

# FundMax

(for HSBC Premier customers)

## Important Risk Warning:

- The investment decision is yours but you should not invest in the product unless the intermediary who sells it to you has explained to you that the product is suitable for you having regard to your financial situation, investment experience and investment objectives.
- Unit Trusts are investment products and some may involve derivatives. Unit Trusts are NOT equivalent to time deposits.
- In the worst case scenario, the value of the unit trusts may be worth substantially less than the original amount you have invested (and in an extreme case could be worth nothing).
- Investors should not only base on this material alone to make investment decisions. Please refer to the relevant offering documents for the product details, including the risk factors involved.

Additional risks are disclosed in the section of "Risk disclosures" below. Please refer to it for details.

If you have personal goals to meet, taking care of your financial health is as important as taking care of your physical health. Nowadays, most people are conscious of keeping themselves in shape, so they will go for medical check-ups, look for healthy recipes, join a gym and so on. However, the importance of financial health is quite often overlooked.

- If you
- want to grow and accumulate your wealth
  - are concerned with transaction costs when investing in unit trusts
  - appreciate that your fund portfolio will grow only if you position your funds in the right asset types at the right time,

then HSBC's FundMax is a total wealth management solution that will help you build and manage your financial health wisely.

## What is FundMax?

Pioneered by HSBC in Hong Kong for retail investors, FundMax is a breakthrough in unit trust pricing models and a total wealth management solution designed for those who are conscientious about their financial health.

## How can you benefit from FundMax?

### 1. All-in-one monthly fee, as low as 1% p.a.

- No upfront subscription and switching charges for your unit trust transactions
- Instead, a single monthly account fee is applied based on the average holding balance of open-end funds\* in your FundMax account. So when you subscribe to a fund and then change to any other funds later on, you can save on the subscription and switching fees involved.
- Enjoy lower rate for higher balance maintained

Average holding balance	Account fee rate (p.a.) for HSBC Premier customer
Below HKD50,000	Waive
HKD50,000 to less than HKD500,000	1.5%
HKD500,000 to less than HKD1,000,000	1.25%
HKD1,000,000 or above	1%

\* Excluding the 'No Subscription Fee Series' and CapitALL Funds.

## How is the FundMax account fee calculated?

### Monthly account fee =

$$\text{Average holding balance of open-end funds} \times \text{Account fee rate} \times \frac{\text{No. of calendar days in the charging period}}{\text{No. of calendar days for the full year (365 or 366)}}$$

#### Remarks:

The contents of this document are only for general reference.

Making available this document or any marketing materials or any market or product information to you shall not, by itself, constitute solicitation of the sale or recommendation of any product. If you wish to receive solicitation or recommendation from us, please contact us and, where relevant, go through our suitability assessment before transacting.

The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution before investing in this product. **You should not invest in this product based on this document alone.** If you are in any doubt, you should obtain independent professional advice. (continued on next page)

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Details of the account fee collected will be provided in the monthly account statement.

Example: Mr. Chan, an HSBC Premier customer, maintains a FundMax account with open-end fund holding during June. The monthly account fee for June is calculated as follows:

- Charging period: 1 - 30 June (30 days; 365 days in the full year)
- Average holding balance of open-end funds for June: HK\$600,000
- Account fee for June =  $HK\$600,000 \times 1.25\% \times 30 / 365 = HK\$616.44$  The account fee will be collected from your designated cash account on the last business day of the month.

## 2. Portfolio rebalancing made easy

- **Optimise your portfolio return through rebalancing** – No single market stays in favour forever and investment cycles are becoming shorter nowadays. For example,
  - Emerging markets equity was the worst performer in Year 1 (-53.2%), but was also the asset type that rebounded most quickly in Year 2 (+79%);
  - Government bonds were the best performing asset class in Year 1 (+13.7%), but also performed the worst in Year 2 (+0.9%). (Source: MorningStar, HSBC)

As a smart investor, periodic review and timely rebalancing are critical in optimising your portfolio return.

- **Gain/loss tracking** – At HSBC, to help you monitor your investment performance, we will keep track of the gain/loss of your portfolio holdings for you after each purchase. SMS messages will be sent to you when your holdings reach your pre-set level of gain/loss (applicable to individual holding with marketing value reaching HK\$250,000). You can also review details of the gain/loss status of individual holdings anytime by using our award-winning Internet banking service.
- **No hassles with transaction fees** – What's more, with FundMax, you can enjoy zero subscription switching fees during your portfolio rebalancing, so you can focus on picking the right funds at the right time to rebalance your portfolio.

## 3. Beyond just compelling pricing

Get access to a full suite of comprehensive wealth management services and tools to help you shape your portfolio.

- **Fund Express** – You can compare funds in details with just a few clicks using Fund Express.
- **Strategic Financial Planning** – Whether you already have a financial goal in mind or are looking to set up a new goal, our Strategic Financial Planning will help you better understand your financial needs and reach your goals.

**With a unique and compelling pricing structure and a line-up of comprehensive wealth management solutions, FundMax is the tool to help you make the most of your investment benefits!**

### Other service charges which may be applicable

Service	Rate
Administration fee at account closure	<ul style="list-style-type: none"> <li>• Any accrued monthly account fee but not yet paid</li> </ul>
Transfer fee	1% of the prevailing market value of the units being transferred out

Visit any HSBC branch and talk to us to understand more about Fundmax today!

Note: FundMax account is designed for customer who plans to periodically review and rebalance portfolio in order to benefit from the features of the account. It may not be suitable for investors who plan to hold the same funds for a long time without any rebalancing.

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### **Risk Disclosures**

The information in this document is not and should not be construed as a solicitation of the sale of or recommendation of, or advice on any product. You should carefully consider whether any investment products are appropriate in view of your investment experience, objectives, financial resources and relevant circumstances. Investment involves risks and past performance is not indicative of future performance.

This document has not been reviewed by the Securities and Futures Commission of Hong Kong or any regulatory authority in Hong Kong.

## **FundMax Account Terms and Conditions**

### **General**

- FundMax Account is an Investment Services Account governed by Integrated Accounts Terms and Conditions which must be read in conjunction with the following terms and conditions for FundMax Account.
- Customer must hold an HSBC Premier or HSBC One account in order to open a FundMax Account.
- Trading in stocks, warrants, equity-linked notes/investments and Stocks/Unit Trust Monthly Investment Plan are not applicable in FundMax Account.
- Please note that frequent trading and market timing activities are strictly prohibited by fund managers in the interest of the funds. The Bank reserves the right to terminate any FundMax Accounts found engaging in such activities.

### **Monthly account fee**

- Initial charge and switching fee are waived for subscription or switching of unit trusts using the FundMax Account. Customers are still subject to other charges including but not limited to annual management fee, redemption charge, and performance fee as prescribed in respective fund offering documents.
- Monthly account fee will start to accrue from the date when unit trust holdings (excluding funds in the 'No Subscription Fee Series', CapitALL funds and guaranteed funds) ('Relevant Funds') are first recorded in the FundMax Account.
- Monthly account fee is calculated based on the average holding balance of Relevant Funds during the charging period and the rate corresponding to that balance. For funds denominated in foreign currencies, the holding balance in Hong Kong dollar equivalent will be used based on the prevailing exchange rate as of the date when the holding balance is calculated. The monthly account fee is calculated in Hong Kong dollar and charged in the denomination currency of your designated cash account at the prevailing exchange rate as of the date when the fee is collected if the cash account is denominated in currency other than Hong Kong dollars.
- The monthly account fee is collected on the last business day of each calendar month and on a full-month basis. If the date from when unit trust balance is first recorded does not cover a full month, the monthly account fee for that month will be charged in the following month. Details of the monthly account fee can be found in the monthly composite statement for your FundMax Account.
- The monthly account fee is debited from the designated cash account as specified at the opening of the FundMax Account. If you wish to change the designated cash account, the instruction must be received by the Bank 3 business days before the last business day of the month for the monthly account fee to be charged against the new cash account from that month.
- If the debit for monthly account fee has been unsuccessful for 3 consecutive months, the FundMax account will be suspended.

### **Account Closure**

- Upon closure of FundMax Account, any accrued monthly account fee not yet charged will be collected from the designated cash account when all investment holdings have been redeemed or transferred out and the account is successfully closed.
- If the period between the date of completion of the last subscription or switching of any Relevant Funds using the FundMax Account and the date of account closure is less than 1 year, an administration fee based on the relevant minimum charging balance and the corresponding rate will be collected from your designated cash account for the period from the date following the account closure to the date of anniversary of that transaction.

### **Transfer**

- For transfer-out of holdings in Relevant Funds from FundMax Account to other accounts, a transfer fee of 1% of prevailing market value of units being transferred will apply. The transfer fee will be charged against the designated cash account upon receipt of such instruction at the denomination currency of that cash account. If the fund denomination currency is not of the same currency as that of your designated cash account, the transfer fee will be converted to the denomination currency of your cash account at the prevailing exchange rate as of the date of collection. The transfer fee is not refundable irrespective of whether the transfer-out instruction is successfully executed or not.

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## Miscellaneous

- These Terms and Conditions can be amended by the Bank from time to time on giving prior notice to the Customer by way of display in the Bank's premises or by such other method as the Bank thinks fit. If the Customer does not close the FundMax Account prior to the expiry of the notice period, the Customer shall be deemed to have agreed to such amendment.
- The English version of these Terms and Conditions shall prevail if there is any inconsistency between the English version and the Chinese version.

## Note

If you have any feedback or complaint about any aspect of the service you have received, please contact our Hong Kong branches, call (852) 2233 3322 for HSBC Premier customers or (852) 2233 3000 for Other Personal Banking customers, or write to the Customer Relations Department at P.O. Box No. 71169 Kowloon Central Post Office, or send an email to [feedback@hsbc.com.hk](mailto:feedback@hsbc.com.hk). We will respond to a complaint within a reasonable period of time normally not exceeding 30 days in general circumstances. If you are not satisfied with the outcome of your complaint, you have the right to refer the matter to the Enforcement Department of Hong Kong Monetary Authority at 55th Floor Two International Finance Centre, 8 Finance Street, Central, Hong Kong.

For monetary disputes arising between the Bank and you out of the selling process or processing of the related transaction, you have the right to refer the matter to the Financial Dispute Resolution Centre at Unit 3701-4, 37/F, Sunlight Tower, 248 Queen's Road East, Wan Chai, Hong Kong. The Bank will enter into a Financial Dispute Resolution Scheme process with you; however any dispute over the contractual terms of the product should be resolved between the fund house and you directly.