Funds Portfolio.
- ▶ Any cash transferred into your ISA Funds Portfolio following a transfer in of your ISA from another ISA provider, will be paid into your Uninvested Cash Account.
- ▶ No interest will be paid on sums in your Uninvested Cash Account.

### How can I find out how much my investments are worth?

- ▶ You can obtain a current valuation of your fund shares by logging in to Global Investment Centre. Alternatively you can call us.
- ▶ We will send you a statement quarterly within 25 business days of the relevant statement date. You will get a separate statement for the Funds Portfolio and ISA Funds Portfolio Accounts. If you opened your Accounts on different dates, the statement period for each Account will be different. Your statement will include a valuation of your investments and details of any transactions during the period.

- ▶ Fund Share calculations are explained in the prospectus for the relevant fund(s).
- ▶ The latest prices for the funds can be found by visiting the website [www.investingin funds.org/ways-to-buy-and-sellfunds.html](http://www.investingin funds.org/ways-to-buy-and-sellfunds.html) and click on 'FE Fund Listings' in the Daily Fund Prices section to find the relevant share price.

### Can I take an income?

- ▶ Yes. If you select income fund shares, income will be paid into your settlement account on the business day following the income payment date.
- ▶ Income cannot be automatically reinvested where you invest in income fund shares.
- ▶ If you invest in a fund which pays out a monthly income you must invest at least one month before the next distribution date (as shown in the Fund Details) to be included in that income distribution.
- ▶ Alternatively, if you do not want income paid out you can invest in accumulation fund shares, where available. For accumulation fund shares any income will be reflected in the price of fund shares.
- ▶ Each Fund Details shows whether the fund is income or accumulation and also shows the date that income is paid.

### Can I transfer other ISAs in to my ISA Funds Portfolio?

- ▶ Yes, you can arrange to transfer any ISA from other ISA providers. You can transfer in current tax year and/or previous year tax year(s) subscriptions from Cash ISAs and/or Stocks and Shares ISAs.

- ▶ The investments can be transferred across to us without selling them, as long as the share class of that fund is available through the Global Investment Centre. Otherwise they will be transferred as cash.
- ▶ Please complete an ISA Funds Portfolio Transfer Form which can be found on our website or call us.
- ▶ Your existing ISA provider may make a charge for the transfer.
- ▶ Both the fund shares and cash must pass directly from your current ISA provider to us in order to retain their ISA status.
- ▶ We do not accept transfers of Legacy Share Class holdings. If your fund is not available you can sell your holdings and use the proceeds to purchase another available clean share class fund. Please remember that an Account Fee is payable on clean share class holdings.

### **Can I transfer my ISA Funds Portfolio to another ISA provider?**

- ▶ Yes. You can transfer all or part of your ISA Funds Portfolio to another Stocks and Shares ISA, Cash ISA, Innovative Finance ISA, or Lifetime ISA if the new ISA manager allows this. You can transfer cash and/or transfer the investments without selling them, where permitted by the new ISA manager. The new ISA manager must agree to the transfer. Please contact your new ISA manager if you wish to arrange the transfer.

### **Can I move investments in and out of my Funds Portfolio?**

- ▶ Yes. You can transfer your existing investments into your Funds Portfolio, without having to sell them, as long as the share classes of the funds are available through the Global Investment Centre and the fund provider agrees. If the share classes are not available we may agree with your existing plan manager that your shares can be converted into a suitable class that is available through the Global Investment Centre. Please be aware that we do not accept transfers of Legacy Share Class holdings. Please complete a Funds Portfolio Transfer Form which can be found on our website or call us.
- ▶ You can transfer investments out as long as your new plan manager and/or the relevant fund provider agrees. If you wish to transfer out please contact your new plan manager so this can be arranged with them. If you wish to transfer investments into your name you should contact us.
- ▶ If your fund is not available we may agree with your new plan manager and/or the relevant fund provider that your shares can be converted into a suitable class that is available from your new fund provider. Otherwise, you can sell your holdings and use the proceeds to purchase another available suitable or clean share class fund. Please remember that an Account Fee is payable on clean share class holdings.

## Can I change my selection of funds?

- ▶ Yes, you can switch from one fund to another fund within an Account either by going online using the Switch screens through the Global Investment Centre or calling using the numbers on page 4. Please note that under UK tax law a switch of shares is treated as a sale of the original shares and a purchase of new shares and will, for persons subject to taxation, be a disposal of the original shares for the purposes of capital gains taxation, which may give rise to a liability to tax, depending on your circumstances.
- ▶ Dependent on the settlement period of the funds and the responses back from the fund manager, your investment can be out of the market for up to five business days. During this time the market may move up or down resulting in potential loss of growth and/or income.
- ▶ Any gains made on sale of shares may be liable for UK Capital Gains Tax where your investments are not within an ISA. If you are unsure whether switching would incur a Capital Gains Tax liability, you should seek advice from your tax consultant. Alternatively, you may wish to visit the HMRC's webpage for Capital Gains Tax – <http://www.hmrc.gov.uk/cgt>.
- ▶ Occasionally we may need to switch your shares from one fund to another fund or convert your shares from one class to a different class without receiving instructions from you. This might happen, for example, if the fund manager tells us about changes being made to the fund. In these cases we will make the changes to your shares but only if we are satisfied that they are necessary and you will be notified of the switch or conversion.

## How can I withdraw cash from my Account?

- ▶ You can withdraw cash from your Funds Portfolio by selling fund shares.
- ▶ You can withdraw cash from your ISA Funds Portfolio by transferring money out of your Uninvested Cash Account. You can do this through OB or over the telephone into another HSBC bank account in your name. If there is insufficient cash in your Uninvested Cash Account to meet the amount you wish to withdraw you will first need to sell fund shares to raise the relevant amount. Any money withdrawn from the ISA Funds Portfolio cannot be reinstated later without impacting your annual ISA subscription limit.
- ▶ Provided you place your sell instruction with us before the dealing deadline for the fund you wish to sell, we will normally place your order with the fund provider before the fund's next valuation point. Sell instructions received after the dealing deadline will be placed with the fund provider after that valuation point has passed.
- ▶ The proceeds will be paid in to your selected settlement account (for a Funds Portfolio) or Uninvested Cash Account (for an ISA Funds Portfolio) on the settlement date of your transaction.
- ▶ Unless you are selling your entire holding in a fund, the minimum transaction amount is £100 and you must retain a minimum investment value of £100 in each class of fund shares you hold.
- ▶ You can also withdraw investments from your ISA Funds Portfolio without selling them by instructing us to transfer them into your own name or the name of another plan manager. This is subject to the agreement of the plan manager and/or fund provider.

If you withdraw investments from your ISA Funds Portfolio, these investments will no longer be contained within an ISA and any associated tax benefits will be lost.

### **How do I close my Account?**

- ▶ You may close your Account(s) at any time by phoning our Customer Service Centre. Any outstanding transactions will be completed by us and then your Account(s) will be closed.
- ▶ Before closing your Account(s), you should provide us with instructions to either sell fund shares, or transfer them to another ISA provider or plan manager without first selling the fund shares.
- ▶ Your Account will be closed once the entire value of your Account has been paid out and/or transferred.
- ▶ You will not be charged an Account Fee for the month in which your Account was closed.
- ▶ Any outstanding Account Fee which we have already notified you of will be payable on that closure date. This means that the Account Fee may become payable before the date stated in your notifications. It remains your responsibility to make sure you have the sufficient amount in your default settlement account on the closure date to pay any such Account Fee.
- ▶ If you hold an ISA Funds Portfolio, you must hold and maintain a Funds Portfolio for the duration of your ISA Funds Portfolio. You will not be able to close your Funds Portfolio unless you also close your ISA Funds Portfolio at the same time. If your ISA Funds Portfolio is closed without transferring to another ISA, the investments will no longer be contained within an ISA and any associated tax benefits will be lost.

### **What happens if I move overseas?**

- ▶ If you move overseas you cease to meet the eligibility criteria for Global Investment Centre, and so we may close or place restrictions on your Account(s).

### **Do I have to pay tax on my investment?**

- ▶ This information is intended as general guidance only. The taxation information below is based on our understanding and interpretation of current UK tax law and HMRC practice. Both law and practice may change.
- ▶ Your tax liability will depend on your own individual circumstances, including the country in which you live. If you are unsure about the tax consequences of your investment, you should seek appropriate professional advice.
- ▶ Each Fund Details shows whether the fund pays interest or dividend distributions.
- ▶ For information on SDRT please see the Prospectus or Simplified Prospectus (where available) or Key Investor Information Documents (where available) for the available funds.

## UK Income Tax – Funds Portfolio

From 6 April 2016 we will not deduct basic rate tax from credit interest; it will be paid gross (without deduction of tax). As a result you may be required to pay some tax on the income received via your own tax return (please check your personal allowances). In addition, any growth in the value of an Investment may be subject to capital gains tax if your total capital gains (less allowable losses) from all sources exceed your annual exemption limit. This information is based on our understanding of current UK tax law and HM Revenue & Customs practice. Both tax law and practice may of course change. Your tax liability will depend on your own individual circumstances, including your country of residence for tax purposes. If you are unsure about your own situation, you should seek appropriate professional advice.

## UK Income Tax – ISA Funds Portfolio

- ▶ Where a distribution is received within an ISA you will have no UK Income Tax to pay.
- ▶ Interest distributions will be paid gross of UK Income Tax.
- ▶ Any tax reclaimed for income fund shares will be paid into your Uninvested Cash Account.
- ▶ Any tax reclaimed for accumulation fund shares will be reinvested into the same fund if that fund is still available for new investment through the Global Investment Centre or paid into your Uninvested Cash Account where the fund has been removed from sale for new investment.

## UK Capital Gains Tax – Funds Portfolio

- ▶ You may have to pay UK Capital Gains Tax on any gains you make when you sell your fund shares if your total chargeable gains (less any allowable losses), from all sources in the relevant tax year, exceeds your annual exemption limit.
- ▶ This also applies if you are selling fund shares to switch into another class of shares or into another fund.

## UK Capital Gains Tax – ISA Funds Portfolio

- ▶ You will not have to pay UK Capital Gains Tax on any gains you make from an ISA.

## Account Manager of the Funds Portfolio and the ISA Manager of the ISA Funds Portfolio:

HSBC Bank plc is registered in England number 14259. Registered office at:

HSBC Bank plc  
8 Canada Square  
London E14 5HQ

- ▶ HSBC Bank plc is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Our firm reference number is 114216, The FCA's address is:

25 The North Colonnade  
Canary Wharf, London E14 5HS

The PRA's address is:

20 Moorgate, London EC2R 6DA

You can check this on the Financial Services register at [www.fca.org.uk](http://www.fca.org.uk)

- ▶ HSBC Bank plc's main business is the provision of financial services. Information about the fund providers that manage the funds we offer can be found in the Fund Details.

## Conflicts of interest

- ▶ We have a strict policy on how we manage any conflict of interest which may arise between your interests and that of other customers, ourselves or other members of the HSBC Group. Annex 2 of the Terms and Conditions covers this policy in more detail.

## Prospectuses and further information on funds

- ▶ Copies of prospectuses and Key Investor Information Documents (where available), together with the latest reports and accounts and any other information about any of the available funds can be obtained online through Global Investment Centre or you can write to us or call us to receive a copy.
- ▶ If you wish to vote and/or attend meetings of shareholders, please let us know in writing.

## Law

- ▶ This investment and any proceedings, as well as our dealings with you are governed by the law of England and Wales. All of our communications with you during the course of this investment will be in English.

## How to complain

- ▶ If you are unhappy in any way with our products and services then please let us know. On receipt of your complaint, we will send you a copy of our leaflet 'Listening to your comments' which explains how we will handle your complaint. A written copy of our complaint procedures is available on request. If we cannot resolve your complaint in the first instance, you can refer it to:

Financial Ombudsman Service at Exchange Tower, London E14 9SR

**Telephone:** 0800 023 4567  
(overseas +44 20 7964 0500).

**Website:** [www.financial-ombudsman.org.uk/](http://www.financial-ombudsman.org.uk/)

- ▶ The Financial Ombudsman Service will generally review complaints from retail customers. However, their criteria for reviewing complaints may mean that even if you have been categorised by a provider of products and services as a retail client they may not regard you as an eligible complainant. Complaining to the ombudsman will not affect your legal rights.

## Compensation

HSBC Bank plc is covered by the Financial Services Compensation Scheme (FSCS). You may be eligible to compensation from the scheme if you have a valid claim against us in respect of investment business and we cannot meet our obligations. Most types of investment business are covered up to a maximum limit of £50,000 per person.

The FSCS can pay compensation to depositors if a bank is unable to meet its financial obligations. Most depositors are covered by the scheme. Your eligible deposits (including cash balances in your settlement account) are covered separately by the FSCS up to a maximum limit of £85,000, or, in the case of joint accounts up to a maximum limit of £170,000. The FSCS deposit limit relates to the combined amount in all the eligible depositor's accounts with the bank, including their share of any joint account, and not to each separate account.

first direct and HSBC are both trading names of HSBC Bank plc and customers who hold deposits under both trading names will only be eligible for one claim of up to the FSCS deposit limit in total. For further information about the compensation provided by the FSCS (including the amounts covered and eligibility to claim) please refer to the FSCS website [www.fscs.org.uk](http://www.fscs.org.uk) or call the FSCS on 0800 678 1100 or 020 7741 4100. Please note only compensation related queries should be directed to the FSCS.

## Further Information

- ▶ Further information on the ISA Funds Portfolio and Funds Portfolio can be found in the Global Investment Centre Terms and Conditions.



**hsbc.co.uk**

**Issued by HSBC Bank plc**

HSBC Bank plc, Customer Information, PO Box 6201, Coventry CV3 9HW

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