

Key Information Document (Investment option information)

Purpose

This document should be read alongside the HSBC Onshore Investment Bond Key Information Document and provides you with specific information about this investment option (fund).

Investment

Name of investment:	World Selection - Dividend Distribution Portfolio Accumulation C	Asset manager:	HSBC Global Asset Management (UK) Limited
ISIN:	GB00B7JK0545	Published Date:	29.02.2020

What is this investment?

Type

The Fund is a sub fund of HSBC OpenFunds, an open ended investment company incorporated in England and Wales.

Intended retail investor

The Fund aims to meet the needs of all types of investors who are looking for income with a long term investment time horizon, i.e. they should plan to invest for five years or more. The Fund is designed for use either as part of a diversified investment portfolio or as sole diversified investment providing access to the asset class. Although investors buying the Fund need only to have a basic level of knowledge and experience about investing in Funds, they should be prepared to bear losses since the Fund is not guaranteed and they may receive back less than the amount invested.

Objective

Objective: To provide a high level of income by investing in a broad range of asset classes, across global markets. Investment Policy: This is one of a range of actively managed World Selection Portfolios offered at five different risk levels. The asset allocation of each fund in the range reflects the risk level. The Fund is rated as 3, where 1 is a lower level of risk and 5 is a higher level of risk. The Fund is managed with the aim of providing income in line with its agreed long term risk profile. Therefore any potential returns are likely to be limited by the risk profile of the Fund. The level of risk stated is to allow investors to compare the risk relative to other World Selection Portfolios. This differs from the Risk Indicator (RI) number given below, which allows investors to compare the risk for different Funds. To achieve its objective the Fund invests primarily in collective investment schemes (funds) that in turn invest in equities (shares of companies), fixed income securities (a type of loan taken out by companies and governments that pay interest), alternative asset classes (including property, infrastructure, hedge funds and private equity) and derivatives (financial instruments whose value is based on an underlying asset). Typically the Fund will have a bias towards asset classes that focus on fixed interest strategies. The collective investment schemes that the Fund invests in will, where possible, be those managed or operated by HSBC, or alternatively collective investment schemes operated by other fund providers. The Fund may invest directly in equities and fixed interest securities where the investment objective can be more efficiently achieved and may also invest in money market instruments, deposits and cash to manage day-to-day cash flow requirements. Derivatives: Derivatives may be used for investment purposes and may also be used to offset against movements in currency exchange rates, falls in asset values and reducing the risk associated with changes to prices within the market. However, it is envisaged that the use of derivatives will not be extensive and will not affect the overall risk profile of the Fund.

What are the risks and what could I get in return?

Risk Indicator



The risk indicator assumes that you keep the investment for 5 years.

The recommended holding period for the Onshore Investment Bond (OIB) is at least 5 years. The recommended holding period of this investment is 5 years. Other investments you can hold within the OIB may have longer or shorter recommended holding periods. In order to provide a consistent comparison of the risk performance and costs of the different investments, the recommended holding period of the OIB has been used for the calculations in this document.

The summary risk indicator is a guide to the level of risk of this investments compared to other investments. It shows how likely it is that this investment will lose money because of movements in the markets or because HSBC Global Asset Management (UK) Limited is not able to pay you.

We have classified this product as 3 out of 7, which is a medium-low risk class. This rates the potential losses from future performance at a medium-low level, and poor market conditions are unlikely to impact the capacity of the PRIIPs manufacturer to pay you.

Other risks materially relevant to the PRIIP not included in the summary risk indicator: Additional risks not included in the Summary Risk Indicator include: Third Party, Liquidity, Exchange Rate, Fixed Income, Alternative Investments, Emerging Markets, Derivative and Operational Risks.

This investment does not include any protection from future market performance so you could lose some or all of your investment.

Market developments in the future cannot be accurately predicted. The scenarios shown are only an indication of some of the possible outcomes based on recent returns. Actual returns could be lower.

Performance scenarios

Investment £ 10,000		1 year	3 years	5 years (Recommended holding period)
Survival scenario				
Stress scenario	What you might get back after costs	£ 8,864.40	£ 8,090.21	£ 7,584.74
	Average return each year	-11.36 %	-6.82 %	-5.38 %
Unfavourable scenario	What you might get back after costs	£ 9,833.36	£ 10,452.08	£ 11,300.47
	Average return each year	-1.67 %	1.48 %	2.48 %
Moderate scenario	What you might get back after costs	£ 10,596.13	£ 11,895.27	£ 13,353.70
	Average return each year	5.96 %	5.96 %	5.95 %
Favourable scenario	What you might get back after costs	£ 11,415.15	£ 13,534.28	£ 15,775.95
	Average return each year	14.15 %	10.61 %	9.55 %
Death scenario				
Insured event	What you might get back after costs	£ 10,606.73	£ 11,907.17	£ 13,367.05

This table shows the money you could get back over the next 5 years, under different scenarios, assuming that you invest £ 10,000.

The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products.

The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies, and are not an exact indicator. What you get will vary depending on how the market performs and how long you keep the investment.

The stress scenario shows what you might get back in extreme market circumstances, and it does not take into account the situation where HSBC Global Asset Management (UK) Limited are not able to pay you.

The figures shown include all the costs of the product itself, but may not include all the costs that you pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

What are the costs?

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, ongoing and incidental costs.

The amounts shown here are the cumulative costs of the product itself, for three different holding periods. They include potential early exit penalties. The figures assume you invest £10,000. The figures are estimates and may change in the future.

Costs over time

Investment £ 10,000	If you cash in after 1 year	If you cash in after 3 years	If you cash in after 5 years
Scenarios			
Total costs	£ 116.30	£ 396.00	£ 749.11
Impact on return (RIY) per year	1.16 %	1.16 %	1.16 %

The person selling you or advising you about this investment may charge you other costs. If so, this person will provide you with information about these costs, and show you the impact that all costs will have on your investment over time.

Composition of costs

The table below shows:

- The impact each year of the different types of costs on the investment return you might get at the end of the recommended holding period.
- The meaning of the different cost categories

This table shows the impact on return per year			
One-off costs	Entry costs	0.00 %	The impact of the costs you pay when entering your investment.
	Exit costs	0.00 %	The impact of the costs of exiting your investment when it matures.
Ongoing costs	Portfolio transaction costs	0.18 %	The impact of the costs of us buying and selling underlying investments for the product.
	Other ongoing costs	0.98 %	The impact of the costs that we take each year for managing your investments and other recurring costs.

Occasionally, the portfolio transaction costs shown could be negative. This happens when the investment manager has been able to buy investments at a rate lower than the market rate. The benefit of such a discount will be reflected in the costs and projected figures shown in this document.