



## Form ADV Part 2A

30 March 2020

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This brochure provides information about the qualifications and business practices of HSBC Global Asset Management (UK) Limited. If you have any questions about the contents of this brochure, please contact our Chief Compliance Officer – Natasha Cork at +44 (0)20 7024 1024. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

**Additional information about HSBC Global Asset Management (UK) Limited is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

HSBC Global Asset Management (UK) Ltd is an SEC registered Investment Adviser. Please note that SEC registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

**HSBC**   
Global Asset Management

## Item 2. Material Changes

Item 4 – Advisory Business;

Item 10 – Other Financial Industry Activities and Affiliations

Our brochure is available, along with additional information about HSBC Global Asset Management (UK) Ltd, on the SEC's website **[www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)**.

### Item 3. Table of Contents

Item 2.	Material Changes	
Item 3.	Table of Contents	
Item 4.	Advisory Business	
Item 5.	Fees and Compensation	
Item 6.	Performance-Based Fees and Side-by-Side Management	
Item 7.	Types of Clients	
Item 8.	Methods of Analysis, Investment Strategies and Risk of Loss	
Item 9.	Disciplinary Information	
Item 10.	Other Financial Industry Activities and Affiliations	
Item 11.	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	
Item 12.	Brokerage Practices	
Item 13.	Review of Accounts	
Item 14.	Client Referrals and Other Compensation	
Item 15.	Custody	
Item 16.	Investment Discretion	
Item 17.	Voting Client Securities	
Item 18.	Financial Information	
Item 19.	Requirements for State-Registered Advisers	n/a

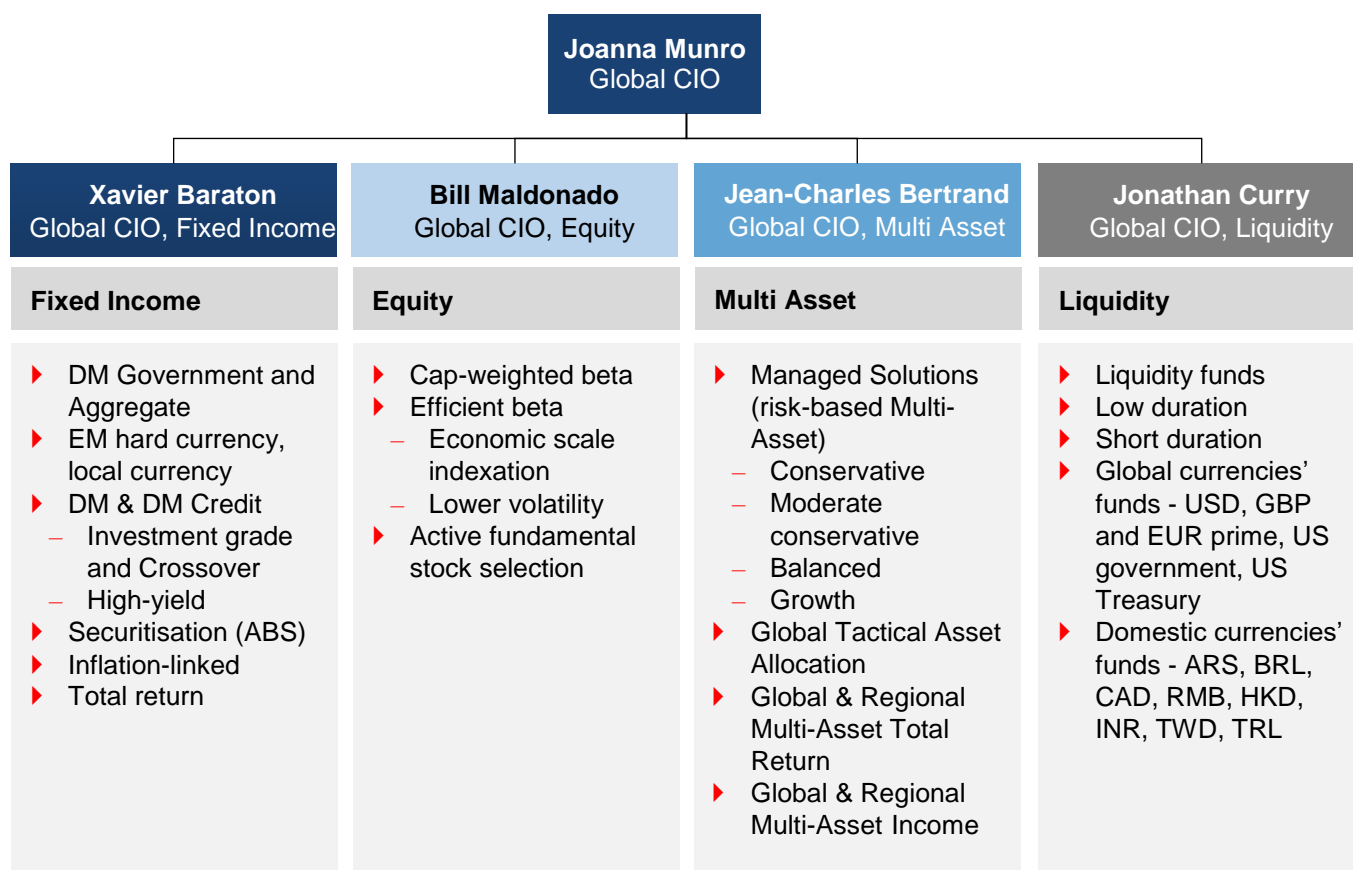
## Item 4. Advisory Business

HSBC Global Asset Management (UK) Limited is ultimately 100% owned by HSBC Holdings plc (HSBC Group). HSBC Holdings plc is a publicly owned corporation based in London, UK and trades on various stock exchanges around the world.

HSBC Global Asset Management (UK) Limited acts as a discretionary investment manager offering clients around the world a wide range of investment solutions across equity, fixed income, liquidity and multi-asset strategies. Our clients include the Group's retail and private banking customers, financial intermediaries and distributors and institutions. We aim to work with clients to develop solutions that successfully meet their investment goals and expectations over the long term, within a tightly governed, transparent and risk-controlled framework. Our core investment belief is that good governance – clear investment beliefs and well-executed process – is the key to delivering long-term value to our customers.

HSBC Global Asset Management (UK) Limited was incorporated on 31 May 1985.

HSBC Global Asset Management (UK) Limited offers clients a range of investment strategies across all the core capabilities: equity, fixed income, multi-asset and liquidity. The range of investment capabilities is represented in the following diagram:



Source: HSBC Global Asset Management. Chart for illustrative purposes only

As part of the HSBC Group, HSBC Global Asset Management (UK) Limited is regarded as one of the leading global investment management firms in the world. Our global reach allows us to utilise world-class research and implement product strategies on a worldwide basis.

We believe that HSBC Global Asset Management (UK) Limited is well placed to provide a globally- consistent, disciplined, investment process across our major capabilities which draw on the local knowledge and expertise of teams of over 500 investment professionals in over 16 countries around the world. We fully connect all our local investment teams to the global investment platform for each of our major capabilities.

We aim constantly to evolve our business to meet the needs of our clients who seek to take advantage of these opportunities.

We do offer bespoke investment solutions. All segregated portfolios are subject to an Investment Management Agreement that may contain investment restrictions in accordance with client guidelines. Clients may impose in their segregated mandates restrictions on investing in certain securities or types of securities.

Pooled fund investment will be in accordance with the relevant fund Prospectus. At 31 December 2019, HSBC Global Asset Management (UK) Limited managed USD93.6 billion.

## Item 5. Fees and Compensation

We provide customised fee-based investment management to institutions, private clients, pension funds, charities, etc. We have fee scales in place that are dependent on the investment vehicle and mandate size, and are subject to negotiation.

All fee arrangements for segregated institutional clients are discussed and agreed at an individual mandate level by the relevant Client Account Manager.

All fee arrangements are pre-agreed with clients and are part of the Investment Management Agreement (segregated) or Prospectus (pooled fund). Fees relating to the management of segregated portfolio are dependent on mandate size, the level of reporting/servicing required, etc. and are typically invoiced to the client on a monthly or quarterly basis as agreed with the client. Pooled fund investment fees are typically deducted from the fund and are charged at an ongoing fund charges level (i.e. inclusive of operating, administration and servicing costs).

HSBC Global Asset Management (UK) Limited does not act as custodian. Clients will pay custody fees.

## Item 6. Performance-Based Fees and Side-by-Side Management

HSBC Global Asset Management (UK) Limited offers clients a performance related fee option.

In order to ensure that any potential conflict in the treatment of clients' accounts is managed in an appropriate way HSBC Global Asset Management (UK) Limited maintains strict procedures in relation to the manner in which dealing occurs on behalf of client accounts. We manage portfolios on a strategy basis, with all decisions implemented across strategies on a pro-rata basis. In addition, we ensure that we adhere to all relevant legislation regarding Conduct rules, in order to ensure that all clients are treated fairly regardless of their fee arrangement.



## Item 7. Types of Clients

At 31 December 2019, HSBC Global Asset Management (UK) Limited managed USD93.612Billion in assets by client type as follows

<b>Sum of Assets</b>	<b>USD (m)</b>	<b>%</b>
Pension Funds	7,429.90	7.94
Public Sector	6,063.97	6.48
Corporate	1,524.32	1.63
Insurance	4,185.58	4.47
Retail	58,225.11	62.20
Private Clients	11,691.40	12.49
Others	4,491.89	4.80
<b>Total</b>	<b>93,612.18</b>	<b>100.00</b>

Source: HSBC Global Asset Management, at 31 December 2019.

Segregated mandates do require a minimum account size, but this is dependent on the investment strategy. Minimum investment restrictions are also in place for our pooled fund vehicles, details of which are outlined in the relevant fund literature.



## Item 8. Methods of Analysis, Investment Strategies and Risk of Loss

### General Description

HSBC Global Asset Management (UK) Limited is a leading global asset management firm offering clients around the world a wide range of investment solutions across equity, fixed income, liquidity and multi-asset strategies. We aim to work with clients to develop solutions that successfully meet their investment goals and expectations over the long term, within a tightly governed, transparent and risk-controlled framework. Our core investment belief is that good governance – clear investment beliefs and well-executed process – is the key to delivering long-term value to our customers.

HSBC Global Asset Management (UK) Limited leverages the global footprint of HSBC worldwide, giving us a unique perspective. Our significant presence and experience in the emerging markets provides a local knowledge advantage. We aim to leverage this expertise in delivering consistently strong investment performance in our global range of investment strategies while operating within a defined, disciplined framework.

HSBC Global Asset Management (UK) Limited serves as the sub-advisor to the Frontier Markets Equity strategy that is currently offered to existing US clients.

The Frontier Markets Equity strategy aims for long-term capital growth by investing primarily in securities of companies located, or operating, in frontier markets, i.e. those countries we consider to be at an early stage of economic, political or financial development. The time horizon for any investment in the strategy should be five years or more.

The process for the strategy combines bottom-up stock analysis and top-down country analysis, with a strong emphasis on the first. By combining bottom-up and top-down elements the Frontier Markets Equity team believes the investment process allows it to identify compelling investment opportunities.

### General Investment Risks

Investing in securities involves risks, which clients should be prepared to bear. The value of investments and any income from them can go down as well as up and investors may not get back the amount originally invested.

- ▶ **Concentration Risk:** When a portfolio concentrates its investments, such as in one industry or geographic area, it does not have the diversity of investment that is generally expected from diverse portfolio. This means that each stock within the portfolio may have a more significant effect on its performance.

### Equity Risks

- ▶ **Smaller Company Risk:** Where portfolios hold investments in smaller companies it should be noted that by their nature these companies are generally new to the market and may therefore be subject to significant price movements. They may also be difficult for the portfolio manager to buy and sell.

### International Risks

- ▶ **International Investing Risk:** Investing in securities or issuers in international markets involves risks such as currency risk, risks of trading in foreign securities markets, and political and economic risks. Where overseas investments are held the rate of currency exchange may cause the value of such investments to go down as well as up.
- ▶ **Emerging Markets Risk:** Investments in emerging markets are by their nature higher risk and potentially more volatile than those inherent in some established markets. In some countries, markets are described as 'emerging markets'. Some of these may involve a higher risk 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. Emerging markets are generally, but not exclusively, those that are not within

the United States, Canada, Switzerland and members of the European Economic area, Japan, Australia and New Zealand.

- ▶ **Frontier Markets:** Investments in Frontier Markets are by their nature higher risk and potentially more volatile than those inherent in established markets. This fund invests predominantly in one geographic area; therefore any decline in the economy of this area may affect the prices and value of the underlying assets.

Economies in Frontier Markets generally are heavily dependent upon international trade and, accordingly, have been and may continue to be affected adversely by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. These economies also have been and may continue to be affected adversely by economic conditions in the countries in which they trade.

Brokerage commissions, custodial services and other costs relating to investment in Frontier Markets generally are more expensive than those relating to investment in more developed markets. Lack of adequate custodial systems in some markets may prevent investment in a given country or may require a sub-fund to accept greater custodial risks in order to invest, although the Custodian will endeavour to minimise such risks through the appointment of correspondents that are international, reputable and creditworthy financial institutions. In addition, such markets have different settlement and clearance procedures. In certain markets there have been times when settlements have been unable to keep pace with the volume of securities transactions, making it difficult to conduct such transactions. The inability of a sub-fund to make intended securities purchases due to settlement problems could cause the sub-fund to miss attractive investment opportunities. Inability to dispose of a portfolio security caused by settlement problems could result either in losses to a sub-fund due to subsequent declines in value of the portfolio security or, if a sub-fund has entered into a contract to sell the security, could result in potential liability to the purchaser.

The risk also exists that an emergency situation may arise in one or more developing markets as a result of which trading of securities may cease or may be substantially curtailed and prices for a sub-fund's securities in such markets may not be readily available.

Investors should note that changes in the political climate in Frontier Markets may result in significant shifts in the attitude to the taxation of foreign investors. Such changes may result in changes to legislation, the interpretation of legislation, or the granting of foreign investors the benefit of tax exemptions or international tax treaties. The effect of such changes can be retrospective and can (if they occur) have an adverse impact on the investment return of shareholders in any sub-fund so affected.

## Liquidity Risks

- ▶ **Liquidity Restriction Risk:** A portfolio could be exposed to the risk that a particular investment or position cannot be easily unwound or offset due to insufficient market depth or market disruption. This can affect the ability of an investor to request the redemption of his investment from that portfolio, and can also have an impact on the value of the portfolio. Although the portfolios will invest mainly in liquid securities in which the investors are entitled to request the redemption of their investment within a reasonable timeframe, there may be exceptional circumstances in which the liquidity of such securities cannot be guaranteed. Absence of liquidity may have a determined impact on the sub-fund and the value of its investments.

## Alternative Asset Risks

- ▶ **Derivatives Risk:** Portfolios may use derivatives for the purposes of efficient portfolio management. The use of derivatives involves risks different from, and possibly greater than, the risks associated with investing directly in the investments underlying the derivatives. Whether the use of derivatives is successful will depend on, among other things, if the adviser correctly forecasts market values, interest rates and other applicable factors. If the adviser incorrectly forecasts these and other factors, the investment performance of a portfolio will be unfavorably

affected. In addition, the derivatives market is largely unregulated. It is possible that developments in the derivatives market could adversely affect a portfolio's ability to successfully use derivative instruments.

### Other Products with US Element

- ▶ HSBC Global Asset Management (UK) Ltd does not actively market its services to the US. Furthermore, due to the increasing regulatory complexity, HSBC Global Asset Management (UK) Ltd has adopted policies that does not allow for new US residents to invest into its funds, except where agreed by the Board or the Management Company. However, it has been identified that some funds have retained some long term investors who were US residents at the time of the onboarding, or have since moved to the US. Those funds have been classified as 'private funds' for the purpose of Form ADV Part 1. The investment risks associated with the 'private funds' are described in the fund's respective prospectus/ KIID documentation, a copy of which can be obtained from the website: <http://www.assetmanagement.hsbc.com/uk>.

## Item 9. Disciplinary Information

There have been no legal or disciplinary events that are material to a client's or prospective client's evaluation of HSBC Global Asset Management (UK) Limited's advisory business or the integrity of its management persons.

## Item 10. Other Financial Industry Activities and Affiliations

Through HSBC Global Asset Management's relationship with our parent company HSBC Holdings plc, we are affiliated with a variety of entities that provide banking and financial services, including broker-dealers. The firm's best execution standards apply to both affiliated and external broker-dealers. Best execution policies and procedures are established and serve to manage internal conflicts of interest. Consequently, we may transact with affiliated broker-dealers unless the investment management agreement/ contract imposes different guidance.

## Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

HSBC Group has established procedures which apply to all operating units worldwide. These cover money laundering, personal account dealing, insider trading, gifts and entertainment, and breach of confidentiality obligations (among others).

- ▶ We have strict rules against employees accepting from clients any material personal benefits, including gifts, favors, services, loans or fees, and we actively discourage clients from offering any personal benefits to our employees.
- ▶ In conducting business with due skill, care and diligence, HSBC seeks always to comply with both the letter and the spirit of relevant laws, rules, regulations, codes and standards of good market practice.
- ▶ We address any irregularities that arise promptly, we seek to resolve them in a timely manner and in a way that protects our clients, the reputation of the firm and minimizes financial loss. We believe in transparency in our financial and regulatory reporting, with swift disclosure of any breaches.

We cooperate with supervisors and regulators to attain and maintain the highest operating standards to safeguard the interests of our key stakeholders - shareholders, clients, employees, and the communities where we operate.

As administered by the Compliance Department, employees must certify annually that they have read and agreed to comply with all the Personal Account Dealing policy which contains the Code of Ethics applicable to Access Persons. We actively monitor employee compliance with all laws, rules, and regulations. Senior management has made clear, the utmost importance placed on exercising at all times our fiduciary duty to our clients according to the highest ethical standards.

The Personal Account Dealing policy requires employees to disclose all of their external brokerage accounts and personal securities transactions which are subject to pre-clearance. The firm requires all employees to complete regular training sessions in a number of other compliance areas (e.g.: anti-money laundering, privacy, ethics awareness, information security awareness, etc.)

The HSBC Global Asset Management (UK) Limited UK Personal Account Dealing Procedures are designed to:

- ▶ prohibit insider dealing;
- ▶ prevent the front running of customer orders and research recommendations.
- ▶ avoid dealing on margin in order that employees do not find themselves in serious financial trouble;
- ▶ reduce the 'velocity' of trading i.e. during working hours employees should be working and not concentrating on their own financial activities;
- ▶ manage conflicts of interest; and
- ▶ discourage speculative dealing.

Employees must seek prior approval from HSBC Global Asset Management (UK) Limited Compliance for each deal. Where approval is given, HSBC Global Asset Management (UK) Limited Compliance will confirm their agreement in writing. Each approval is valid until the close the next business day.

Employees wishing to enter into a discretionary or a non-discretionary investment management agreement with an investment manager must declare their intentions to HSBC Global Asset management (UK) Ltd Compliance.

Compliance with the procedures is monitored.

Upon request, we are happy to provide of a copy of our code of ethics to any client or prospective client.

## Item 12. Brokerage Practices

### Broker-Dealer Selection

Part of our fiduciary responsibility as an investment manager is to seek the best price and execution of client security transactions. Transaction cost is minimised by executing with counterparties who are predetermined by HSBC Global Asset Management (UK) Limited to be most likely to provide the best outcome.

Since bond and currency trades are net of commission, executing all trades on a competitive basis is the optimal way to minimise trading costs. Our goal is to pay a fair commission rate relative to the amount of business we generate while not being so low as to jeopardise our quality of execution or liquidity.

HSBC Global Asset Management (UK) Limited maintains a selection process for brokers/counterparties, which is aimed at obtaining the highest level of quality service. To be included in the "Approved Brokers List", brokers are selected based on the following criteria: sales support, efficiency and reliability of execution, efficiency and reliability of settlement and counterparty risk.

The "Approved Brokers List" is reviewed regularly by senior management. Assessment of broker performance is provided by the dealing function investment team. Dealers strictly use the "Approved Brokers List".

Trading transaction costs are managed and reviewed on an on-going basis. AMEU also uses a third-party, independent firm that provides regular trade commission analysis reports at the trading desk-, individual trader-, fund/account-level as well as broker rankings. In addition, there are regular broker reviews that rate all brokers on a quantitative and qualitative set of criteria.

### Research and Other Soft Dollar Arrangements

HSBC Global Asset Management (UK) Limited does not maintain soft dollars arrangements, directed trade or recapture programmes with broker-dealers.

HSBC Global Asset Management (UK) Limited pays for all third party research from its own resources.

### Aggregation of Trades

HSBC Global Asset Management (UK) Limited has policies and procedures with respect to the fair and equitable allocation of trade orders and investment opportunities among clients. In executing brokerage transactions, HSBC Global Asset Management (UK) Limited generally seeks to aggregate client trade orders for the same security into a single trade order, or "block order", when HSBC Global Asset Management (UK) Limited believes that doing so will improve trade execution. Each client who participates in a block order will be allocated their portion of the trade when it is completed. Block order trading may improve trade execution in terms of one or more of the following: enabling volume discounts on brokerage commissions or costs; improving execution speed, efficiency, anonymity, and liquidity of trades; and/or, increasing a portfolio manager's ability to respond to price fluctuations during trading.

### Best Execution and Execution Order Management and Parallel Policy

Through HSBC Global Asset Management (UK) Limited's relationship with our parent company, HSBC Holdings plc, we are affiliated with a variety of entities that provide banking and financial services, including broker-dealers. The firm's best execution standards apply to both affiliated and external broker-dealers. Best execution policies and procedures are established and serve to manage internal conflicts of interest. Consequently, we will transact with affiliated broker-dealers to the extent permissible, unless prohibited by applicable law or the investment management agreement/ contract, where doing so is consistent with our duty to seek best execution.

Where our ability to transact for some clients through affiliated brokers is limited (e.g., certain US clients) but the use of the affiliated broker is otherwise consistent with our duty to seek best execution, HSBC Asset Management (UK) Ltd will use the execution order management and parallel policy designed to promote fair and equitable treatment of all participating clients, by placing simultaneously on the market the orders with both selected counterparties.



## Conflicts of interest

HSBC Global Asset Management ("HSBC") and any associated company ("HSBC Group Company") may effect transactions in which HSBC or the HSBC Group Company or another client of HSBC or an HSBC Group Company has, directly or indirectly, a material interest or a relationship of any description with another party which involves or may involve a potential conflict with HSBC's duty to the customer. HSBC will ensure that such transactions are effected on terms which are not materially less favourable to the customer than if the conflict or potential conflict had not existed. Conflicts, if any, which HSBC is not able to manage effectively, will be disclosed to the customer.

Examples of conflicts of interest may arise include:

- (i) HSBC or an HSBC Group Company undertakes regulated activities for other customers;
- (ii) a director or employee of HSBC or an HSBC Group Company, is a director of, holds or deals in securities of, or is otherwise interested in any company whose securities are held or dealt in on behalf of the customer;
- (iii) a transaction is effected in securities issued by an HSBC Group Company or the customer of an HSBC Group Company;
- (iv) a transaction is effected in securities in respect of which HSBC or an HSBC Group Company may benefit from a commission, fee, mark-up or mark-down payable otherwise than by the customer, and/or HSBC or an HSBC Group Company may also be remunerated by the counterparty to any such transaction;
- (v) HSBC deals on behalf of the customer with, or in the securities of, HSBC or an HSBC Group Company;
- (vi) HSBC may act as agent for the customer in relation to transactions in which it is also acting as agent for the account of other customers and/or HSBC Group Companies;
- (vii) HSBC may, acting as principal, sell to or purchase currency from the customer and may, in exceptional circumstances, deal in securities as principal with the customer;
- (viii) a transaction is effected in units or shares of any company and/or fund of which HSBC or an HSBC Group Company is the manager, operator, banker, adviser, custodian or trustee;
- (ix) HSBC may effect transactions involving placings and/or new issues with an HSBC Group Company which may be acting as principal or receiving agent's commission;
- (x) a transaction is effected in securities of a company for which HSBC or an HSBC Group Company has underwritten, or managed or arranged an issue or offer for sale, within the previous 12 months;
- (xi) HSBC or an HSBC Group Company may receive remuneration or other benefits by reason of acting in corporate finance or similar transactions involving a company whose securities are held by the customer; or
- (xii) a transaction is effected in securities in respect of which HSBC or an HSBC Group Company, or a director or employee of HSBC or an HSBC Group Company, is contemporaneously trading or has traded on its own account or has either a long or short position.

## Control of non-public information / conflicts mitigation

The HSBC Group is a global organisation which provides a wide range of financial services. As such, it, or a company with whom it has an association ("HSBC"), may from time to time have interests which conflict with its clients' interests or with the duties that it owes to its clients. These include conflicts arising between the interests of HSBC, its associates and employees on the one hand and the interests of its clients on the other and also conflicts between clients themselves.

HSBC has established procedures which are designed to identify and manage such conflicts. These include organisational and administrative arrangements to safeguard the interests of clients. A key element of this policy is that persons engaged in different business activities involving a conflict of interest must carry on those activities independently of one another.

Where necessary, HSBC maintains arrangements which restrict the flow of information to certain employees in order to protect its clients' interests and to prevent improper access to client information.

HSBC Global Asset Management has procedures in place for ongoing management of actual or potential conflicts. This is done through a combination of procedures, including detailed organisational and administrative arrangements. These include procedures which restrict the flow of information, particularly that which is price sensitive or confidential, in order to protect its clients' interest and to prevent improper access to client information. The policy requires HSBC to maintain, where necessary, arrangements which restrict the flow of information to certain employees to protect its clients' interests and to prevent improper access to client information. These procedures include restrictions on access to areas where sensitive information may be produced and clear desk policies and are regularly reviewed to ensure that they remain effective and relevant to each business area.

Certain business areas within HSBC Global Asset Management, particularly those where price sensitive information is held, have been grouped together behind an information barrier (known as a "Chinese Wall"). Arrangements have been made between the various group companies to ensure that information of a price sensitive nature, or which could give rise to conflicts of interest or conflicts of duty owed to clients and which is known to or produced by individuals employed in one part of the HSBC Group, is not available directly or indirectly to individuals elsewhere in a connected company or to outside persons. When price sensitive information is known the individual staff members are made "insiders" and their names are placed on an "insiders' list". Where HSBC Global Asset Management holds price sensitive information any relevant stocks are placed on a prohibited list. Our clients take the highest priority and providing the best quality service to meet their long-term business interests is of paramount importance. Our Compliance and Risk Management teams are also mandated to ensure the internal controls are implemented and enforced, and the interests of our clients are properly and effectively managed at all times.

The conflicts policy sets out all the conflicts that have been identified within the business, and what procedures and controls are in place to manage the conflict.

Any conflicts arising outside of those identified in the policy are recorded on the conflicts register. This is a confidential register that is maintained by compliance, which details past and present conflicts and how the specific circumstances have been dealt with.

## Item 13. Review of Accounts

### General Description

Each (segregated) client is appointed a dedicated client director. Client accounts and financial plans are reviewed with clients at pre-agreed times throughout the year (the requirements for which may form part of the Investment Management Agreement). These arrangements are subject to specific client requirements.

In addition, our client service representatives are available for questions and consultation during normal business hours. The portfolio management team is also available for conference calls to discuss performance, attribution, trading activities, and market events.

### Factors Triggering a Review

Client accounts are reviewed on an on-going basis, however, there are events that may trigger a review, e.g. poor performance, departure of a senior portfolio manager.

We strive to provide our clients with administrative support and are committed to keeping clients abreast of all material information or changes concerning the firm and their portfolio.

### Client Reports

For institutional segregated mandates we provide written reports to clients at least quarterly or as agreed with the client. Portfolio reports generally include portfolio holdings and may include performance information. Such reports are not intended to replace a client's custodial account statements as records for official or tax reporting purposes. Clients are encouraged to request and review quarterly account statements (including asset amounts and transactions during the period) sent directly from their custodian.

## Item 14. Client Referrals and Other Compensation

HSBC Global Asset Management (UK) Limited does not receive compensation from a third party in connection with the investment management or advisory services it offers to clients.

HSBC Global Asset Management (UK) Limited does not offer compensation for client referrals.

## Item 15. Custody

HSBC Global Asset Management (UK) Limited does not have custody of US clients' assets.

## Item 16. Investment Discretion

The majority of assets managed by HSBC Global Asset Management (UK) Limited is through discretionary managed portfolios. All segregated discretionary mandates will be the subject of a client-specific Investment Management Agreement. All pooled fund investments will be subject to the fund Prospectus.

## Item 17. Voting Client Securities

Our primary responsibility as an investment management firm is to try to add value over the long term bearing in mind ownership responsibilities as agents for our clients. Any potential conflicts of interest we may face are addressed by HSBC Group policy in this area (see below). As with all our holdings, votes at our parent company and related entities are considered in the context of our voting guidelines. HSBC Global Asset Management (UK) Limited is functionally and operationally independent from, and maintains arm's length commercial relationships with, other HSBC Group companies.

Where we may be deemed to have a material conflict of interest in voting a proxy, we will either vote the proxy in accordance with a third party's recommendation, or request that the client vote the proxy.

Instructions for obtaining client proxy voting records are provided in the Proxy Voting Policy. A copy of our Proxy Voting Policy can be provided on request.



## Item 18. Financial Information

HSBC Global Asset Management (UK) Limited does not require or solicit prepayment of more than USD1200 in fees per client, six months or more in advance. HSBC Global Asset Management (UK) Limited is not aware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to clients, nor has it been the subject of a bankruptcy petition at any time during the past ten years.