

HSBC Matured CTF

Terms and Conditions

These terms are effective from 1 September 2020.

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Important Information

These are the Terms for the HSBC Matured CTF and you are advised to read them carefully. These Terms will come into force on the Effective Date. The Key Features of the HSBC Child Trust Fund and HSBC Matured CTF also forms part of these Terms.

These Terms amend the terms of any agreement we may previously have had with you in respect of the HSBC Child Trust Fund or in respect of the HSBC Matured CTF.

1. Definitions

In these Terms:

“Administrative Office” means HSBC UK Bank plc, PO Box 6189, Coventry CV3 9HS, or such other address notified to you from time to time.

“Associate” means any company in the same group as the Matured CTF Provider and any of our or their subsidiaries as such term is defined in the Companies Act 2006 as amended or replaced from time to time.

“Authorised Corporate Director” means HSBC Global Asset Management (UK) Limited.

“Best Execution Disclosure Statement” means the statement set out in Annex 1.

“Best Possible Result” means the best possible result for a purchase or sale of Shares in order to comply with our best execution obligations under the Rules as explained in Annex 1.

“Business Day” means Monday to Friday except UK public holidays.

“Cash Account” means a deposit account in your name with us in which any cash amounts are held in relation to an HSBC Matured CTF.

“CASS Rules” means the rules of the FCA in relation to client money and assets.

“Child” means the child in whose name an HSBC Child Trust Fund was held.

“Child Trust Fund” means a long-term tax-free savings and/or investment account under the Regulations.

“Corporate Action” means any mandatory or voluntary corporate action event including, without limitation, any events concerning takeovers, mergers, other offers or reorganisations and the exercise of conversion and subscription rights relating to the Fund.

“Effective Date” means the date of the 18th birthday of the Matured CTF Account Holder.

“Execution Policy” means our internal policy setting out how we will deliver the Best Possible Result for purchases and sales of Shares.

“FCA” means the Financial Conduct Authority or any successor regulatory body or bodies. The FCA is the authority responsible for the conduct supervision of all regulated financial firms and the prudential supervision of those not supervised by the PRA.

The FCA’s current address is:

12 Endeavour Square, London E20 1JN.

“FSCS” means the Financial Services Compensation Scheme, which is the UK’s statutory compensation scheme for customers of authorised financial services firms.

“Fund” means the fund applicable to the HSBC Matured CTF, as explained in the Key Features of the HSBC Child Trust Fund and HSBC Matured CTF.

“HM Revenue & Customs” means the Commissioners of HM Revenue & Customs.

“HSBC Child Trust Fund” means the Child Trust Fund opened with us or an Associate in your name before you turned 18 (which consisted of a cash account, an investment account and an overflow account).

“HSBC Group” means HSBC Holdings plc and its subsidiaries, associated and affiliated companies.

“HSBC Matured CTF” means the HSBC Matured CTF (consisting of a Cash Account and an Investment Account) into which the investments and cash (if any) under the HSBC Child Trust Fund held immediately before your 18th birthday are transferred in accordance with these Terms and the Rules and the Regulations.

“Investment Account” means the account with the Matured CTF Provider in which Shares purchased in the Fund are held.

“KIID” means the key investor information document for the Fund produced by the Authorised Corporate Director and made available to you. This document contains key information for you in relation to the essential elements of the Fund and is made available to you by us.

“Matured CTF” means a savings and/or investment account, whereby income and gains arising on cash and/or investments held within it are exempt from UK income tax and capital gains tax, and into which all cash and/or investments under a Child Trust Fund held immediately before a Child’s 18th birthday are transferred, and which is treated as a continuing account of a Child under the Regulations from and including their 18th birthday.

“Matured CTF Account Holder”, “you” or “your” means, from and including their 18th birthday, the child in whose name the HSBC Child Trust Fund was opened and in whose name the HSBC Matured CTF is held.

“Matured CTF Provider”, “we”, “us”, “our” or “ourselves” means HSBC UK Bank plc, a member of the HSBC Group, whose registered office is **1 Centenary Square, Birmingham B1 1HQ, United Kingdom**. HSBC UK Bank plc is authorised by the PRA and regulated by the FCA and PRA.

“Nominee” means the non-trading company within the HSBC Group appointed by us to hold investments on behalf of our customers.

“New Provider” means an entity to which we transfer your agreement with us under clause 6 of these Terms.

“Open-Ended Investment Company”

means the open-ended investment company in which the Fund is a sub-fund.

“PRA” means the Prudential Regulation Authority or any successor body or bodies. The PRA is the authority responsible for the prudential supervision and regulation of banks, building societies, credit unions, insurers and investment firms.

The PRA's current address is:

20 Moorgate, London EC2R 6DA.

“Regulations” means the Child Trust Fund Act 2004 and the Child Trust Fund Regulations 2004 (as amended or replaced from time to time).

“Rules” means the rules and guidance published by the FCA and PRA from time to time that apply to the HSBC Matured CTF.

“Shares” means shares in the Fund.

“Terms” means these terms and conditions.

2. Opening of the HSBC Matured CTF

2.1 In accordance with the Regulations, we will automatically transfer the investments and cash (if any) under your HSBC Child Trust Fund into an HSBC Matured CTF in your name as a continuing account.

2.2 In accordance with the Regulations, we will open your HSBC Matured CTF on the same terms and conditions (save for changes required by the Regulations) as your HSBC Child Trust Fund. We have set out the relevant terms and conditions in these Terms.

3. Appointment

3.1 You appoint us as the Matured CTF Provider to manage the HSBC Matured CTF in accordance with these Terms, the Regulations and the Rules, as applicable. These Terms set out the detail of the agreement between you and us.

3.2 You authorise us to undertake any functions required of a Matured CTF provider under the Regulations on your behalf and to comply with any other legislation or regulation or Government publication that may affect or be in any way connected with the HSBC Matured CTF now or in the future.

4. Custody of Assets and Cash Custody of Assets

4.1 We will be responsible for the custody of Shares in accordance with the CASS Rules. We will safeguard your Shares in accordance with the CASS Rules. The protection accorded to the Shares under the Rules is in addition to any rights you may have, subject to eligibility, to claim compensation under the FSCS, as set out in Clause 18 of these Terms.

4.2 We will arrange for the Shares to be registered in the name of our Nominee. The Shares will be segregated from our property in order to protect your interests in the event that we or our Nominee were to fail.

4.3 We will accept responsibility to the full extent required by the Rules for the acts and omissions of our Associates, including the Nominee for the Shares under these Terms.

4.4 We will not deposit, pledge or charge any Shares as security for any loan. In the event of us becoming insolvent, you will remain the beneficial owner of Shares held in the name of our Nominee.

4.5 Although your Shares will not be pooled with our own assets they will be pooled with investments held for other clients. This may be a single account or multiple accounts held by us. Where the Shares are held in this manner:

i. your ownership of a proportion of the Shares in the pooled account will not necessarily be immediately identifiable by way of separate certificates, other physical documents or equivalent electronic records. There will be a record kept by us, where your ownership will be identifiable; and

ii. in the event of our failure, if there is an uncorrected shortfall on the pooled account, all clients with investments in the pooled account may share in that shortfall. The amount of shortfall will be calculated in proportion to their original share of the assets in the pooled account.

4.6 Where the Rules require us to fund any shortfall in Shares, we shall purchase or borrow assets as soon as reasonably practicable at our cost to correct your position. We've also established a trust account for the purpose of holding any such assets on trust for your benefit. Subject to the terms of the relevant trust account, we may use or apply any income arising out of such assets for our own account or otherwise at our own discretion.

Cash

4.7 Any money we hold for you will be held by us on deposit as banker and not as trustee. As a result, money won't be held in accordance with the CASS Rules relating to client money and if we were to fail, the client money distribution and transfer rules would not apply to your money and so you would not be entitled to share in any distribution made under those client money distribution and transfer rules. If we were to fail, you may have the right, subject to eligibility, to claim compensation under the FSCS, as set out in Clause 18 of these Terms.

5. Management and Operation of the HSBC Matured CTF

5.1 We will manage the HSBC Matured CTF at all times in accordance with the Rules, the Regulations and the Terms. We can only accept instructions in respect of the management of the HSBC Matured CTF from the Matured CTF Account Holder.

5.2 No subscriptions can be made into the HSBC Matured CTF, and therefore any receipt of cash from you will be rejected.

5.3 All HSBC Matured CTF investments will be in the beneficial ownership of the Matured CTF Account Holder.

5.4 The title to all HSBC Matured CTF investments will be registered in our name or that of our Nominee.

5.5 Where a share certificate or other document evidencing title to an HSBC Matured CTF investment is issued, it will be held by us or as we may direct.

5.6 We will notify you if, by reason of any failure to satisfy the provisions of the Regulations, the HSBC Matured CTF, is or will become void.

5.7 Income and gains arising from investments in the HSBC Matured CTF are exempt from Income Tax and Capital Gains Tax. You authorise us to make tax claims, conduct appeals and agree on your behalf liabilities for a release from tax in respect of the HSBC Matured CTF.

5.8 By agreeing to these Terms you authorise us to comply with any obligation imposed on us by HM Revenue & Customs in connection with the HSBC Matured CTF.

5.9 Sales of Shares will be executed in accordance with our Best Execution Disclosure Statement which is set out in Annex 1 at the end of these Terms.

5.10 You agree and confirm that for such time as we are appointed as the Matured CTF Provider to manage the HSBC Matured CTF, you will be deemed to have consented to our Execution Policy (as such term is defined in our Best Execution Disclosure Statement).

Corporate Actions – Entitlement to shares and other benefits

5.11 For any Corporate Action, entitlements to shares and any other benefits, including cash proceeds, will be distributed amongst all investors who hold investments as described in Clause 4.5. The distribution will be in the same proportion as the respective holdings of clients who have given identical instructions in connection with the relevant Corporate Action. In the case of mandatory Corporate Actions, investor instructions will be deemed to have been given. In the case of voluntary Corporate Actions, the entitlement will be paid on the default option for any events not instructed on.

5.12 We will apply any share entitlements to the fullest extent possible however, where any Corporate Action results in you being entitled to the cash value of a fraction of a share, we will credit the HSBC Matured CTF with that cash amount in full.

6. Delegation and Transfer of your agreement

6.1 Any assignment by you of, or agreement to assign, investments in the HSBC Matured CTF and any charge by you on, or agreement to charge, investments in the HSBC Matured CTF will be void.

6.2 We may delegate any of our functions or responsibilities under these Terms to any person however, before doing so and from time to time thereafter, we will satisfy ourselves that such person is competent to carry out those functions and responsibilities. We will remain fully responsible to you for our service under these Terms notwithstanding any such delegation.

6.3 We may not transfer your agreement with us under these Terms to a third party without your consent, except that:

i. You agree we may transfer it to an Associate (which is suitably authorised and capable of providing the services to you at a similar level of service) as part of an internal re-organisation of our business. In the event that we do undertake such a transfer, we will give you at least 30 days' advance personal written notice of the change. The new contracting entity will assume our obligations to provide the services under these Terms to you in our place. If you do not agree to the transfer, you have the right to end this agreement in accordance with Clause 13 in relation to an HSBC Matured CTF.

ii. We may convert your HSBC Matured CTF into a protected ISA to be held with us under the Regulations or we may transfer your Matured CTF to another Matured CTF provider under the Regulations. In either case, we will notify you in advance.

7. Conflicts of Interest

7.1 A summary of the HSBC Group policy on conflicts of interest is set out in Annex 2 at the end of these Terms.

7.2 We owe a duty to act in your best interests in carrying out any transaction for the HSBC Matured CTF.

7.3 The HSBC Group has established procedures which are designed to take all appropriate steps to identify, and prevent or manage such conflicts which may adversely affect the interests of clients. These are summarised in Annex 2.

7.4 For some of our services we may receive other minor benefits (but not payments) that we believe improve the quality of the service provided to you. Such benefits will be minor in nature so that they do not impact on our ability to always act in your best interests.

8. Communications

8.1 You may contact us by telephone to our Customer Service Centre on **0345 606 6241**, if you have a speech or hearing impediment, please call **03457 660391**, by post to our Administrative Office and in such other ways as we may inform you from time to time. When you contact us by telephone, we'll check your identity using your security details.

8.2 You will be deemed to have received any communications from us on the fifth Business Day after posting.

8.3 Please let us know if you change your address or other contact details as soon as possible. We will not be responsible for communications or notices sent to your old details prior to our receipt of your new details, or the consequences of your non receipt of such communications unless this is due to our mistake or negligence.

8.4 You must promptly advise us of any change in any of the information we hold in respect of the HSBC Matured CTF.

9. Interest

9.1 Gross interest will be paid at the rate of 1% below the Bank of England base rate once a year on the anniversary of the opening of the HSBC Matured CTF in respect of monies held in the Cash Account. We will adjust the interest rate payable upon the Cash Account within 30 days of a change to the Bank of England base rate. Where the Bank of England base rate is 1% or lower, no interest will be earned on monies held as cash in the Cash Account.

9.2 We only calculate interest on the daily cleared balance of the Cash Account and will pay it into the Cash Account.

10. Charges

10.1 An ongoing charge will be applied by HSBC Global Asset Management (UK) Limited, the Authorised Corporate Director of the Open-Ended Investment Company, and taken directly from the Fund. Details of the ongoing charge are detailed in the KIID.

- i. The charge is taken monthly from the Fund and is based on daily valuations of the Fund.
- ii. The price of new Shares purchased in the Fund and the value of existing Shares in the HSBC Matured CTF will reflect the fact that this charge has been taken.
- iii. This charge may change from time to time. If it changes then we will let you know within the annual statement.

It is important that you review the KIID which can be found at [hsbc.co.uk/ctf](https://www.hsbc.co.uk/ctf), if you are happy to obtain it online. Alternatively, you can call us and request the most recent version.

Statements

10.2 We will send you an annual statement in respect of the HSBC Matured CTF. We will normally send the statement approximately one month before each anniversary of the opening of the HSBC Matured CTF. Please tell us as soon as you can if any of the statements have any entry that seems to be wrong. You can ask us for additional statements at any time.

11. Voting and Fund Information

11.1 If you ask us in writing, we will arrange for you to:

- i. attend meetings which holders of the Shares are entitled to attend;
- ii. exercise the voting rights in respect of Shares held; and
- iii. receive any other information issued in respect of a Fund to investors in addition to the documents in this Clause.

11.2 We will, if you so elect, arrange for you to receive a copy of the annual report and accounts issued to investors by the Open-Ended Investment Company. If you ask for copies of the reports and accounts, short form versions will be issued as standard. A specific request must be made to our Administrative Office for long form versions.

12. Withdrawals from the HSBC Matured CTF

12.1 Withdrawals from the HSBC Matured CTF will only be allowed in the following circumstances:

- i. to cover any stamp duty, stamp duty reserve tax or dealing charges associated with the sale and purchase of investments in the HSBC Matured CTF; or

ii. to cover any charges payable under Clause 11; or

iii. to cover any expenses we incur complying with a court order or other legal requirement including, but not limited to, HM Revenue & Customs refunds, criminal or fraudulent action, suspension and forfeiture costs, divorce costs, recovery of excessive costs of bankruptcy or recovery of the proceeds of crime; or

iv. on closure or transfer of the HSBC Matured CTF, including any associated fees and costs (please see Clause 13).

12.2 Although we do not do so at present, we reserve the right to make withdrawals from the HSBC Matured CTF to cover our management charges in accordance with the Regulations.

13. Closure of the HSBC Matured CTF (including transfer to an ISA)

13.1 We will require your instructions setting out what should happen to the whole of the HSBC Matured CTF. You can withdraw or transfer the HSBC Matured CTF into one or more accounts, including one or more available ISAs with HSBC or another provider. Irrespective of the option you choose, in order for us to implement your closure/ISA transfer instructions, we will need to sell the existing investments and pay the proceeds either to you or to your chosen ISA provider as appropriate. Where your instructions are received before the HSBC Child Trust Fund has matured, we will not carry out your instruction before the maturity date has been reached.

Withdraw your investment in cash

13.2 We will normally sell your Shares within four Business Days of receipt of your instruction and make payment to your chosen bank account once we have received the proceeds of the sale. We will not charge you for closing your account. Please check with the account that you are transferring to as it may incur a charge to receive the funds.

Transfer to an ISA with HSBC or another provider

13.3 As the Matured CTF Provider, we won't apply any charges for transferring your HSBC Matured CTF to an ISA with us or another ISA provider (except charges such as stamp duty and other dealing costs associated with disposal or acquisition of investments). An ISA will be subject to its own charges under its terms and conditions. When the HSBC Matured CTF is transferred, all of your and our rights and obligations in respect of the HSBC Matured CTF will also be transferred.

13.4 From the date we are in receipt of both your instruction and confirmation of acceptance from your ISA provider, it will normally take a maximum of 30 days to complete the transfer of the HSBC Matured CTF. During this time the investment will be out of the market, which may move up or down resulting in a potential loss of growth. You can stipulate an alternative time period for the transfer, provided such period is not less than 30 days. There may be occasions where the transfer will take longer to complete due to circumstances beyond our control.

13.5 If you wish to transfer to an ISA, in order to ensure the amount transferred does not count towards your annual subscription limit, you must contact the ISA provider and complete an application form. If they are happy with this, they will contact us and request that the HSBC Matured CTF is transferred. When we receive their request, we will carry out the transfer of the HSBC Matured CTF as requested by you to your ISA provider.

We will send you a statement covering the time period up to the transfer date.

13.6 We will only carry out a transfer of the HSBC Matured CTF in cash, so we will have to sell any Shares held in the HSBC Matured CTF before we can carry out the transfer to the new ISA provider. We will normally sell the Shares within four Business Days of receipt of both your instruction and confirmation of acceptance from your new ISA provider.

13.7 When all the investments have been sold and all cash transferred or withdrawn, we will close the HSBC Matured CTF.

Death

13.8 If you die, all tax benefits associated with the HSBC Matured CTF under the Regulations in relation to interest, dividends or gains on investments arising after the date of death cease. We reserve the right under these Terms to deduct a sufficient amount of funds from the HSBC Matured CTF to pay any tax liabilities that may have been incurred in relation to credit interest payments made on or prior to 5th April 2016 in relation to the HSBC Child Trust Fund. Where tax liabilities are incurred in respect of credit interest payments made on or after 6th April 2016 in respect of

the HSBC Child Trust Fund or the HSBC Matured CTF, we will not deduct any amount in respect of these liabilities and it shall be your personal representatives' responsibility to account to HMRC for the full amount of such liabilities.

13.9 Subject to this we will continue to deal with the HSBC Matured CTF in accordance with these Terms and the instructions received from your personal representatives who will become subject to these Terms. We will only pay cash to the personal representatives in accordance with their instructions, we will not transfer HSBC Matured CTF investments to them.

14. Your Information

Definitions

Capitalised terms used in this Clause 14 shall have the following meanings:

Authorities includes any judicial, administrative, public or regulatory body, any government, any Tax Authority, securities or futures exchange, court, central bank or law enforcement body, or any of their agents with jurisdiction over any part of the HSBC Group.

Compliance Obligations means obligations of the HSBC Group to comply with: (a) Laws or international guidance and internal policies or procedures, (b) any demand or request or enquiry (whether written or verbal) from Authorities or reporting, disclosure or other obligations under Laws, and (c) Laws requiring us to verify the identity of our customers, including in relation to Financial Crime.

Connected Person means a person or entity (other than you) whose information (including Personal Data or Tax Information) you provide, or which is provided on your behalf, to any member of the HSBC Group or which is otherwise received by any member of the HSBC Group in connection with the provision of the Services. A Connected Person may include, but is not limited to, any alternative contact you may nominate.

Customer Information means your Personal Data, confidential information, and/or Tax Information or that of a Connected Person.

Financial Crime means money laundering, terrorist financing, bribery, corruption, tax evasion, fraud, evasion of economic or trade sanctions, and/or any acts or attempts to circumvent or violate any Laws relating to these matters.

Laws include any local or foreign law, regulation, judgment or court order, voluntary code, sanctions regime, agreement between any member of the HSBC Group and an Authority, or agreement or treaty between Authorities and applicable to us or a member of the HSBC Group.

Personal Data means any information relating to a living individual, from which they can be identified, either from that information by itself, or by combining it with other available information.

Services includes (a) the opening, maintaining and closing of the HSBC Matured CTF and any bank, investment or other accounts held by you, (b) providing you with credit facilities and other banking products and services (including, for example, investment dealing, discretionary investment management, broker, agency and custodian services), processing applications, credit and eligibility assessment, and (c) maintaining our overall relationship with you, including marketing services or products to you, market research, insurance, audit and administrative purposes.

Services include all services provided to you in connection with the HSBC Matured CTF and these Terms.

Tax Authorities means UK or foreign tax, revenue or monetary authorities (for example, HM Revenue & Customs).

Tax Information means documentation or information about your tax status.

Reference to the singular includes the plural (and vice versa).

14.1 Collection, processing and sharing of customer information

This Clause explains how we will use Customer Information. By using the Services, you agree that we and members of the HSBC Group may use Customer Information in accordance with such clauses.

Customer Information will not be disclosed to anyone other than where:

- ◆ we are required to disclose by Law;
- ◆ we have a public duty or it is otherwise in the public interest to disclose;
- ◆ our, or a third party's, legitimate business purposes require disclosure;
- ◆ the disclosure is made with your consent; or
- ◆ it is disclosed as set out in this 'Your Information' section including, in particular, Clause 14.1.3.

Collection

14.1.1 We and other members of the HSBC Group may collect, use and share Customer Information (including information about you, and associated transactions, use of our products and services, and relationships with the HSBC Group). Customer Information may be requested by us, by any member of the HSBC Group or by a third party on behalf of us or any member of the HSBC Group, and may be collected from you directly, from a person acting on your behalf, or from other sources (including from publicly available information), and it may be generated or combined with other information available to us or any member of the HSBC Group.

Processing

14.1.2 We will process, transfer and disclose Customer Information in connection with any of the following purposes (the "Purposes"):

(a) the provision of Services and to approve, manage, administer or effect any transactions that you request or authorise;

(b) meeting Compliance Obligations;

(c) conducting Financial Crime Risk Management Activity set out in Clause 14.3 below;

(d) collecting any amounts due and outstanding from you;

(e) conducting credit checks and obtaining or providing credit references;

(f) enforcing or defending our rights, or those of a member of the HSBC Group;

(g) our internal operational requirements or those of any member of the HSBC Group (including credit and risk management, system or product development and planning, insurance, audit and administrative purposes);

(h) maintaining our overall relationship with you (including non-targeted marketing, promoting financial services or related products, and market research); and/or

(i) verifying your identity.

Sharing

14.1.3 By using the Services, you agree that we may, as necessary and appropriate for the Purposes, transfer and disclose any Customer Information to the following recipients globally (who may also process, transfer and disclose such Customer Information for the Purposes):

(a) any member of the HSBC Group;

(b) any sub-contractors, agents, service providers, or associates of the HSBC Group (including their employees, directors and officers);

- (c) any Authorities, in response to their requests, or where you have provided us with false or inaccurate information and Financial Crime is detected;
- (d) persons acting on your behalf, payment recipients, beneficiaries, account nominees, intermediary, correspondent and agent banks, clearing houses, clearing or settlement systems, market counterparties, upstream withholding agents, swap or trade repositories, stock exchanges, companies in which you have an interest in securities (where such securities are held by us for you);
- (e) any party to a transaction acquiring interest in, or assuming risk in, or in connection with, the Services;
- (f) other financial institutions, fraud prevention organisations, trade associations, credit reference agencies or credit bureaus, and debt recovery agents;
- (g) any third party fund manager who provides asset management services to you;
- (h) any introducing broker to whom we provide introductions or referrals;
- (i) any third party in connection with a transfer, disposal, merger or acquisition of business by us or any HSBC Group member; and
- (j) selected third parties for marketing purposes where you have consented to marketing.

The above Recipients may also process, transfer and disclose Customer Information for the purposes set out above and they may be in countries outside of the EEA where data protection laws don't provide the same level of protection as in the UK.

For example, regulations implementing international agreements on tax compliance may require us to report certain information about you (and/or about Connected Persons) to the Tax Authority in the country in which the HSBC Matured CTF is maintained (e.g. HM Revenue & Customs in the UK), which may transfer that information to any Tax Authority in countries where you or a Connected Person may be tax resident.

However, whether it is processed in the UK or overseas, Customer Information will be protected by a strict code of secrecy and security applying to all members of the HSBC Group, their staff and third parties holding information on their behalf.

What we ask from you

14.1.4 You agree to inform us promptly, and in any event, within 30 days, in writing if there are any changes to Customer Information supplied to us or a member of the HSBC Group from time to time, and to respond promptly to any request from us or a member of the HSBC Group.

14.1.5 You must ensure that every Connected Person whose information (including Personal Data or Tax Information) you (or anyone else on your behalf) provided or will from time to time provide to us or a member of the HSBC Group has been notified of and agreed to the processing, disclosure and transfer of their information as set out in these Terms before their information is provided. You must at the same time advise them that they have rights of access to, and correction of, their Personal Data.

14.1.6 Where:

- ◆ you fail to provide promptly Customer Information or any other information that we reasonably request, or
- ◆ you withhold or withdraw any consents that we may need to process, transfer or disclose Customer Information for the Purposes (except for purposes connected with marketing or promoting products and services to you), or
- ◆ we have, or a member of the HSBC Group has, suspicions regarding Financial Crime or an associated risk

then we or any other member of the HSBC Group with which you have a relationship, may, where permitted by Laws:

(a) be unable to action your instruction, provide new, or continue to provide all or part of any Services and may end the relationship with you;

(b) take actions necessary for us or a member of the HSBC Group to meet the Compliance Obligations; and/or

(c) block, transfer or close the HSBC Matured CTF and your account(s) you have with us or another member of the HSBC Group. In addition, if you fail to supply promptly your, or a Connected Person's, Tax Information and accompanying statements, waivers and consents, as may be requested, then we may make our own judgment with respect to your status, including whether you are reportable to a Tax Authority, and we or other persons may withhold amounts where legally required by any Tax Authority and pay such amounts to the appropriate Tax Authority.

We shall not be liable for any loss that you may incur as a result of us taking action under this Clause 14.1.6.

14.2 Data Security and Access

14.2.1 Whether it is processed in a home jurisdiction or overseas, in accordance with data protection legislation, Customer Information will be protected by a strict code of secrecy and security which all members of the HSBC Group, their staff and third parties are subject to.

14.2.2 Under data protection legislation, individuals can make a written request for a copy of certain personal records we hold about them. The current fee is £10.00 per request from each individual.

14.3 Financial Crime Risk Management Activity

14.3.1 We, and members of the HSBC Group, are required, and may take any action to meet Compliance Obligations relating to or in connection with the detection, investigation and prevention of Financial Crime ("Financial Crime Risk Management Activity"). Such action may include, but is not limited to: (a)

screening, intercepting and investigating any instruction, communication, drawdown request, application for Services, or any payment sent to or by you, or on your behalf, (b) investigating the source of or intended recipient of funds, (c) combining Customer Information with other related information in the possession of any member of the HSBC Group, and/or (d) making further enquiries as to the status of a person or entity, whether they are subject to a sanctions regime, or confirming their identity and status.

14.3.2 Exceptionally, our Financial Crime Risk Management Activity may lead to us delaying, blocking or refusing the making or clearing of any payment, the processing of your instructions or application for Services or the provision of all or part of the Services. To the extent permissible by law, neither we nor any other member of HSBC Group shall be responsible to you or any third party in respect of any loss (however it arose) that was suffered or incurred by you or a third party, caused in whole or in part in connection with the undertaking of Financial Crime Risk Management Activity.

14.4 Tax compliance

You acknowledge that you are solely responsible for understanding and complying with your tax obligations (including but not limited to, tax payment and filing of returns or other required documentation relating to the payment of all relevant taxes) in all jurisdictions in which those obligations arise and relating to the opening and use of account(s) and/or Services provided by us and/or members of the HSBC Group, and Connected Persons are similarly responsible for complying with theirs.

Certain countries may have tax legislation with extra-territorial effect regardless of your or any Connected Person's place of domicile, residence, citizenship or incorporation.

Neither we nor any member of the HSBC Group provide tax advice. You are advised to seek independent legal and/or tax advice. Neither we nor any member of the HSBC Group have responsibility in respect of your tax obligations in any jurisdiction in which they may arise including any that may relate specifically to the opening and use of the HSBC Matured CTF, account(s) and/or Services provided by us and/or members of the HSBC Group.

14.5 Website and email personalisation

When you use a computer or other device to access websites operated by or on behalf of the HSBC Group and associated third parties, information may be stored and accessed on that device:

- ◆ to improve your experience;
- ◆ to improve the functionality, security and performance of those websites;
- ◆ to provide you with promotional content; and/or
- ◆ to provide us with information about how those websites are used and how users arrive at those websites.

In the event that you receive emails sent by or on behalf of the HSBC Group, such emails may contain technologies to track for market research purposes whether you opened those emails and whether you accessed internet links contained within those emails. You agree to information being stored, accessed and used in this way.

Members of the HSBC Group may also exchange, analyse and use relevant information about you in the ways described above to ensure that promotional content displayed to you on screen when you use HSBC Group websites is more likely to be relevant and of interest. Further information is available on our cookie policy, and site terms and privacy statement at our website [hsbc.co.uk](https://www.hsbc.co.uk).

14.6 Further information and marketing

14.6.1 To ensure that we carry out your instructions accurately, to help us to improve our service and in the interests of security, we may monitor and/or record your communications with us including telephone calls and conversations we have with you in our branches. We may ask you for your sort code and customer identification number as part of a customer verification process. In the interests of security and for preventing and investigating crime we may use closed-circuit television in and around our premises for the monitoring and collection of sound and/or visual images. Any recordings remain our sole property.

14.6.2 Any calls that lead to or may lead to a transaction will be recorded. We will keep these records for seven years during which time you may ask for a copy of the record at any time.

14.6.3 We may make and retain copies of passports, driving licences or other identification evidence that you provide.

14.6.4 We will obtain your written consent before providing a banker's reference about you, however, if we receive a request from another financial services institution we will provide information required to verify your identity for money laundering prevention purposes.

14.6.5 If you change your mind at any time about receiving marketing information via post, telephone, email or any other method or about participating in market research, then please let us know either by contacting us by telephone on **0345 606 6241**, writing to us at **HSBC UK Bank plc, PO Box 6189, Coventry CV3 9HS**, or if you hold a bank account with us and have activated internet banking you can amend your general marketing preferences when you log in and these updated preferences will be applied across your profile.

14.7 Miscellaneous

14.7.1 Any consents, authorisations, waivers requested by us or any member of the HSBC Group and permissions that already exist from you in relation to Customer Information shall continue to apply in full-force and effect, to the extent permissible by applicable local law.

14.7.2 If all or any part of the provisions of these Terms become illegal, invalid or unenforceable in any respect under the law of any jurisdiction, that shall not affect or impair the legality, validity or enforceability of such provision in any other jurisdictions or the remainder of these Terms in that jurisdiction.

14.8 Survival on termination

This Clause 14 shall continue to apply notwithstanding their termination, any termination by us or a member of the HSBC Group of the provision of any Services to you or the closure of the HSBC Matured CTF and any account, including the termination of this agreement.

15. Changing the Terms

15.1 We may amend these Terms (including introducing new charges or fees or making changes to the amount, rate or basis on which we charge), in the following ways:

- i. if we reasonably consider that the change is favourable to you, by telling you about it within 30 days of the change;
- ii. if the change is not favourable to you, by giving you at least 30 days' prior written notice before we make the change.

15.2 We may make any change to the Terms for all or any of the reasons set out in this Clause 15 that apply.

- ◆ If the change is favourable to you.
- ◆ Following, or in anticipation of and to respond to a change in relevant law, regulation or to reflect a change in industry guidance or code of practice or good banking practice.
- ◆ To respond to the making of a recommendation, requirement or decision of any court, ombudsman, regulator or similar body.
- ◆ To respond to the costs or consequences of any event beyond our control that may impact our provision of accounts, services or facilities to you.
- ◆ To make the Terms clearer.

- ◆ To respond to any change in our systems and procedure, including any change arising from the reorganisation of our business as a result of it being acquired by or our acquiring another bank or organisation.
- ◆ To respond to changes or anticipated changes in costs associated with relevant technology, the costs we pay to others in respect of the HSBC Matured CTF, inflation and/or in our costs of providing accounts, services or facilities.
- ◆ To improve the service we provide.
- ◆ To respond to our internal policies on competitiveness, market share and/or the profitability of our business as a whole, where we are not acting dishonestly, for an improper purpose, in a manner which unreasonably discriminates against a particular customer or as an unreasonable financial institution would. Where we make a change under this Clause, the change will be proportionate to the underlying reasons for the change.

Other reasons for making a change

15.3 We may also make changes to the Terms (including introducing new charges or fees or changing the amount, rate of, or basis on which we charge) for any other valid reason that applies and is not described in Clauses 15.1 and 15.2 above. We will always give you at least 30 days' prior written notice of any such change.

What you can do when we tell you about a change

15.4 You may withdraw or transfer the HSBC Matured CTF to an ISA with us or another ISA provider in accordance with Clause 13 within 30 days of the date of any advance notice of a change we send you or, if longer, up to the date the change

is due to take effect. If you do not tell us that you want to withdraw or transfer the HSBC Matured CTF by this time, then you will be deemed to have accepted such a change and the change will take effect automatically. As the Matured CTF Provider, there will be no charge for transferring the HSBC Matured CTF to an ISA with us or another ISA provider. An ISA will be subject to its own charges under its terms and conditions.

16. General

16.1 We will not be responsible to you for any loss you may suffer if we or an Associate are prevented from or delayed in complying with the Terms, carrying out your instructions to the extent the loss is caused by:

i. abnormal or unforeseen circumstances beyond our reasonable control, the consequences of which would have been unavoidable despite efforts to the contrary; and/or

ii. any obligations we have under applicable law and regulations.

Nothing in these Terms is intended to exclude our liability for personal injury, fraud, fraudulent misrepresentation or any other matter that cannot be excluded or limited by law.

We may occasionally allow you extra time to comply with your obligations or decide not to exercise some of our rights. However, we can still insist on the strict application of the Terms later on.

17. Governing Law and Language

17.1 These Terms are governed by the laws of England and Wales. You and we submit to the non-exclusive jurisdiction of the courts of England and Wales.

17.2 These Terms are in English and all communications we send to you will be in English.

17.3 Nothing in these Terms will reduce your statutory rights, including your rights relating to the fairness of the terms on which products, services and facilities are provided to you and any rights you may have to cancel, close or terminate the HSBC Matured CTF and/or claim compensation. For further information about your statutory rights contact your local authority Trading Standards Department or visit the FCA's website at [fca.org.uk](https://www.fca.org.uk).

18. Complaints and Compensation Rights

18.1 How to complain

If we do not deliver the standard of service you expect, or if you think we have made a mistake, please let us know. We will investigate the situation and, if necessary, set about putting matters right as quickly as possible. Where appropriate we will also take steps to prevent a recurrence. However, if the matter is not resolved to your satisfaction and you would like further information about our process for resolving complaints, please ask us for our explanatory leaflet 'Listening to Your Comments'.

You may be able to refer your complaint to the Financial Ombudsman Service at **Exchange Tower, London E14 9SR**.

Telephone: **0800 0234 567** or **0300 1239123**

Email: **complaint.info@financial-ombudsman.org.uk**

Web: **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.

To help us continually improve our service and in the interests of security we may monitor and/or record your telephone calls.

We are authorised by the PRA and regulated by the FCA and PRA and can be found on the Financial Services Register as number 765112. You can check this on the Financial Services Register **fca.org.uk**. Our main business is the provision of retail banking services.

18.2 Compensation

Cash Account

This account is held with us and we are covered by the Financial Services Compensation Scheme (FSCS). The FSCS can pay compensation to depositors if a bank is unable to meet its financial obligations. Most depositors are covered by the scheme. An eligible depositor is entitled to claim up to the current FSCS limit for deposits. The FSCS deposit limit relates to

the combined amount in all your accounts with HSBC UK Bank plc and first direct including their share of any joint account, and not to each separate account.

Investment Account

The investment in the Investment Account is held within a fund separately from investments owned by us and is protected under the CASS Rules.

If HSBC became insolvent these fund investments would still be held by an independent depositary for the benefit of the Matured CTF Account Holder, as applicable. However, if at the time of the insolvency you had a claim against us in respect of your HSBC Matured CTF, you may be eligible to claim from the FSCS. Most types of investment businesses are covered by the FSCS and eligible investors can claim up to the current FSCS limit for investments. The current FSCS limit relates to the combined amount in all the Matured CTF Account Holder's accounts with the Matured CTF Provider that hold investments, including any share of any joint account, and not to each separate account.

For further information about the compensation provided by the FSCS (including the amounts covered and eligibility to claim) please refer to the FSCS website **fscs.org.uk** or call the FSCS on **0800 678 1100** or **0207 741 4100**.

Please note only compensation related queries should be directed to the FSCS.

Annex 1

Best Execution Disclosure Statement

1. Purpose and scope

This Best Execution Disclosure Statement provides a summary of the steps we will take to achieve the Best Possible Result for the sale and purchase of Shares under our Execution Policy on a consistent basis including where possible in situations of market stress. Best execution is the requirement to take all sufficient steps to obtain the Best Possible Result when executing orders taking into account execution factors such as price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of an order. We will not execute any orders for the sale of Shares ourselves. Orders received will be transmitted for execution to the Authorised Corporate Director ("ACD").

2. Execution of Orders

Your orders for the sale of Shares will be executed within the time periods specified in the Terms or, where applicable, at such time as you instruct. Any specific instructions from you may prevent the ACD from taking the steps that the ACD has designed and implemented to obtain the Best Possible Result for the execution of those orders in respect of the elements covered by those instructions. The share price for all sales of Shares will be determined at the next valuation point following the receipt of your order by the ACD.

3. Specific instruction warning

We will only carry out your order as set out within these Terms in accordance with our

Execution Policy. We are not able to accept any additional specific instructions you give us as to how to carry out your order e.g. to use a specific broker or Execution Venue.

Where you are permitted to give a specific instruction this may prevent us from achieving the Best Possible Result in accordance with our Execution Policy in respect of the aspects covered by the specific instruction.

4. Execution Venue

The Shares can only be traded with the ACD and therefore are never traded on a Regulated Market, Multilateral Trading Facility or Organised Trading Facility (as defined by the FCA in its Rules).

All orders for the sale of Shares will be executed by the ACD, which will be the Execution Venue for the purposes of the Rules.

5. Effective date, review, amendments and monitoring

This Best Execution Disclosure Statement will be reviewed at least annually. We will also review our Execution Policy annually or where a material change has occurred. We will inform you in writing of any material changes to the Execution Policy. You may ask us at any time in the seven years following a Transaction to demonstrate that we have executed your order in accordance with our Execution Policy.

Information regarding execution and the top five Execution Venues can be accessed via our website [hsbc.co.uk/investments/products-and-services/best-execution/](https://www.hsbc.co.uk/investments/products-and-services/best-execution/)

Annex 2

HSBC Policy on Conflicts of Interest

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.

Conflicts may also arise from the receipt of payments or benefits from third parties or from remuneration and other incentive structures.

HSBC has established procedures which are designed to take all appropriate steps to identify, prevent and manage such conflicts which may adversely affect the interests of clients. 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 may also deal as principal for its own investment account and may be matching transactions with another client. Procedures are in place in order to protect the client's interest in this instance.

In some cases, HSBC's procedures and controls may not be sufficient to ensure that a potential conflict of interest does not damage a client's interests. In these circumstances, HSBC will consider whether it is appropriate to disclose the potential conflict to the client and obtain the client's formal consent to proceed. However, HSBC may decline to act in any circumstance where there is residual risk of damage to the interests of any client.

You may have further questions which relate to the underlying procedures within HSBC. In such cases you should contact us.

keyfacts[®]

Key Features of the HSBC Child Trust Fund ("HSBC CTF") and the HSBC Matured CTF

This is an important document.

You need to read this before you
invest in the HSBC CTF.

Effective from 1 September 2020.

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Key Features of the HSBC CTF and the HSBC Matured CTF

The Financial Conduct Authority is a financial services regulator. It requires us, HSBC UK Bank plc, to give you this important information to help you to decide whether our HSBC CTF is right for you. You should read this document carefully along with the Key Investor Information Document (“KIID”)*, for the HSBC Global Strategy Balanced Portfolio – CTF Accumulation Share Class in which the HSBC CTF invests, and the Terms and Conditions, so that you understand what you are buying, and then keep them safe for future reference.

*The KIID is provided for your information by HSBC Global Asset Management (UK) Limited, the Authorised Corporate Director (“ACD”) of the Fund. HSBC Global Asset Management (UK) Limited is responsible for the reliability and accuracy of the KIID.

How to contact us

If you have any questions or need to contact us at any time, you can phone or write to us.

Call us on **0345 606 6241**
(textphone **0345 766 0391**).

Lines are open 8am to 6pm Monday to Friday (excluding public holidays). To help us continually improve our services and in the interests of security, we may monitor and/or record your communications with us. All calls relating to purchases of Shares will be recorded. We will keep records of these calls for seven years. You may ask for a copy of these records at any time.

Write to us at:

HSBC UK Bank plc
PO Box 6189
Coventry
CV3 9HS

Please refer back to these contact details.

HSBC CTF aims

- ◆ To help you save for your Child’s future through the Government’s Child Trust Fund scheme.
- ◆ To provide a tax-free lump sum for your Child when they reach the age of 18, by investing in the HSBC Global Strategy Balanced Portfolio – CTF Accumulation Share Class (the “Fund”).
- ◆ To help teach children about savings and investments.

HSBC Matured CTF aims

To provide a tax efficient account for the beneficiary (the Child) when they reach age 18, in order to hold any cash and/or investments that were held in the HSBC CTF immediately before maturity until such time as the beneficiary gives an instruction to close the account or transfer it to an ISA (or a combination of both). As with the HSBC CTF, any income or gains arising in the HSBC Matured CTF are exempt from UK income tax and capital gains tax.

Your investment

- ◆ You are the Registered Contact and make all the decisions regarding the HSBC CTF until the Child reaches age 16.
- ◆ When the Child turns 16, the Child has the right to choose to become the Registered Contact. At that time the Child will need to apply to become the Registered Contact and may do so without consent from the existing Registered Contact. Where the Child does not choose to become the Registered Contact, the existing Registered Contact will remain until the Child turns 18. Please see the question “What happens to the HSBC CTF on the Child’s 18th Birthday?” on [page 10] of this document for further information.
- ◆ Although you don’t have to make additional payments to your Child’s HSBC CTF, it could help build up the fund if you do contribute in addition to the Government payments. There’s no minimum amount for payments into your Child’s HSBC CTF. **The maximum amount you can pay into a Child Trust Fund is currently £9,000 per Birthday Year.**
- ◆ **All payments to the HSBC CTF by yourself or anyone else are gifts to the Child and cannot be returned, except as set out in the HSBC Child Trust Fund Terms and Conditions.**
- ◆ The HSBC CTF will mature when the Child reaches the age of 18. Please see the question “What happens to the HSBC CTF on the Child’s 18th Birthday?” on [page 10] of this document for further information about the options available to the Child at this time.

Risk Factors

- ◆ The HSBC CTF and the HSBC Matured CTF invest in a fund which invests in stocks and shares. This means the value of the investment and any income from it can go down as well as up and may fall below the amount put in.
- ◆ The total amount payable when the Child reaches the age of 18, or the date the investment is sold, will depend on investment performance.
- ◆ The favourable tax treatment of CTFs and Matured CTFs may not continue in the future, for example when there is a change in Government.
- ◆ In addition, risks that apply to the Fund can be found in the KIID and relevant Prospectus.

Question and answers

What is a CTF?

- ◆ The CTF is a Government scheme which aims to provide children with a long term savings account to access at age 18 and to help them to understand the benefits of saving and investing.
- ◆ Eligible children born on or between 1 September 2002 and 2 January 2011 are entitled to a CTF.
- ◆ Children born before 1 September 2002 and on or after 3 January 2011 are not eligible for a CTF. However, they are eligible for a Junior ISA. HSBC doesn't currently offer a Junior ISA.
- ◆ There are two types of CTF: Stakeholder, and non-Stakeholder. The HSBC CTF is a Stakeholder CTF and invests in the HSBC Global Strategy Balanced Portfolio – CTF Accumulation Share Class (the "Fund"). A Stakeholder CTF needs to follow certain rules defined by the Government, for example:
 - Stakeholder CTFs must invest in the shares from a range of different types of companies.
 - A CTF manager cannot ask parents (or friends and family) to pay more than £10 at a time or charge more than 1.50% of the value of the CTF each year.
- ◆ Although Stakeholder CTFs have to meet these requirements it doesn't mean they are more suitable for you than any other type of CTF or that they are recommended by the Government or guaranteed in any way. You may not be able to invest in the type of investments you would like. If you want a cash deposit or to invest only in the shares of one company, a Stakeholder CTF would not be suitable for you.
- ◆ A non-Stakeholder CTF may allow you to invest in any type of investment. However, it is possible that the charges may be higher than 1.50% per year or the minimum investment level may be higher than £10.

Another requirement of Stakeholder CTFs was to introduce "lifestyling" from the Child's 13th birthday. This meant gradually reducing the risk of holding a CTF in investments in the last few years before maturity, by moving the money into lower risk investments, for example bonds or cash-based funds. However, following changes to the regulations governing the provision of CTFs which came into effect from 6 April 2017, we no longer offer a lifestyling process for the HSBC CTF.

Who can open an HSBC CTF?

- ◆ Anyone aged 16 years or over who has 'parental responsibility' for an eligible Child can open an HSBC CTF by transferring an existing CTF to us from another provider. This will normally be one of the Child's parents but it could be a step parent or a guardian, for example. The person who opens the HSBC CTF is known as a "Registered Contact". It can also be the eligible Child if they have applied to become Registered Contact for their own CTF after they reach age 16.
- ◆ We can only accept instructions about the HSBC CTF from the Registered Contact. If the Registered Contact needs to be changed please download and print an Application for a Change of Registered Contact Form from our website [hsbc.co.uk/ctf](https://www.hsbc.co.uk/ctf).
- ◆ We will categorise you, the Registered Contact or the Matured CTF Account Holder (in respect of the HSBC Matured CTF) as a retail customer and treat you as such in all our dealings with you in respect of this investment. This means you will get the highest level of protection available within the rules and guidance set out by the Financial Conduct Authority.

Who is the HSBC CTF suitable for?

- ◆ A typical investor in our product is a Registered Contact who is looking to provide a tax-free lump sum for their Child by investing in a wide ranging portfolio of shares.

- ◆ This product is offered without advice and, as such, we are not required to assess the appropriateness of this product for you. This means that the protection offered by the Financial Conduct Authority's rules on assessing appropriateness will not apply to this transaction.

How can I open an HSBC CTF?

- ◆ You can apply to transfer a CTF from another provider to us. If you wish to transfer a CTF to us, please download and print a Child Trust Fund Transfer Application Form from our website [hsbc.co.uk/ctf](https://www.hsbc.co.uk/ctf).
- ◆ We are required to ensure that you have received the latest version of the KIID before accepting your application. On your application form you will be asked to declare that you have received, and read, the latest version of the KIID.

Can I change my mind about the HSBC CTF?

- ◆ Yes, once we accept your application to transfer an existing CTF to us you have 14 days, from the date we accept your application, in which to cancel. You should do this by writing to us.
- ◆ If you cancel your HSBC CTF within the 14 day cancellation period, we will return any money paid by yourself or friends and family as a cheque payable to the Child. If you choose not to exercise your right to cancel, you will be subject to all investment risks and charges as detailed in this document.
- ◆ We will not ask your existing provider to transfer your CTF to us until the cancellation period has expired.

- ◆ If you do not cancel within the 14 day cancellation period but change your mind later, you can only terminate your HSBC CTF by transferring it to another CTF or Junior ISA provider. There will be no charge for this.

When will my CTF be opened?

- ◆ If you haven't cancelled after 14 days from the date we accept your application, we will open the HSBC CTF.
- ◆ The first investment into the Fund will be made once we have received the proceeds of your CTF from your existing provider. This may be a few weeks after the HSBC CTF is opened. We won't be able to accept Subscriptions into the HSBC CTF until the transfer from your existing provider has been completed. After this, where there is money available in the Cash Account, investments will normally be made within two Business Days.
- ◆ We will write to you to confirm receipt of your transfer request and when your account will be opened. We will also write to confirm when we have received the proceeds from your existing provider and how many shares have been purchased.

Who can make payments into the HSBC CTF?

- ◆ Anyone can add money to the HSBC CTF at any time by sending it to us or by going into their local branch. We accept payments by cheque (payable to the Child and quote the HSBC CTF account details on the back of the cheque), standing order, direct credit or direct debit. You can obtain a direct debit form from us by visiting our website or by calling us.
- ◆ We are unable to accept a standing order by way of the Faster Payments Service for the HSBC CTF.
- ◆ If other people want to make payments into your Child's HSBC CTF you will need to give them the account details that we will send to you once we have opened the HSBC CTF.
- ◆ We do not accept cash payments.
- ◆ Before you make any payments into the HSBC CTF you should make sure you read the KIID.

What is a KIID?

- ◆ The KIID is a two page pre-sale document produced for the fund containing clear descriptions of key fund information. The information in the KIID is prescribed by the Financial Conduct Authority rules and is intended to assist customers in making an informed investment decision.
- ◆ Fund providers must produce a KIID for their funds and make them available to customers before they invest. This requirement applies to the vast majority of funds for sale across Europe.
- ◆ You should make sure you have received and read the latest version of the KIID before making a final decision to invest and the KIID should be read in conjunction with the HSBC CTF Key Features Document and Terms and Conditions.
- ◆ The KIID is provided for your information by HSBC Global Asset Management (UK) Limited. HSBC Global Asset Management (UK) Limited is responsible for the reliability and accuracy of the KIID.

How do I get a KIID for the HSBC Global Strategy Balanced Portfolio – CTF Accumulation share class?

- ◆ You can obtain a copy of the most recent version of the KIID at any time on our website, [hsbc.co.uk/ctf](https://www.hsbc.co.uk/ctf) if you are happy to obtain it online. Alternatively, you can call us and we will send you a copy.
- ◆ The KIID will be updated on an annual basis no later than 35 days after 31 December. If you are making, or are aware that a third party is making, an additional investment into your HSBC CTF and you have not received the most recent version of the KIID, you and/or the third party should obtain and read a copy of the most recent version of the KIID so that an informed investment decision can be made.

How much can be paid into a CTF?

The most that can be added to a CTF is currently £9,000 per Birthday Year. A Birthday Year starts on the Child's birthday and ends on the day before his or her next birthday each year. No Subscriptions can be made after the Child turns 18 years old.

What happens to this money?

- ◆ The HSBC CTF makes the most of all the money given to the Child by using three accounts – the Cash Account, the Investment Account and the Overflow Account.
- ◆ The Cash Account – all the CTF payments up to the annual limit for each Birthday Year, from whatever source, are paid into this account.

- ◆ The Investment Account – once the payments have cleared in the Cash Account, the cash will be used to buy shares in the Fund. These shares are held in the Investment Account and this will normally take place within two Business Days after the payments have cleared.
- ◆ The Overflow Account – any payments we receive over the annual limit in each Birthday Year will automatically be paid into this account and held as cash. On the Child's next birthday, subject to the annual limit for that Birthday Year, the cash from the Overflow Account is paid into the Cash Account and treated like any other payment.
- ◆ Interest on money in the Cash Account and the Overflow Account is accrued daily and paid annually, normally the day before the Child's next birthday, into the appropriate account. Interest is paid at a rate of 1% below the Bank of England base rate. If the Bank of England base rate is 1% or lower, interest will not be accrued.

All payments into the HSBC CTF or the Overflow Account by yourself or anyone else are gifts to the Child and cannot be returned, except in exceptional circumstances as set out in the HSBC Child Trust Fund Terms and Conditions.

What will I receive from you?

- ◆ Once we have accepted your application, we will write to you confirming when we will open your HSBC CTF.
- ◆ We will write to you again once the first investments have been purchased for your Child's HSBC CTF. No share certificates will be issued but we will provide you with annual statements, approximately one month before the Child's birthday, showing any additional payments invested over the last year and the current value of the HSBC CTF.

Can I transfer my HSBC CTF to another provider?

- ◆ Yes. CTFs can be transferred from one CTF provider to another. A CTF can be transferred to a Junior ISA but a Junior ISA cannot be transferred to a CTF.
- ◆ If you wish to transfer the HSBC CTF to another CTF or Junior ISA provider, you should obtain a transfer application form from them. Once we receive instructions from your new provider we will sell any shares in the Investment Account and transfer the proceeds, along with any money in the Cash Account and the Overflow Account, to the new provider.
- ◆ You can only transfer any money in the Overflow Account if the new provider specifically agrees to this, otherwise we will send the Registered Contact a cheque made payable to the Child for the amount of money held in the Overflow Account.
- ◆ When CTFs are transferred, the investment can be out of the market for up to 30 days. This means that there will be no potential for capital growth during that period.

How can I find out how much the HSBC CTF or HSBC Matured CTF is worth?

- ◆ For an HSBC CTF, we will send a statement to the Registered Contact approximately 30 days before the beneficiary's birthday each year, which will show the value of the investment.
- ◆ For an HSBC Matured CTF, we will send a statement to the beneficiary approximately 30 days before their birthday each year, which will show the value of the investment.
- ◆ You can ask us for additional statements at any time.
- ◆ Share prices can be found on assetmanagement.hsbc.co.uk/en/individual-investor, and by clicking on Fund Centre. Select "Global Strategy Balanced Portfolio" and then "CTF Acc" to change the share class. You can calculate the value of your HSBC CTF by multiplying the number of shares held in the HSBC CTF by the Fund share price.
- ◆ If you are registered for HSBC Online or Mobile banking you will be able to see the HSBC CTF value under your investments.
- ◆ For a Matured CTF, if you registered for HSBC Online or Mobile banking you will only be able to see the HSBC CTF value under your investments if you are the beneficiary. You can also call us for an up-to-date valuation of your investment.

How will charges and expenses affect the HSBC CTF or HSBC Matured CTF?

- ◆ A charge will be made within the Fund. This is called an ongoing charge and will be around 0.43% per year. This may change so it is important that you review the KIID which can be found at [hsbc.co.uk/ctf](https://www.hsbc.co.uk/ctf) if you are happy to obtain it online. Alternatively, you can call us and request the most recent version.
- ◆ The ongoing charge is a percentage of the value of each fund and is reflected in the price of the shares. The ongoing charge is made up of the annual management charge, which is payable to the investment company for managing the fund and other expenses which cover the costs that must be met to ensure the fund is appropriately governed and administered (including services such as depositary and audit fees).
- ◆ HSBC UK Bank plc will receive 0.25% per year of the value of the fund from the fund manager, paid monthly.
- ◆ As the charge is taken from the Fund, the effect of this is seen in the share price and isn't taken from an individual's investment. There are currently no other charges.
- ◆ We will let you know where any other charges may become applicable.

Will tax be paid on the HSBC CTF or HSBC Matured CTF?

- ◆ Any income and/or gains arising on the Cash Account or Investment Account is exempt from UK income tax and capital gains tax.
- ◆ Any interest arising on the Overflow Account will be paid gross (without the deduction of tax). It is not exempt from UK income tax however, so depending on personal circumstances the Child or the Registered Contact may need to pay tax on this interest via their own tax return.

Please also see "Maturity of the Child Trust Fund" in the HSBC CTF Terms and Conditions for further information.

What happens to the HSBC CTF on the Child's 18th birthday?

- ◆ On the Child's 18th birthday the HSBC CTF will mature and the Child can have the proceeds paid out to them, or transferred into an ISA in their name, or a combination of both. Any cash held within Overflow accounts will not be transferred as part of an ISA. The cash can be used to subscribe to an ISA for the current year, but will count towards your current subscription limits. We will write to the Child to seek their instructions shortly before their 18th birthday.

- ◆ On the Child's 18th birthday, we will change the status of the CTF to an HSBC Matured CTF in the name of the Matured CTF Account Holder and which will be governed by the HSBC Matured CTF Terms and Conditions.

The HSBC Matured CTF will remain invested in the same Fund as the HSBC CTF. No new Subscriptions can be made into the HSBC Matured CTF, but the Matured CTF will remain exempt from UK income tax and capital gains tax. If they have not already done so, the Matured CTF Account Holder will need to give us an instruction telling us what they would like to happen with the whole HSBC Matured CTF and this can include withdrawing and/or transferring the HSBC Matured CTF to an ISA with HSBC or another provider. It isn't possible to transfer a matured CTF to another CTF provider.

- ◆ For further details on maturity, please see "Maturity of the Child Trust Fund" in the HSBC CTF Terms and Conditions.

Further information

CTF and Matured CTF Provider

The HSBC CTF and HSBC Matured CTF, if applicable, are provided by HSBC UK Bank plc. Its main business is the provision of retail banking services. Address: **PO Box 6189, Coventry CV3 9HS**. Registered Office: **1 Centenary Square, Birmingham B1 1HQ, United Kingdom**. HSBC UK 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 765112. You can check this on the Financial Services Register by visiting the Financial Conduct Authority website **fca.org.uk** or by contacting the Financial Conduct Authority on **0800 111 6768**.

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:

**The Financial Ombudsman Service
Exchange Tower
London
E14 9SR**

Telephone: **0800 0234 567**
or **0300 1239 123**.

Email: **complaint.info@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 customer they may not regard you as an eligible complainant.

Complaining to the ombudsman will not affect your legal rights.

Compensation

HSBC UK Bank plc is covered by the Financial Services Compensation Scheme (FSCS). The FSCS can pay compensation to the Child or Matured CTF Account Holder if we cannot meet our financial obligations.

Cash Account and Overflow Account

These accounts are held with us and we are covered by the FSCS. The FSCS can pay compensation to depositors if a bank is unable to meet its financial obligations. Most depositors are covered by the scheme.

An eligible depositor is entitled to claim up to the current FSCS limit for deposits. The FSCS deposit limit relates to the combined amount in all the Child's or the Matured CTF Account Holder's accounts with HSBC UK Bank plc and first direct including their share of any joint account, and not to each separate account.

Investment Account

The investment in the Investment Account is held within a fund separately from investments owned by us and protected under the CASS Rules. If HSBC UK Bank plc became insolvent these fund investments would still be held by an independent depositary for the benefit of the Child or Matured CTF Account Holder, as applicable. However, if at the time of the insolvency you had a claim against us in respect of the Child's or Matured CTF Account Holder's Investment Account, you may be eligible to claim from the FSCS. Most types of investment business are covered by the FSCS and eligible investors can claim up to the current FSCS limit for investments. The current FSCS limit relates to the combined amount in all the Child's or Matured CTF Account Holder's accounts with HSBC UK Bank plc that hold investments, including any share of any joint account, and not to each separate account.

For further information about the compensation provided by the FSCS (including the amounts covered and eligibility to claim) please refer to the FSCS website **fscs.org.uk** or call the FSCS on **0207 741 4100**. Please note only compensation related queries should be directed to the FSCS.

Voting

You are entitled to vote and/or attend Shareholder meetings of the Fund.

If you wish to vote and/or attend any shareholder meetings you will need to send a written request to us.

Law

This contract and any proceedings, as well as our dealings with you up until you enter into a contract, will be governed by the law of England and Wales. The contract and all communications with you during the course of the contract will be in English.

Accessibility

To find out more about our accessible services please visit [hsbc.co.uk/accessibility](https://www.hsbc.co.uk/accessibility) or ask at any of our branches.

If you'd like this in another format such as large print, Braille or audio, please contact us. A textphone service is available for customers with hearing and/or speech impairments. If you use your own textphone you can call us on **03457 125 563 (+44 207 088 2077** from outside the UK).

BSL Video Relay Service is also available (Monday-Friday 8am-6pm, excluding Bank and Public Holidays) at [hsbc.co.uk/accessibility](https://www.hsbc.co.uk/accessibility).

hsbc.co.uk

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Registered Office: 1 Centenary Square, Birmingham B1 1HQ, United Kingdom. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Our Financial Services Register number is 765112.

Customer information: PO Box 6189, Coventry CV3 9HS.

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