

**DATED: 2<sup>nd</sup> September 2024**

**(amending and restating a Trust Deed dated 1 May 2021)**

**TRUST DEED**

Between

**HSBC MANAGEMENT (GUERNSEY) LIMITED**  
(the "**Manager**")

and

**HSBC CUSTODY SERVICES (GUERNSEY) LIMITED**  
(the "**Trustee**")

in respect of

**HSBC PORTFOLIO SELECTION FUND**  
(the "**Trust**")

An open-ended unit trust umbrella Fund

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**THIS DEED** is made on 2<sup>nd</sup> September 2024

**BETWEEN:**

- (1) **HSBC MANAGEMENT (GUERNSEY) LIMITED** whose registered office is situate at Arnold House, St Julian's Avenue, St Peter Port, Guernsey GY1 1WA, (the "**Manager**"); and
- (2) **HSBC CUSTODY SERVICES (GUERNSEY) LIMITED** whose registered office is situate at Arnold House, St Julian's Avenue, St Peter Port, Guernsey, GY1 3NF (the "**Trustee**").

**WHEREAS:**

- (A) The Manager and HSBC Private Bank (C.I.) Limited (in its capacity as trustee) were the manager and the trustee respectively of the HSBC Portfolio Selection Fund (formerly the Republic Portfolio Selection Fund) (the "**Trust**") and various sub-funds thereof pursuant to a trust deed dated 15 May 1995, as amended and restated by a trust deed dated 31 May 1996 and subsequently as replaced in its entirety by a trust deed dated 26 June 2014 (the "**Trust Deed**").
- (B) Pursuant to Clause 20(A) of the Trust Deed and in accordance with the Class B Rules, HSBC Private Bank (C.I.) Limited will be replaced as trustee under the Trust Deed and Fund Deeds (including certain other supplemental deeds to such Fund Deeds) and replaced with the Trustee and shall enter into a deed of retirement and appointment dated on or around the same date as this deed.
- (C) In addition, pursuant to Clause 24(A) of the Trust Deed referred to above the Manager and the Trustee may alter the provisions thereof and each has determined to alter such deed by deletion of the same in its entirety and its replacement with the following provisions.
- (D) Notwithstanding the foregoing the Manager and the Trustee intend that the sub-funds referred to above shall continue in existence as presently constituted subject only to the changes necessary to comply with the provisions of this deed.

**NOW IT IS HEREBY AGREED AND DECLARED** as follows:

**1. DEFINITIONS**

- (A) Unless the context otherwise requires the words or expressions defined in the Class B Rules have the same meaning herein as they have therein, and the following words or expressions shall have the meanings respectively assigned to them in respect of the Trust and each Fund:

**"Accumulation Unit"** means a Unit in a Fund in respect of which

	income is reinvested;
<b>"Amortised Expenses"</b>	has the meaning given to it in Clause 13(G);
<b>"Administrators"</b>	means such person or persons appointed as administrator by the Manager from time to time under Clause 16(C);
<b>"Auditors"</b>	means the auditors for the time being of a Fund appointed by the Manager with the continuing approval of the Trustee;
<b>"Business Day"</b>	means any day normally treated as a business day in Guernsey and London;
<b>"Company"</b>	means a company as specified in the Third Schedule;
<b>"Class B Rules"</b>	means the Authorised Collective Investment Schemes (Class B) Rules 2013 to the extent that the same shall apply to the Trust;
<b>"Commission"</b>	means the Guernsey Financial Services Commission or its successors established by the Financial Services Commission (Bailiwick of Guernsey) Law, 1987, as amended and any duly authorised;
<b>"Distribution Agreement"</b>	means the account referred to in Clause 11(A) and any monies standing to the credit of such an account shall not form part of the Scheme Property;
<b>"Distribution Unit"</b>	means such type of Unit where the net income earned in respect thereof is to be distributed by payment to the Holder and which represents one undivided share of the Scheme Property;
<b>"Fund"</b>	means a sub-fund of the Trust created pursuant to Clause 6(B) and save for the references to a "Fund" in Clause 6(B)(i), includes all classes of Unit of each sub-fund;
<b>"Fund Deed"</b>	means a deed substantially in the form set out in the First Schedule or otherwise in such form as the Manager and the Trustee shall deem

	appropriate and shall include any deed supplemental thereto;
<b>"Guernsey"</b>	means the Island of Guernsey;
<b>"Holder"</b>	means the person who is entered in the Register as the holder of Units;
<b>"Initial Charge"</b>	means the commission referred to in Clause 7(G);
<b>"Interested Party"</b>	means (i) the Trustee or (ii) the Manager or (iii) the Investment Adviser(s) or (iv) a controller or associate of the Manager or (v) a controller or associate of the Investment Adviser(s) or (vi) a controller or associate of the Trustee;
<b>"Investment"</b>	shall have the meaning given to it in paragraph 1 of the Second Schedule;
<b>"Investment Adviser"</b>	means any one or more persons or bodies appointed by the Manager as its investment adviser in respect of all or part of the Scheme Property of a Fund either to provide investment advice to the Manager or otherwise to manage such part of the Scheme Property on behalf of the Manager;
<b>"Law"</b>	means the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended;
<b>"Management Fee"</b>	means the fee set out in Clause 13(C);
<b>"Management Fee Rate"</b>	means such percentage of Net Asset Value, as specified in the Prospectus, that the Manager shall use when calculating its Management Fee;
<b>"Maximum Management Fee Rate"</b>	means the maximum Management Fee Rate, as specified in the Fund Deed, that the Manager is permitted to use when calculating its Management Fee;
<b>"Maximum Redemption Percentage"</b>	means five per cent. of all Units of that Fund deemed to be in issue immediately before a Dealing Day or such greater percentage as the Manager may in respect of any Dealing Day

	determine;
<b>"Net Asset Value"</b>	shall have the meaning given to it in paragraph 2 of the Second Schedule hereto;
<b>"Prospectus"</b>	means the scheme particulars for the time being published in respect of the Trust pursuant to the Class B Rules;
<b>"Redemption Fee"</b>	means the fee referred to in Clause 8(C)(ii);
<b>"Scheme Property"</b>	means the Capital Property and Income Property of a Fund;
<b>"Securities Market"</b>	means any recognised stock exchange or other securities market including, in relation to any particular Investment, any one or more responsible firms, corporations or associations in any part of the world so dealing in such Investment as is to be expected generally to provide, in the opinion of the Manager, a satisfactory market for the Investment concerned;
<b>"these presents"</b>	means this Deed (including the Schedules) and each Fund Deed and any deed supplemental thereto executed and modified in accordance with the provisions hereof;
<b>"the Trust"</b>	means the trust established by these presents bearing the name given to it in recital (A) hereof;
<b>"Unit"</b>	means either an Accumulation Unit or a Distribution Unit or, where the context permits, both types of such units and the rights entitlements and obligations of a fraction of a Unit shall rank pro rata and <i>pari passu</i> with a whole Unit of the same type; and
<b>"Valuation Point"</b>	means in respect of each Dealing Day any time after the Closing Time for such day and before the commencement of the next Dealing Day as the Manager shall determine and disclose in the Prospectus.

(B) The following words or expressions shall have the meanings respectively assigned to them in respect of each Fund:

<b>"Accounting Date"</b>	means the day specified as such in the Fund Deed or such other date or dates as the Manager shall determine and shall be the day on which the Accounting Period ends;
<b>"Allotment Day"</b>	means the day identified as such in the Fund Deed or otherwise as the Manager shall determine as the day on which all requests for the issue, redemption, transfer and conversion of Units for a particular Dealing Day shall be deemed to take effect;
<b>"Base Currency"</b>	means the currency identified as such in each Fund Deed;
<b>"Borrowing Limit"</b>	means the limit governing the amount of borrowing that may be made on behalf of the Fund by the Manager, such limit being specified in the Prospectus;
<b>"Capital Property"</b>	means all the property held in accordance with the terms of the Trust Deed or a Prospectus, other than Income Property;
<b>"Closing Time"</b>	means such time as the Manager shall determine and disclose in the Prospectus;
<b>"Days"</b>	means the number of days elapsed since the last Dealing Day;
<b>"Dealing Day"</b>	means such day or days, being a Business Day, as identified in the Prospectus or otherwise as the Manager shall determine. The Manager has the right to suspend any Dealing Day for up to five Business Days without the requirement to give notice to Holders when, in the opinion of the Manager, a significant proportion of the assets of the relevant Fund cannot be valued on an equitable basis or for some other reason and such difficulty is expected to be overcome within that period and, subject thereto, notice of the suspension must be given to Holders;

<b>"Distribution Date"</b>	means the date or dates specified (if applicable) as such in the Fund Deed on or before which payments of income allocated to Holders of Distribution Units shall become payable;
<b>"Eligible Investor"</b>	being the expression as referred to in Clause 26 means such person(s) or bodies corporate or otherwise as the Manager may determine from time to time to be qualified to hold Units and declared as such in the Prospectus;
<b>"Income Property"</b>	means all sums, deemed by the Manager, after consultation with the Auditors, to be in the nature of income received or receivable in respect of a Fund;
<b>"Initial Charge Rate"</b>	means the maximum percentage rate of the Initial Charge for each Fund as specified in the Prospectus;
<b>"Investment Limits"</b>	means the investment restrictions and limitations applicable to Investments comprising the Scheme Property as declared in the Prospectus;
<b>"Investment Objective"</b>	means the investment objective as determined by the Manager upon creation of each Fund and declared as such in the Prospectus;
<b>"Issue Price"</b>	shall be the Net Asset Value Per Unit;
<b>"Minimum Holding"</b>	means the minimum value or number of Units required to be subscribed for or otherwise held by a Holder as specified in each Fund Deed;
<b>Net Asset Value Per Unit"</b>	means either the Net Asset Value of a Distribution Unit or the Net Asset Value of an Accumulation Unit, as the case may be calculated, in accordance with the Second Schedule to such number of decimal places as specified in the Fund Deed;
<b>"Performance Fee"</b>	means a fee (if any) payable to the Manager in accordance with the Fund Deed;
<b>"Redemption Fee Rate"</b>	means the maximum percentage rate of the Redemption Fee for each Fund as specified in the

Fund Deed; and

**"Special Charges"** means any costs, fees, disbursements and expenses described as such in the Prospectus.

- (C) Unless defined elsewhere herein or as the context may otherwise require the following words in this Deed shall have the same meaning as the words as shown against them have in the Class B Rules, namely:

**"Accounting Period"** means annual accounting period;

**"Management Fee"** means periodic charge;

**"Initial Charge"** means preliminary charge;

**"Redemption Price"** means redemption price;

**"Register"** means register;

**"Registrar"** means registrar; and

**"Resolution"** means resolution.

- (D) References herein to "tax" or "taxation" shall where the context so permits or requires include or comprise all forms of taxation whether of Guernsey or elsewhere, past, present and future, without limitation, and all other statutory, governmental, state, provincial, local/government or municipal impositions, duties and levies and all penalties, charges, costs and interest relating thereto.
- (E) Words importing persons include corporations and the words "written" or "in writing" include printing, facsimile, engraving, lithography, computer hard copy or other similar means of reproduction in permanent form or partly one and partly the other.
- (F) Words importing the masculine gender shall include the feminine and the singular shall include the plural and vice versa.
- (G) The headings herein are for convenience only and shall not affect the construction hereof. Reference to any statute, rule or regulation shall be deemed to be a reference to that statute, rule or regulation as from time to time amended, substituted or re-enacted.
- (H) The expression "the Trustee" includes successors to the Trustee as the trustee of the Trust and of each and every Fund.

- (I) The expression "the Manager" includes successors to the Manager as manager of this Trust and of each and every Fund.

## **2. AUTHORISATION OF THE TRUST AND OF EACH FUND**

The Trust has been authorised by the Commission as a Class B collective investment scheme under the Law and each Fund created in accordance with Clause 6(B) shall be subject to approval by the Commission in accordance with the Class B Rules.

## **3. BINDING PROVISIONS**

- (A) The terms and conditions of these presents shall be binding on each Holder as if he had been a party hereto.
- (B) The terms and conditions of a Fund Deed shall be binding on each Holder of Units in the Fund to which that Fund Deed relates as if he had been a party thereto.
- (C) These presents constitute the Trust Deed for the purposes of defining the "principal documents" as used in the Class B Rules.

## **4. TAX TREATMENT**

- (A) No Unit shall confer any interest or share in any particular part of the Trust Assets.
- (B) For the purposes of UK taxation only, the Trust is intended to be classified as a Garland Trust based on the case of *Garland v Archer-Shee* (15 TC 693). In this respect, the Trust should be opaque for UK income tax purposes.

## **5. TITLE TO UNITS AND DEALING THEREIN**

- (A) Except as provided for herein the provisions of Part 3 (Title to Units and Dealings Therein) of the Class B Rules shall apply hereto.
- (B) No certificates shall be issued in respect of Units; accordingly the requirements of the Class B Rules regarding the issue of certificates in respect of Units shall not apply.
- (C) In accordance with the provisions of rule 3.08 of the Class B Rules, the registration of any document relating to or affecting the title to Units may be made conditional upon the payment to the Trustee or Registrar of such fee as the Manager and Trustee may determine and publish in the Prospectus.
- (D) Units may only be transferred, with the prior approval of the Manager and subject to completion by the transferor of a transfer form in such form as the Manager may require. A transfer of Units in the Register shall only be effected as at the Allotment Day next following the day upon which all required approvals have been given and

any required information or documentation obtained by the Manager.

## **6. CONSTITUTION OF THE TRUST**

- (A) Subject to the provisions of these presents:
- (i) The Scheme Property of each Fund shall be constituted out of the proceeds of the creation by the Trustee of Units of that Fund and shall be reduced by the cancellation by the Trustee of any such Units;
  - (ii) The Trustee shall stand possessed of the Scheme Property of each Fund upon trust exclusively for the Holders of that Fund;
  - (iii) The sums standing to the credit of any Distribution Account are held by the Trustee on trust for the Holders entitled thereto;
  - (iv) Holders shall not have or acquire any rights against the Trustee or the Manager in respect of Units other than those expressly conferred by these presents;
  - (v) Except as provided by these presents no Holder shall incur or assume any liability or be required to make any payment to the Trustee or the Manager in respect of Units held by such Holder.
- (B) The Manager and the Trustee may from time to time by execution of a Fund Deed resolve to create one or more Funds so that the Units created in respect of each Fund shall have the attributes as described herein and in the relevant Fund Deed. Except as otherwise provided in the relevant Fund Deed, all the provisions of these presents (as appropriate) shall be applied separately to each individual Fund as if it were specifically referred to and furthermore in respect of each Fund the following shall apply:
- (i) the liabilities of a particular Fund shall be met out of the assets of the same Fund and shall in no way attach to or become a liability of any other Fund created; and
  - (ii) each Holder shall be entitled to the appropriate number of undivided Units of the Scheme Property of the relevant Fund depending upon whether Units are Accumulation Units or Distribution Units.
- (C) In the case of any asset or liability which the Manager does not consider is attributable to a particular Fund, the Manager shall have discretion to determine the basis upon which any such asset or liability shall be allocated or re-allocated between Funds.

## **7. CREATION, CANCELLATION, ISSUE AND REDEMPTION OF UNITS**

- (A) For the purposes of this clause 6, references to the Manager shall include references to the Manager's delegates from time to time.
- (B) The Manager shall, in accordance with the provisions of the Class B Rules, have the exclusive right to create and cancel Units subject to prior notification to be given to the Trustee, who shall have ultimate discretion at all times to prevent or approve such creation and cancellation, which approval may be tacit. On or before the creation of any Units, the Manager shall determine the type of each Unit to be created and the Fund in respect of which it is to be issued.
- (C) The initial price of Units in a Fund shall be as specified in the Fund Deed.
- (D) Subject to paragraph (C) above, the amount payable by the Manager to the Trustee upon the creation of Units shall be the Issue Price on the relevant Dealing Day.
- (E) The price payable by an applicant to the Manager upon the issue of Units shall be the Issue Price plus any Initial Charge.
- (F) All applications for the issue of Units shall be in such form as the Manager may from time to time determine (the "**Application Form**") together with, if the Manager so requires, payment in cleared funds sufficient to cover the Issue Price of such Units applied for and the Initial Charge (if any) in respect thereof to be received by the Manager before the Closing Time for the relevant Dealing Day or the expiry of the initial offer period, as the case may be.
- (G) Upon receipt of an Application Form acceptable to the Manager, the Manager is entitled to deduct and retain as its own property out of the monies subscribed by the applicant a commission (the "**Initial Charge**") being a percentage (not exceeding the Initial Charge Rate as specified in the relevant Fund Deed) of the total amount of monies subscribed.
- (H) The Manager shall specify in each Fund Deed the Minimum Holding. The Manager may in its sole discretion allow Units to be subscribed for or otherwise held by any person less than the Minimum Holding. The minimum transaction size will be an amount equal to the Minimum Holding or such other amount as the Manager shall determine.
- (I) The Manager may differentiate between applicants for the issue of Units as to the amount of the Initial Charge to be paid provided that the amount of the Initial Charge does not exceed the Initial Charge Rate (as specified in the relevant Fund Deed).
- (J) Save upon the initial creation and issue of Units by the Manager (subject to the approval of the Trustee and in accordance with the Class B Rules) and except as the

Manager may otherwise determine, the creation and cancellation of Units shall be deemed to take effect after the Valuation Point for the relevant Dealing Day and the issue and redemption by the Manager of Units on a particular Dealing Day shall take effect on the relevant Allotment Day. No Units shall be created, issued, transferred, redeemed or cancelled during any period in which the redemption of Units is suspended pursuant to Clause 8(D).

- (K) Units may be created, issued, transferred, redeemed and cancelled in multiples of one or in any fraction thereof at the discretion of the Manager.
- (L) Where subscription or redemption monies in respect of Units or money from the conversion of Units are to be converted from or into a currency other than the Base Currency of the relevant Fund, the Manager is irrevocably authorised to make such arrangements on behalf of the applicant or Holder for the sale and purchase of the appropriate currencies on such basis as the Manager deems appropriate.
- (M) On or before such time as the Manager gives notice to the Trustee to cancel Units, it shall be the duty of the Manager to ensure that the Scheme Property of the relevant Fund includes (or will upon the completion of the sale of Investments agreed to be sold include) cash sufficient to pay the amount payable to the Manager upon such cancellation.
- (N) The price payable by the Trustee to the Manager on the cancellation of a Unit shall be the Net Asset Value Per Unit.
- (O) The Manager may, in its absolute discretion, agree to accept *in specie* subscriptions for Units provided that:
  - (i) the applicant has elected and expressly consented to the issue of Units;
  - (ii) the assets offered by the applicant are of an equivalent value to the Units to be issued and the assets comprise Investments and shall comply with the Investment Objective and the Investment Limits applicable to each Fund;
  - (iii) the number of Units to be issued shall not exceed the amount that would be issued for the cash equivalent; and
  - (iv) the Manager is of the opinion that the terms of subscription would not likely prejudice the existing Holders of a Fund.

## **8. REDEMPTION AND SUSPENSION OF UNITS**

- (A) The Manager shall on receipt by it or an authorised agent of a notice in such form as the Manager may from time to time determine or such other form as may be acceptable to the Manager (the "**Redemption Notice**") from a Holder, redeem all or any portion of such Units in accordance with the Redemption Notice on the relevant Dealing Day.

- (B) The price payable by the Manager to a Holder on the redemption of a Unit shall be the Net Asset Value Per Unit calculated as at the relevant Dealing Day minus any Redemption Fee.
- (C) In relation to the redemption of Units pursuant to this Clause the following provisions shall apply:
- (i) subject to the provisions of Clause 8(A), the Holder shall deliver to the Manager or its duly appointed agent a Redemption Notice to be received by the relevant party not later than the Closing Time for the relevant Dealing Day;
  - (ii) the Manager shall be entitled to deduct and retain as its own property out of the redemption proceeds to be paid to a Holder a redemption fee (the "**Redemption Fee**") being a percentage (not exceeding the Redemption Fee Rate as specified in the relevant Fund Deed) of the total amount of redemption proceeds payable provided that no Redemption Fee shall be introduced, increased or modified otherwise than in accordance with and subject to Clause 24;
  - (iii) the Manager may differentiate between Holders as to the amount of the Redemption Fee to be paid provided that the amount of the Redemption Fee does not exceed the Redemption Fee Rate;
  - (iv) all Redemption Notices shall be deemed a transfer of such Units in favour of the Manager and the Manager shall procure that the redemption proceeds be paid to the Holder within such period subject to the requirements of the Law as the Manager shall determine and publish in the Prospectus;
  - (v) in respect of Units to be redeemed the Manager or its delegates may determine (subject at all times to prior notification to and the ultimate discretion of the Trustee in accordance with the Class B Rules) whether to apply such Units in satisfying all or any applications received by it for the issue of Units or that it remain the Holder thereof or otherwise cancel such Units;
  - (vi) upon the Manager requiring that some or all of such Units shall be cancelled the Manager shall give prior written notice of such fact to the Trustee; and
  - (vii) the Manager may in respect of any Fund limit the number of Units to be redeemed on any Dealing Day to the Maximum Redemption Percentage. If on any Dealing Day the number of Units to be redeemed exceeds the Maximum Redemption Percentage, the Manager may redeem Units on any basis that the Manager may consider equitable which will normally be on a pro rata basis. Any Units not so redeemed shall be carried forward to the next Dealing Day and shall be redeemed pro rata in priority to any other

Units in respect of which a Redemption Notice has subsequently been received.

- (D) The Manager may, at any time during the life of a Fund, suspend, either indefinitely or for such period as it may specify, the creation, issue, redemption or cancellation of Units in such Fund and the determination of the Net Asset Value of such Fund if and for so long as:
- (i) there is a suspension or restriction of trading in any Investments comprising a substantial part of the Scheme Property on any Securities Market on which such Investments are normally traded or a closure or suspension of trading on such Securities Market;
  - (ii) there are circumstances which in the opinion of the Manager make it impracticable:
    - (a) to realise any substantial portion of the Scheme Property or effect such realisation without undue delay or at normal rates of exchange or otherwise actually to receive the cash proceeds of such realisation;
    - (b) to ascertain the Net Asset Value of a substantial part of the Scheme Property; or
    - (c) there are circumstances which in the opinion of the Manager could result in the repurchase of Units being a violation of any applicable law.
- (E) If the Manager considers that any such suspension will not exceed five Business Days, no notice of such suspension need be given to Holders; subject thereto, the Manager shall give notice of any such suspension and of the ending of such suspension by advertisement in any manner the Manager shall so determine. During any such suspension the Trustee has the right to withhold payment of any proceeds due to the Manager on Units previously cancelled and the Manager has the right to withhold payment of any redemption proceeds due to Holders in respect of Units redeemed prior to such suspension.
- (F) Where the Manager receives subscriptions for Units in a Fund and the Manager is of the opinion that the Fund would not be able to utilize the subscriptions because of the lack of appropriate investment opportunities, the Manager may scale back some or all of the subscriptions in such proportions as the Manager may determine.
- (G) The Manager may, in its absolute discretion, agree to redeem Units *in specie* provided that:
- (i) the Holder has elected and expressly consented to receive Scheme Property instead of cash upon redeeming their Units;

- (ii) the Scheme Property to be transferred to the Holder would be of an equivalent value to the value of the Units to be redeemed; and
- (iii) the Manager is of the opinion that the terms of redemption would not likely prejudice the remaining Holders of a Fund.

## **9. CONVERSION OF UNITS**

The Manager may in its absolute discretion permit the conversion of Units of one Fund (the "**old fund**") into Units of another Fund (the "**new fund**"). The conversion shall be calculated by (i) multiplying the number of Units of the old fund to be converted by the Net Asset Value Per Unit of the old fund on the relevant Dealing Day (subject to any adjustment for monies transferred to the Distribution Account of the old fund and not yet distributed) and (ii) converting (if required) the resultant amount into the Base Currency of the new fund and (iii) deducting therefrom any fee for the conversion of Units from one Fund into Units of another Fund as shall be set out in the Prospectus and (iv) dividing the resultant amount by the Issue Price of the type of Units of the new fund provided that, if both such Funds do not have a Dealing Day which is the same day, the Issue Price of the new fund shall be that which is calculated in respect of the following Dealing Day for the new fund.

## **10. INVESTMENT OF THE SCHEME PROPERTY**

- (A) The Manager shall determine the Investment Objective and the Investment Limits applicable to each Fund before the creation of any Units of that Fund and shall cause the same to be published in the Prospectus. In exercising its duty hereunder the Manager may appoint one or more persons as an Investment Adviser(s) on such terms and conditions as the Manager shall at its discretion determine.
- (B) All cash and other property which ought in accordance with the provisions of these presents to form part of the Scheme Property of a Fund shall be paid or transferred to the Trustee as soon as practicable upon receipt by the Manager and all cash (except in so far as it is in the opinion of the Manager required for transfer to a Distribution Account) shall be applied at the discretion of the Manager (but subject always to the provisions of these presents) in the acquisition of Investments provided that all or any amount of cash may during such time or times as the Manager may think fit be retained in cash or on short-term deposit with any banker (including the Trustee, the Manager and any associate of either) approved by the Trustee or on short-term deposit in any other manner with any other company, corporation, government or other body approved by the Trustee and PROVIDED FURTHER that no acquisition of an Investment may exceed the relevant Investment Limits.
- (C) The Manager may, with prior notification to the Trustee and provided that any such underwriting and/or sub-underwriting is disclosed in the Prospectus, from time to time for the account of a Fund enter into underwriting or sub-underwriting contracts

in relation to the subscription or purchase of Investments upon such terms as the Manager shall think fit (but subject always to the provisions of these presents) and all commission or other fees received by the Manager and all Investments or cash acquired pursuant to any such contract shall form part of the Scheme Property of the relevant Fund and any subscription or purchase monies payable thereunder shall be paid out of such Scheme Property.

- (D) Subject to the Investment Objective and the Investment Limits of the Fund concerned, the Manager may at any time arrange currency transactions for a Fund in the name of the Trustee and enter into arrangements for effecting a currency transaction (a) for the purpose of enabling the Manager to acquire for the account of the relevant Fund Investments in respect of which capital monies, dividends or interest are payable in any currency other than the Base Currency or (b) for the purpose of protecting the value of the Scheme Property against depletion in terms of any designated currency by reason of fluctuations in rates of exchange. In this sub-clause (D), "effecting a currency transaction" means buying (or otherwise acquiring), selling (or otherwise disposing of), holding, exchanging (with or without arrangement for re-exchanging) or otherwise dealing with any currency whether for present or future settlement and at the official rate of exchange or otherwise and otherwise on such terms and subject to such conditions as the Manager may think fit including, for the avoidance of doubt, arranging transactions on the options, futures and currency exchanges. Any costs and commissions thereby incurred shall be paid out of the Scheme Property of the relevant Fund.
- (E) The Manager shall not be entitled without consent of the Trustee to apply any part of the Scheme Property in the acquisition of any Investments which are for the time being partly paid only or otherwise in the opinion of the Trustee likely to involve the Trustee in any liability (contingent or otherwise) unless according to the terms of issue thereof the Investment will or may at the option of the holder become within one year from its inclusion in the Scheme Property fully paid up and free from all such liabilities as aforesaid. The Trustee shall be entitled but not bound to appropriate and set aside cash or other property approved by the Manager and acceptable to the Trustee sufficient to provide for paying up such Investment in full and further to provide for meeting any underwriting or sub- underwriting or other liability. The cash or the property so appropriated shall form part of the Scheme Property but shall not be available for application without the consent of the Trustee in any way otherwise than as may be required for paying up the Investment or meeting the liability in respect of which the appropriation was made so long as to the extent that such Investment remains partly paid and part of the Scheme Property (as the case may be) such liability continues in relation to the Scheme Property.

## **11. BORROWINGS**

- (A) The Manager may at any time arrange borrowings on behalf of a Fund in the name of the Trustee or a Company on such terms and subject to the payment of such fees

and assumption of such liabilities as the Manager may determine, and may in connection with any borrowing request the Trustee to pledge or charge all or any part of the Scheme Property of the relevant Fund, provided, provided in each case it is satisfied that such borrowings or the amount which is to be secured by such pledge or charge (net of any cash and short dated monetary instruments forming part of such Scheme Property, and available to discharge such borrowing or secured amount) will not cause the Borrowing Limits set out in the Prospectus to be exceeded. The Manager shall not be entitled without consent of the Trustee to amend the Borrowing Limits set out in the Prospectus.

- (B) The Manager shall restrict any borrowing or the pledging or charging of all or part of the Scheme Property of a Fund so that at any time at which such borrowing is made or granted, as the case may be, the aggregate principal amount for the time being remaining undischarged of all monies borrowed by the Fund inclusive of any fixed or minimum premium payable shall not, except with the consent of a Resolution of Holders of the Fund, exceed the relevant Borrowing Limits. No lender or other person dealing with the Manager or a Fund shall be concerned to see or to enquire whether this limit is observed.
- (C) Neither the Trustee nor the Manager shall incur any liability by reason of any loss which a Holder may suffer by any depletion in the value of the Scheme Property which may result from the provisions of this Clause. The Trustee and the Manager shall be entitled to be indemnified out of and have recourse to the Scheme Property of the relevant Fund in respect of any actions, liabilities, costs, claims, demands or damages which either or both of them may suffer arising directly or indirectly from the operation of this Clause and any arrangements hereunder.

## **12. DISTRIBUTIONS**

- (A) Subject as hereinafter provided the provisions of Part 5 of the Class B Rules relating to the distributions of income to Holders shall apply and in respect of each Fund the following shall prevail:
  - (i) the amount of income available for allocation shall be determined by the Manager for such period as shall end on an Accounting Date and such interim dates as the Manager in its discretion may determine and the Holders to whom such income shall be allocated shall be those Holders deemed to be on the Register as at the relevant date and in respect of the allocation of income to Holders of Distribution Units such allocation shall be transferred out of Income Property to a Distribution Account as at the relevant date and be paid to such Holders of Distribution Units on or before the relevant Distribution Date;
  - (ii) any interest accrued by placing on deposit monies standing to the credit of a Distribution Account shall be deemed Scheme Property;

- (iii) the Manager may after consulting the Auditors make provision for income equalisation in respect of any Fund; and
- (iv) to the extent that, by reason of the income of the Scheme Property of a Fund being on or prior to any Distribution Date for such Fund receivable but not having been received, the total net amount referred to above in the hands of the Trustee is insufficient (after making any necessary provisions) to enable the distribution to be made, the deficiency may be made good by a temporary interest free loan from Capital Property of the relevant Fund but so that the amount of any such temporary loan shall be repaid to the Capital Property as soon as practicable. For the purposes of these presents the Capital Property shall be deemed to include any amount for the time being owing to it in respect of any such loan.

### **13. FEES AND EXPENSES**

- (A) The Manager shall in respect of each Fund be entitled to receive and retain as its own property any Initial Charge deducted from monies subscribed for Units in accordance with the provisions of Clause 7(G).
- (B) The Manager shall in respect of each Fund be entitled to receive and retain as its own property any Redemption Fee deducted from the price payable on the redemption of Units in accordance with the provisions of Clause 8(C)(ii).
- (C) The Manager shall in respect of each Fund be entitled to receive out of the Scheme Property as remuneration for its services a fee (the "**Management Fee**"). Any Management Fee shall be calculated and accrue in arrears for the account of the Manager as at each Dealing Day and in respect thereof the calculation shall be:

$$\frac{\text{Net Asset Value} \times \text{Management Fee Rate} \times \text{Days}}{365}$$

365

- (D) All such fees so accrued as at the last Dealing Day in each month shall be paid to the Manager as its own property. Such remuneration shall accrue from the day on which the initial offer period in respect of the Fund ceases and ends on the day on which the final distribution in the winding up of the Fund shall be made.
- (E) In respect of each Fund, the Management Fee Rate may be set by the Manager at any rate up to the Maximum Management Fee Rate provided that the current Management Fee Rate is specified in the Prospectus. Any increase in the Management Fee Rate up to the Maximum Management Fee Rate shall be notified to all Holders of such Fund not less than thirty days before it takes effect. Any increase to the Maximum Management Fee Rate shall be approved by such Holders and shall not take effect until at least ninety days after such approval has been given.

- (F) The Manager may also be entitled to a Performance Fee (if any) which shall be paid out of Scheme Property of the relevant Fund. Any increase in the Performance Fee shall be as detailed in the Fund Deed.
- (G) The Trustee shall in respect of each Fund be entitled to receive out of the Scheme Property remuneration for its services at such rate as shall be agreed between the Manager and the Trustee from time to time and as disclosed in the Prospectus and such remuneration shall be calculated, accrued and be payable in like manner as for the Management Fee receivable by the Manager. Any increase in such remuneration payable to the Trustee shall not take effect until at least ninety days prior notice of such increase has been given to all Holders.
- (H) Notwithstanding any other provision of these presents there may in respect of each Fund be charged to and paid out of the Scheme Property certain costs, charges and expenses (as stipulated in the Class B Rules and Clause 13(H)) which the Manager may determine shall either be amortised in the accounts of such Fund over such period as the Manager shall determine or otherwise be met by the Manager at its own expense and in respect of which the Manager shall be reimbursed by a regular charge against the Scheme Property, or partly one and partly the other, and any such amount either so charged, paid out or amortised, as the case may be, shall be known as "Amortised Expenses" and in respect thereof the following provisions shall apply:
- (i) the costs, charges and expenses incurred in the establishment of the Trust and each Fund shall be Amortised Expenses which at the discretion of the Manager may be apportioned to each Fund provided that the total sum of all such amounts so apportioned do not exceed the total amount of the original costs, charges and expenses so incurred;
  - (ii) the Amortised Expenses described in (i) above shall be declared by the Manager in the Prospectus as not exceeding a prescribed amount to be charged or amortised, as the case may be, over a prescribed period and the Manager may, if it so determines, also declare a prescribed annual amount of such charge or amortised amount as shall be borne by the Scheme Property;
  - (iii) from time to time the Manager with the prior consent of the Trustee may determine that an amount of the costs, charges and expenses incurred in the maintenance and operation of the Trust or of one or more Funds should be allocated to and paid out of the Scheme Property of one or more Funds because in its opinion such amount so incurred was in respect of, or may be of benefit to, such Funds and upon such determination the amount per Fund shall be so allocated and charged or paid provided that the total of all such amounts per Fund shall be disclosed in the next following accounts and reports of the Fund concerned issued pursuant to Clause 19;

- (iv) if pursuant to sub-clause (iii) above the aggregate of any amounts so allocated to any one Fund (and not previously advised to Holders of such Fund) and any new amount to be so allocated would exceed the then current maximum amount set out in the Prospectus then such new amount to be allocated shall not be so allocated until the Manager has given at least thirty days' prior notice of such fact to all Holders of such Fund;
  - (v) all Amortised Expenses shall be charged to Capital Property or Income Property as determined by the Manager in accordance with the Class B Rules; and
  - (vi) notwithstanding any other provision of this Clause when a new Fund is created or an existing Fund is terminated (and there remains Amortised Expenses yet to be charged to or amortised in such Fund) or for any other reason which the Manager considers reasonable the Manager may in respect of any Fund effect an adjustment of the amount of Amortised Expenses to be allocated to such a Fund.
- (I) The Trustee shall be entitled to pay out of the Scheme Property of a Fund all expenses of the kind itemised in rule 2.07 of the Class B Rules and in addition thereto the Trustee shall be entitled to pay out of the Scheme Property any Special Charges and any other expenses, fees or charges as the Manager may reasonably determine (which may include, but not limited to, any asset allocation fees, additional Investment Advisors fees and any similar fees or charges) as specified in the Prospectus.

#### **14. LIABILITY OF THE TRUSTEE AND THE MANAGER**

- (A) Neither the Trustee nor the Manager shall incur liability in respect of any action taken or thing suffered by either of them in good faith in reliance upon any notice, resolution, direction, instruction, consent, certificate, affidavit, statement, certificate of stock, plan or re-organisation or (without prejudice to the generality of the foregoing) other paper or document believed to be genuine and to have been passed, sealed or signed by the proper parties including themselves or their officers.
- (B) Neither the Trustee nor the Manager shall incur liability for doing or (as the case may be) failing to do any act or thing which by reason of any provision of any present or future law or regulation made pursuant thereto or of any decree, order or judgement of any court or by reason of any direction request announcement or similar action (whether of binding legal effect or not) which may be taken or made by any person or body acting with or purporting to exercise the authority of any government (whether legally or otherwise)

either the Trustee or the Manager shall be directed or requested to do or perform or to forbear from doing or performing.

- (C) Any indemnity, release or similar provision expressly given to the Trustee or to the Manager in these presents or by the Class B Rules is in addition to and without prejudice to any indemnity or right of contribution allowed by law.
- (D) If for any reason it becomes impossible or impracticable to carry out the provisions of these presents neither the Trustee nor the Manager shall be under any liability therefor or thereby.

## **15. CONFLICTS OF INTEREST**

- (A) Rule 4.08 of the Class B Rules shall apply hereto as if reference therein to an "associate" included a reference to a "controller" of the Manager or the Trustee or either of them.
- (B) Nothing in these presents contained shall prevent an Interested Party from becoming the owner of Units and holding disposing of or otherwise dealing with the same rights which it would have had if the Trustee and the Manager had not been a party to these presents and an Interested Party may buy, hold and deal in any Investments on its individual account notwithstanding that similar Investments may be held under these presents as part of the Scheme Property. Such Interested Party shall not be liable to account either to other Interested Parties or to the Holders or any of them for any profits or benefits made or derived by or in connection with any such transaction.
- (C) Nothing herein contained shall be construed so as to prevent the Manager and the Trustee in conjunction or the Manager or the Trustee separately from acting as manager or trustee for trusts separate and distinct from the Trust or Funds created hereunder and acting in connection therewith as if they were not party to these presents.
- (D) For the avoidance of doubt, nothing herein contained shall prevent the appointment of, or the delegation of any of the rights of the Trustee or the Manager to, any subsidiary or affiliate of HSBC Holdings plc, a company incorporated in the United Kingdom.

## **16. PROVISIONS CONCERNING THE MANAGER**

- (A)
  - (i) Without limitation, and notwithstanding any other provision in these presents and the Class B Rules, the Manager shall have full power and authority to carry out the functions set out in the Fourth Schedule.
  - (ii) The Manager shall carry out the activities of portfolio management and risk management for and in respect of the Trust and each Fund and notwithstanding any delegation pursuant to Clause 16(B) below, shall retain

full responsibility and oversight for such portfolio and risk management.

- (B) Subject to Clause 16(A) above, the Manager may in the exercise of its duties and functions hereunder delegate its rights, privileges, duties, powers and discretion or any part thereof to such person or persons as may from time to time be appointed by the Manager for such purpose and approved by the Trustee (and subject to the prior approval of the Commission if such approval be so required) and any such person or persons so appointed shall remain subject to the overall policy direction, control and supervision of the Trustee and the Manager.
- (C) The Manager may from time to time appoint such person or persons as it thinks fit (including, without limitation, the Manager, the Trustee or any of their respective connected persons) to act as Administrator of the Trust to provide such administrative services as may be determined by the Manager from time to time (including but not limited to the determination of the Net Asset Value of the Scheme Property and the Net Asset Value Per Unit). The Manager authorises the Administrator or its delegate(s) or agent(s) to use the name of the Trust and sign any necessary letters or other documents for and on behalf of the Trust in the performance of the administrative services. The Administrator so appointed shall be entitled to receive remuneration from the Fund for its services, to include any out of pocket expenses, at a rate to be determined as set out in any applicable administration agreement.
- (D) The Manager shall ensure that the agreement appointing the Administrator requires the Administrator to observe and comply with the relevant terms and provisions of this deed.
- (E) The Manager shall remain resident in Guernsey and save to the extent that it may have delegated its duties and functions to a person or persons carrying on business outside Guernsey (as permitted by these presents and the Class B Rules) the Manager shall carry out all its management duties and functions hereunder in and from Guernsey.
- (F) Subject to Clause 14 and in the absence of fraud or negligence the Manager shall not incur any liability by reason of any error of law or any matter or thing done or suffered or omitted to be done by it in good faith hereunder.
- (G) Subject to Clause 14 the Manager shall not be under any liability except as may be expressly assumed by it under these presents nor shall the Manager (save as herein otherwise appears) be responsible for any misconduct, mistake, oversight, error of judgement, forgetfulness or want of prudence on the part of the Trustee or any such persons acting as agents or advisers of the Trustee or the Manager (including any Investment Advisers).
- (H) The Manager shall indemnify the Trustee against all liabilities, costs, expenses, damages and losses (including but not limited to any direct, indirect or consequential

losses, loss of profit, loss of reputation and all interest, penalties and legal costs) suffered or incurred by the Trustee arising out of or in connection with the Manager's misconduct, mistake, oversight, error of judgement, forgetfulness or want of prudence or any wrongdoing by the Manager.

- (I) In addition to all other obligations imposed and the powers and discretions conferred upon the Manager by these presents the Manager shall at all times comply with and perform the obligations and enjoy the powers and discretions conferred upon it by the Class B Rules.
- (J) The Manager may enter into any derivative transactions (including but not limited to any financial futures transactions, contracts for differences, options credit derivative, swap, spot or forward (including, but not limited to interest rate and currency swaps) or repurchase transactions) and execute such agreement or document relating to such transactions including but not limited to any prime brokerage agreement or derivative agreement (subject to clause 16(K)) as the Manager deems necessary or appropriate provided that for so long as a Fund is authorised, any such derivative transactions entered into on behalf of such Fund shall be subject to the requirements of any applicable code.
- (K) Notwithstanding the investment powers of the Manager under this deed, the Manager shall not enter into any prime brokerage agreement or derivative agreement unless:
  - (i) the Manager gives prior notice of not less than ten Business Days to the Trustee of its intention that such prime brokerage agreement or derivative agreement be entered into and the Trustee reserves the right to request the Manager to provide a copy of the prime brokerage agreement or derivative agreement; and
  - (ii) the Manager must negotiate such prime brokerage agreement or derivative agreement to comply with the requirements in clause 16(L).
- (L) In effecting or negotiating any prime brokerage agreement or derivative agreement to be entered into under this deed, the Manager must comply with the following:
  - (i) such transactions should be on arm's length terms;
  - (ii) the Manager must use due care in the selection of brokers or dealers and ensure that they are suitably qualified in the circumstances;
  - (iii) transaction execution must be consistent with applicable best execution standards;
  - (iv) the fee or commission paid to any such broker or dealer in respect of a transaction must not be greater than that which is payable at the prevailing

- market rate for a transaction of that size and nature;
- (v) the Manager must ensure that such transactions will not (A) subject the relevant Fund, the Trust and/or the Trustee to unlimited liability; or (B) cause the relevant Fund, the Trust and/or the Trustee to assume any liability which is unlimited;
  - (vi) the Manager must ensure that any right of netting or set off under any prime brokerage agreement or derivative agreement shall be limited to the relevant Fund, and the broker or dealer shall not have any right to net or set off amounts owed to or by the Fund against any amounts owed to or by any other Fund or to or by the Trustee acting in its personal capacity or on behalf of any other client or trust;
  - (vii) the Manager must ensure that such transactions entered into on behalf of a Fund are consistent with the Investment Objective of such Fund;
  - (viii) the Manager must monitor such transactions to ensure compliance with its obligations (in respect of a Fund); and
  - (ix) the nature of such transactions and the total commissions and other quantifiable benefits received by such broker or dealer shall be disclosed in the accounts referred to in this deed.
- (M) After executing the prime brokerage agreement or derivative agreement, the Manager shall promptly provide a written confirmation to the Trustee confirming that in effecting or negotiating such prime brokerage agreement or derivative agreement, the Manager has complied with the provisions of clause 16(L).
- (N) When entering into any agreement or document with a third party on behalf of the Trust, the Manager shall limit recourse of the third party to the assets of the Trust.
- (O) In relation to HSBC Custody Services (Guernsey) Limited's appointment as Trustee, should the unit trust(s) (the "**Trust(s)**"), or the Manager on behalf of the Trust(s), wish to enter into derivatives contracts, the Manager will be the entity responsible for identifying the Trust's obligations and ensuring the Trust(s) compliance under Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC Derivatives Transactions, Central Counterparties and Trade Repositories, the related delegated regulations, guidance and other laws, together with any applicable laws, rules or regulations introduced in order to implement EMIR, in each case as may be amended or supplemented from time to time (together "**EMIR**"). The Manager will be solely responsible for ensuring that the Trust(s) complies with its regulatory obligations under EMIR and its contractual obligations to counterparties related to EMIR. The Trustee does not provide any services to the Manager under the terms of this Trust Deed or any associated service level documentation in this regard. In particular the Manager undertakes to

comply with the Trust's regulatory obligations under EMIR and its contractual obligations to counterparties related to EMIR which may include:

- (i) the risk mitigation rules that apply to uncleared derivatives trades;
- (ii) the central clearing of over-the-counter derivatives trades;
- (iii) the reporting of over-the-counter and exchange-traded derivatives trades to a trade repository under EMIR and any other relevant regulation; and
- (iv) mandatory margin requirements for non-centrally cleared derivatives trades.

The Manager will provide the Trustee with such information as the Trustee requires, and cooperate with the Trustee, to enable the Trustee to verify that the Manager is complying with its obligations under EMIR.

## **17. PROVISIONS CONCERNING THE TRUSTEE**

- (A) In exercising its obligations hereunder in respect of a Fund the Trustee may delegate its rights, privileges, powers, duties and functions or any part thereof to such person or persons as may from time to time be appointed by the Trustee for such purpose and approved by the Manager but always in accordance with the provisions of the Law and the Class B Rules.
- (B) If the Trustee with the prior consent of the Manager and the Commission determines that it is appropriate to appoint a body corporate (resident within or without Guernsey) to be a co-trustee of a Fund with the Trustee then the Trustee shall be entitled to make such an appointment on such terms and conditions (including as to powers, duties, rights and liabilities) as the Trustee determines PROVIDED ALWAYS that any such appointment as a co-trustee of a body corporate resident in a country outside of Guernsey shall not be permitted if as a result the Trust or the relevant Fund will become subject to the possible imposition of any taxes, duties, fiscal charges or other expense UNLESS at least thirty days' prior notice of such fact has been given to all Holders of the Trust or such Fund, as the case may be. The appointment of any co-trustees may be terminated on such terms and conditions and with such guarantees and indemnities as the Trustee shall determine.
- (C) The Trustee shall not be under any liability on account of anything done or suffered by the Trustee in good faith in accordance with or in pursuance of any request of the Manager.
- (D) The Trustee shall not incur any liability for any loss resulting from events beyond the Trustee's reasonable control.
- (E) In addition to all other obligations imposed and the powers and discretion conferred

upon the Trustee by these provisions the Trustee shall at all times comply with and perform the obligations and enjoy the powers and discretions conferred upon it by the Class B Rules.

- (F) The Trustee may accept as sufficient evidence of the value of any Investment or foreign currency or any stock exchange quotation or dealing price of or any other matter within his competence a certificate by a broker or other person deemed by the Trustee qualified to value such items.
- (G) The Trustee and its connected parties shall be entitled to buy, hold and deal in any investments and enter into any contract or agreement in its capacity as a custodian, administrator, banker, or any other counterparty as the case may be and shall be entitled to retain for its own use and benefit all and any profits received.
  - (i) The Trustee may act upon any advice of or information obtained from the Manager or any bankers, accountants, brokers, lawyers, agents, consultant or other persons acting as agents or advisers of the Trustee or the Manager and the Trustee shall not be liable for anything done or omitted or suffered in good faith in reliance upon such advice or information.
  - (ii) Subject to Clause 14 the Trustee shall not be under any liability except as may be expressly assumed by it under these presents nor shall the Trustee (save as herein otherwise appears) be responsible for any misconduct, mistake, oversight, error of judgement, forgetfulness or want of prudence on the part of the Manager or any such persons acting as agents, advisers or delegates of the Manager or the Trustee (including any Investment Adviser).
- (H) Except if and so far as herein otherwise expressly provided the Trustee shall as regards all the trusts, powers, authorities and discretions vested in it have absolute and uncontrolled discretion as to the exercise thereof whether in relation to the manner of or as to the time for the exercise thereof and in the absence of fraud, gross negligence or wilful misconduct the Trustee shall not be in any way responsible for any indirect, special or consequential loss, costs, damages or inconvenience that may result from the exercise or non-exercise thereof except as provided by the Class B Rules and the Law and the rules and regulations made thereunder.
- (I) Nothing herein contained shall prevent the Trustee from at any time contracting or entering into any financial, banking, insurance or other transaction with the Manager or any Holder or any company or body for any part of the Scheme Property or from being interested in any such contract or transaction or from holding any shares or any investments in any such company or body and the Trustee shall not be liable to account either to the Manager or to the Holders or any of them for any profits or benefits made or derived by the Trustee thereby or in connection therewith.

- (J) The Trustee may from time to time appoint or approve the appointment of such person or persons as it thinks fit (including, without limitation, the Manager, the Trustee or any of their respective connected persons) to act as custodian and delegates of the Trust to provide such custodian and delegated services as may be determined by the Trustee from time to time.
- (K) The Trustee shall not incur any liability for the acts or omissions of any custodians or delegates which are not connected parties of the Trustee provided that it has exercised reasonable care and diligence in the selection, appointment and ongoing monitoring of any such custodian or delegates and is satisfied that they remain suitably qualified and competent to provide the relevant service.
- (L) In no event shall the Trustee be bound to make any payment to any Holder except out of property held by it or paid to it for that purpose.
- (M) The Trustee shall not be under any obligation to institute, appear in prosecute or defend any action, suit, proceedings, arbitration or enquiry in respect of the provisions hereof or in respect of the Scheme Property of a Fund or any part thereof or any corporate or unitholder's action which in its opinion would or might involve it in expense or liability unless the Manager shall so request in writing and shall so often as required by the Trustee furnish it with an indemnity satisfactory to it against any such expense or liability.
- (N) Subject as herein provided the Trustee shall be entitled for the purpose of indemnity against any actions, costs, claims, damages, expenses or demands to which it may be put as Trustee to have recourse to the Scheme Property in respect of which the action, cost, claim, damage, expenses or demand arose or any part thereof other than those caused by its fraud, wilful default or negligence.
- (O) Before making any distribution or other payment in respect of any Unit or in respect of the Management Fee the Trustee may make such deductions as by the law of Guernsey or of any other country in which such payment or distribution is to be made the Trustee is required or entitled to make in respect of any income or other taxes, charges or assessments whatsoever and the Trustee may also deduct the amount of any stamp duties or other governmental taxes or charges payable by it or for which it might be liable in respect of such distribution or any documents signed by it or by a Holder or his agent in connection therewith notwithstanding that it may not be recoverable by or from the Trustee or any Holder or that payment shall not be to the advantage of the Trustee or any Holder. The Trustee may reimburse or indemnify any person, whether or not a Holder, who shall have paid any tax or who may be liable for any tax provided the Trustee or the Holder would also or otherwise be liable for such tax.
- (P) The Trustee shall not incur any liability in the event that the Trust fails to comply with any applicable distribution laws or regulations.

- (Q) The Trustee shall not be responsible for acting upon any resolution purporting to have been passed at any meeting of the Holders of a Fund even though it may be subsequently found that there was some defect in the constitution of the meeting or the passing of the resolution or that for any reason the resolution was not binding upon all the Holders of that Fund.
- (R) The Trustee shall not be responsible for verifying or checking any valuation of the Scheme Property of a Fund or any calculation of the prices at which Units are to be issued or redeemed by the Manager except as required by the Class B Rules.
- (S) Subject to any applicable regulatory restrictions, the Trustee shall comply with HSBC group policy on the prevention of money laundering and Countering Financial Crime and Terrorist Financing and shall not be liable for any loss suffered except in the case of negligence, willful default or fraud of the Trustee or its connected parties.
- (T) The Trustee shall be at liberty to provide trustee services to any other person or persons as it may think fit and shall not be under any duty to disclose to the Manager any information obtained in providing trustee services to any other person or persons.
- (U) In connection with the HSBC Group's commitment to comply with all applicable sanctions regimes, the Trustee and any affiliate or subsidiary of HSBC may take any action in its sole and absolute discretion that it considers appropriate to comply with any law, regulation, request of a public or regulatory authority, any agreement between any member of HSBC Group and any government authority or any HSBC Group policy that relates to the prevention of fraud, money laundering, terrorism, tax evasion, evasion of economic or trade sanctions or other criminal activities (collectively the "**Relevant Requirements**"). Such action may (i) include, but is not limited to, screening, intercepting and investigating any transaction, instruction or communication, including the source of, or intended recipient of, funds; (ii) delaying or preventing the processing of instructions or transactions or the Trustee's or any of its delegate's performance of its respective obligations under this deed; (iii) the blocking of any payment or (iv) requiring the Manager to enter into a financial crime compliance representations letter from time to time in a form and substance acceptable to the HSBC Group. Where possible and permitted, the Trustee will endeavour to notify the Manager of the existence of such circumstances. To the extent permissible by law, neither the Trustee nor any member of the HSBC Group will be liable for loss (whether direct or consequential and including, without limitation, loss of profit or interest/however it arose) or damage suffered by any party arising out of, or caused in whole or in part by, any actions that are taken by the Trustee, any of its delegate or any other member of the HSBC Group to comply with any Relevant Requirement. In this Clause 17(U) HSBC Group means HSBC Holdings plc together with its subsidiary undertakings from time to time.

- (V) The Trustee may, without assuming any obligation or duty to supervise any activity of the Manager, for its own benefit and protection, at any time and from time to time without having any obligation to consider the interests of Unitholders and without being liable to any Unitholders for so doing:
- (i) revoke the appointment of the Manager as its attorney or require the Manager to terminate the appointment of any person appointed by the Manager to provide custodian or delegated services in respect of the Trust from time to time;
  - (ii) prohibit the Manager from making any particular Investment or classes of Investment or from making deposits in any particular geographical area or with any person, firm or company;
  - (iii) require the Manager to sell any Investment or class of Investments or other property or assets or (subject to the availability of funds) to purchase any Investment or class of Investments or other property or assets or to make deposits with any particular person, firm or company;
  - (iv) (subject to the provisions of this Deed) redefine the investment objectives and policies, of the Trust and specify the manner in which the Manager shall carry out such policies;
  - (v) require the Manager to submit for approval by the Trustee the means by which the Manager proposes to implement the investment policies of the Trust; and
  - (vi) invest or procure the investment of any part of any Trust Fund in any other funds or accounts managed by the Trustee, the Manager or any of their respective Affiliates or any other member of their group.
- (W) The Trustee shall have no obligation to exercise its powers under Clause (W) even if doing so would be in the best interests of the Unitholders.

## **18. PROVISIONS CONCERNING THE MANAGER AND THE TRUSTEE**

- (A) Neither the Manager nor the Trustee shall be responsible for the authenticity of any signature on or any seal affixed to any transfer or form of application endorsement or other document affecting the title to or transmission of Units or of Investments or be in any way liable for any forged or unauthorised signature on or seal affixed to such endorsement, transfer or other document or for acting on or giving effect to any such forged or unauthorised signature or seal.
- (B) Neither the Manager nor the Trustee shall be liable to account to any Holder or otherwise for any payment made or suffered in good faith to any duly empowered fiscal authority of Guernsey or elsewhere for taxes or other charges in any way

arising out of or relating to any transaction of whatsoever nature under these presents notwithstanding that any such payments ought not to or need not have been made or suffered.

- (C) Neither the Manager nor the Trustee shall be responsible or liable to any Holder for any loss, claim or liability arising from the acts or omissions of the Administrator.
- (D) The Trustee or the Manager at the request of the Trustee shall (subject as hereinafter provided) be entitled to destroy (i) all instruments of transfer which have been registered at any time after the expiration of 10 years (or such other period as prescribed by any policy to which either the Trustee or the Manager is subject) from the date of registration thereof (ii) all distribution mandates which have been cancelled at any time after the expiration of 10 years (or such other period as prescribed by any policy to which either the Trustee or the Manager is subject) from the date of cancellation thereof (iii) all notifications of change of address after the expiration of 10 years (or such other period as prescribed by any policy to which either the Trustee or the Manager is subject) from the date of the recording thereof (iv) all forms of proxy in respect of any meeting of Holders 10 years (or such other period as prescribed by any policy to which either the Trustee or the Manager is subject) from the date of the Meeting at which the same are used and (v) all registers, statements and other records and documents relating to the Trust and a Fund at any time after the expiration of 10 years (or such other period as prescribed by any policy to which either the Trustee or the Manager is subject) from the date on which they were produced. Neither the Trustee nor the Manager shall be under any liability whatsoever in consequence thereof and unless the contrary be proved every instrument of transfer so destroyed shall be deemed to have been a valid and effective instrument duly and properly registered and every document herein before mentioned so destroyed shall be deemed to have been a valid and effective document in accordance with the recorded particulars thereof.

PROVIDED ALWAYS THAT:

- (i) the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;
- (ii) nothing in this sub-clause shall be construed as imposing upon the Trustee or the Manager any liability in respect of the destruction of any document earlier than as aforesaid or in any case where the conditions of proviso (i) above are not fulfilled;
- (iii) references herein to the destruction of any document include references to the disposal thereof in any manner;
- (iv) the provisions aforesaid shall not apply to any documents expressly excluded by the Manager by notice in writing to the Trustee.

## **19. ACCOUNTS AND REPORTS OF A FUND**

- (A) The Manager shall cause to be kept such books of accounts as are necessary in relation to the conduct of the Trust and of each Fund or as are required by the Law or the Class B Rules and shall prepare such reports and accounts as are required by and in accordance with the Class B Rules.
- (B) A copy of the annual reports and accounts as required by the Law and Class B Rules shall be sent by email to each Holder in accordance with the Class B Rules within six months next following the relevant Accounting Date provided that this Clause shall not require a copy of these documents to be sent to more than one of joint Holders.

## **20. RETIREMENT OF TRUSTEE AND MANAGER**

- (A) The provisions of the Class B Rules as regards the replacement and retirement of a trustee and a manager shall apply herein to the replacement and retirement of the Trustee and the Manager SAVE THAT the full extent of such provisions shall not apply to the appointment of a body corporate as a joint trustee together with the Trustee hereof in respect of a Fund pursuant to Clause 17(B).
- (B) Upon the removal or retirement of the Manager, the Manager will deliver to the Trustee, if so requested, accounts, records and all or any other documents the Trustee deems appropriate. Any documentation requested in accordance with this clause 20(B) shall be provided to the Trustee within 10 Business Days of such request.

## **21. TERMINATION OF THE TRUST AND OF A FUND**

- (A) The Trust and a Fund shall be wound up in the circumstances described in the Class B Rules. The Trust shall not be terminated until all Funds have been terminated in accordance herewith and, subject thereto, the Trust shall be terminated in such manner as the Manager and Trustee shall determine. Subject to the provisions of this Clause 21 the provisions of the Class B Rules as regarding termination of a scheme shall apply to the termination of a Fund.
- (B) The Trust and all Funds may be terminated by the Trustee by notice in writing to Holders in the following events:
  - (i) if the Manager shall go into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or if a receiver is appointed over any of its assets or if it shall cease business;
  - (ii) if, in the opinion of the Trustee, the Manager shall be incapable of performing or fails to perform its duties satisfactorily or shall do any other thing which in

the opinion of the Trustee is calculated to bring the Trust or a Fund into disrepute or to be harmful to the interests of the Holders;

- (iii) if the Trustee is desirous of retiring and a new Trustee has not been appointed as provided by Clause 20 within six months after the Manager has been notified of such desire.

The decision of the Trustee in any of the events specified in this sub-clause shall be final and binding upon all the parties concerned but the Trustee shall be under no liability on account of any failure to terminate a Fund pursuant to this Clause or otherwise. The Manager shall accept the decision of the Trustee and relieve the Trustee of any liability to it therefor and hold it harmless from any claims whatsoever on its part for damages or for any other relief.

- (C) A Fund may be terminated by the Manager in its absolute discretion if any law or requirement renders it illegal or in the opinion of the Manager it is impracticable or inadvisable to continue the Fund. The Managers decision shall be final and binding on all the parties concerned.
- (D) The party terminating a Fund shall give notice thereof to the Holders of the Fund concerned and by such notice fix the date at which such termination is to take effect which date shall be at least 30 days after the service of such notice.

## **22. LIQUIDATION**

- (A) Upon a determination or requirement that a Fund be terminated the Trustee shall proceed to liquidate in an orderly manner the Scheme Property of the relevant Fund as follows:
  - (i) The Trustee shall realise all Investments then remaining in the Scheme Property of a Fund and shall repay all borrowings.
  - (ii) Subject to the prior agreement of the Manager, the Trustee shall be entitled to retain sufficient cash as full provision for all costs, taxes, charges, expenses, claims and demands incurred made or apprehended by the Trustee or the Manager in connection with or arising out of the operation of the Fund or its liquidation and termination and out of the cash so retained the Trustee and the Manager shall be indemnified and saved harmless against any and all such costs, taxes, charges, expenses, claims and demands; and
  - (iii) subject to the provisions of paragraphs (i) and (ii) of this Clause 22(A), the Trustee shall then determine as at a particular date the amount per Unit to be distributed to each Holder *pro rata* to their respective holding of Units provided that if the Trustee so determines the amount per Unit may be represented by both cash and/or Investments and be distributed by transfer

*in specie* to each such Holder in satisfaction of their proportionate entitlements.

- (B) Upon determination of the final distribution to all Holders such amount shall be transferred to a Distribution Account and the Fund (subject to sub-clause (D) below) shall be deemed to then be terminated and the Trustee shall hold such monies remaining standing to the credit of such Distribution Account in accordance with the terms of this Clause as hereinafter provided.
- (C) The Trustee as trustee of the Trust shall hold all unclaimed net proceeds of all distributions of a Fund made pursuant to sub-clause (A) and (B) above, subject as provided below, as bare trustee for the Holders entitled thereto until such time as such monies shall be claimed by them and if such monies shall be standing to the credit of a deposit account any interest earned thereon shall be paid to the Trustee for its own account. Any such monies remaining unclaimed by a Holder after the expiration of six years from the date upon which the same first became payable shall be treated as abandoned and shall be paid to the Manager as its own property subject to the right of the Trustee to deduct therefrom any interest as aforesaid and any expenses it may incur in carrying out this provision and any Holder who fails to claim within the aforesaid period shall be deemed to have irrevocably waived all rights to such proceeds.
- (D) In respect of any cash or Investments held by the Trustee under the provisions of sub-clause (A) (ii) above which have not been used or required to meet any costs, taxes, charges, expenses, claims or demands referred to therein and remaining unclaimed or not required at the expiration of six years from the date of the final distribution to Holders (or such lesser period or periods as the Manager and the Trustee may reasonably determine) the Trustee shall distribute the same to all Holders in like manner as provided for in sub-clause (A) (ii) above provided that should the total amount of a payment due to a Holder be less than \$100 no such payment need be made and, subject thereto, any balance not distributed or any distribution made but remaining unclaimed after the expiration of 12 months from the date of such distribution shall be treated as abandoned and shall be paid to the Manager as its own property subject to the right of the Trustee to deduct therefrom any expenses it may incur in carrying out this provision.

## **23. NOTICES**

- (A) Any notice or document required to be served upon or sent to a Holder shall be deemed to have been duly given or served if sent by post to or left at his address as appearing in the Register.
- (B) Any notice or documents (including a cheque or warrant) sent by post to any Holder or his agent shall be sent at the risk of the person entitled thereto.
- (C) Service of a notice or document on, or delivery of any notice or document to, any

one of several joint Holders shall be deemed service on, or delivery to, all other joint Holders.

#### **24. MODIFICATION OF THIS DEED OR A FUND DEED**

- (A) The Trustee and the Manager shall be entitled by a supplemental deed to modify, alter, add to or replace the provisions of this Trust or any Fund in such manner and to such extent as they may consider expedient for any purpose provided that such modification, alteration, addition or replacement does not materially prejudice the interest of Holders of the Trust or such Fund, as the case may be and does not operate to release the Trustee or the Manager from any responsibility to such Holders to a material extent.
- (B) If a modification, alteration, addition or replacement of any of the provisions of the Trust or any Fund materially prejudices the interest of Holders of the Trust or such Fund, as the case may be, or operates to release the Trustee or Manager from any responsibility to the Holders, then it must be made with the sanction of a Resolution of a meeting of Holders.
- (C) The Manager is prohibited from entering into a side letter or any other document with investors whereby the terms of this deed or the Prospectus is varied.

#### **25. REGULATORY CHANGES**

- (A) The Trustee and the Manager acknowledge the existence of the worldwide investment management regulatory, tax reporting and disclosure and transparency climate in which they operate which may, during the term of the Trust, cause the Trust, the Manager and/or any of their Affiliates to become subject to additional and/or amended legislation and regulations relating to the supervision or operation of investment funds ("Regulatory Changes"). To the extent not already permitted pursuant to clause 23(A), (i) the Trustee and the Manager agree to amend this Trust Deed as soon as reasonably practicable following any Regulatory Change that the Manager reasonably determines is not compatible with this Trust Deed or has a material adverse effect on the Trust, the Trustee, the Manager and/or any of their Affiliates, and (ii) the Trust shall bear its reasonable allocable portion of the costs in relation to the implementation of changes necessitated by and compliance with any Regulatory Change (as determined by the Manager).

#### **26. ELIGIBLE INVESTOR AND COMPULSORY REDEMPTIONS**

- (A) The Manager shall restrict or prevent the holding of any Units by any person who is not an Eligible Investor and for such purpose the Manager or the Trustee, as the case may be, may decline to issue any Unit and decline to register any transfer of

a Unit where such issue or registration would result in the holding of such Unit(s) by any such person.

- (B) If it shall come to the attention of the Manager that any Units of a Fund are held by any person who is not an Eligible Investor the Manager shall, as soon as possible thereafter, give notice to such person requiring him either to transfer the Units to an Eligible Investor in accordance with Clause 5 or to realise the Units in accordance with Clause 8. If any person upon whom a notice is served pursuant to this sub-clause does not within 30 days after the date of such notice either transfer or realise the Units as aforesaid or establish to the satisfaction of the Manager (whose judgement shall be final and binding) that he is an Eligible Investor in respect thereof, the Manager may deem such person, upon the expiration of such 30 days, to have given a request in writing for the realisation of all Units in respect of which he is not an Eligible Investor pursuant to Clause 8.
- (C) A Holder of Units who becomes aware that he is not an Eligible Investor shall forthwith, unless he has already received a notice pursuant to paragraph (B) above, either transfer all such Units to an Eligible Investor in accordance with Clause 5 or give a request in writing for the realisation of all Units in respect of which he is not an Eligible Investor or so transfer some and give such a request in respect of the remainder.
- (D) Notwithstanding the foregoing the Manager may at its absolute discretion determine to, or if instructed so to do by the Trustee at its absolute discretion, compulsorily redeem Units by notice in writing served on the relevant Holder who shall upon Issue by the Manager of such notice be deemed to have given a request in writing for the realisation of all such Units pursuant to Clause 8.
- (E) In the event of the compulsory redemption of Units pursuant to the provisions of this Clause 26 the Manager may either pay the redemption proceeds in accordance with Clause 8 or deposit such redemption proceeds with a bank in Guernsey or elsewhere in an account in the name of Holder.
  - (i) The exercise by the Trustee or the Manager of the powers conferred by this Clause 26 shall not be questioned or invalidated provided that the said powers shall have been exercised in good faith.
  - (ii) Notwithstanding anything contained in these presents neither the Manager nor the Trustee shall incur any liability to any Holder as a result of any person becoming or remaining a Holder at a time when such person is not an Eligible Investor.
- (F) The Manager may compulsorily redeem Units by notice in writing to the relevant Holder who shall upon issue by the Manager of such notice be deemed to have been given a request in writing for realisation of all such Units pursuant to Clause 8 in circumstances where the Manager or the Trustee consider that a Fund

or the Trust or any Holder of Units therein may be likely to suffer a tax or pecuniary disadvantage, or to avoid a Fund or the Trust being required to register under the Investment Company Act of 1940 of the United States of America as amended, or where Units are or may be held by a person in breach of any law or requirement of any country or governmental authority or where, in their absolute discretion, either the Manager or Trustee determine that the compulsory redemption of a particular holding of Units is in the best interest of the Trust or of a Fund or of any Holder or otherwise and upon such determination neither the Manager nor the Trustee need disclose to any other party including the relevant Holder the reason for such determination.

## **27. MODIFICATION OF RIGHTS**

- (A) The Manager may at any time confer on the Holders in a Fund such further rights or privileges in addition to those already conferred by these presents as it may think fit without conferring such rights or privileges generally on the Holders of any other Fund.
- (B) Subject to sub-clause (A) of this Clause the special rights attached to any type of Unit or the Units of any Fund having preferential rights shall (unless otherwise expressly provided by the conditions of issue of such Units) be deemed not to be varied by:
  - (i) the creation or issue of further Units ranking *pari passu* therewith; or
  - (ii) the creation or issue of any other type of Units in the same Fund; or
  - (iii) the creation of any additional Fund and the issue of Units of any type therein.

## **28. MEETINGS OF HOLDERS**

- (A) The provisions of Part 7 of the Class B Rules relating to meetings of holders shall apply to meetings of Holders of Units in a Fund and of the Trust as a whole. No such meeting shall be held in the United Kingdom.
- (B) For the purpose of rule 7.01(2) of the Class B Rules the number of Holders of a Fund or of the Trust as a whole as shall be required to request the Manager to convene a meeting of Holders shall be a minimum of five in number holding Units carrying in aggregate at least ten per cent, of the aggregate voting rights of Units of the Fund or of the Trust as the whole deemed to be in issue on the day such request is delivered to the Manager.
- (C) For the purpose of rule 7.04(1) of the Class B Rules the quorum at a meeting of Holders of a Fund or of the Trust as a whole shall be those Holders present in person or by proxy.
- (D) The Manager shall nominate the Chairman of each such meeting and if such person

appointed is not present within 15 minutes of the stated time for the commencement of such meeting the persons present and so entitled to be present may by a majority show of hands elect one of their number to be the Chairman. The Chairman shall have power to conduct the meeting in such manner as he deems fit unless otherwise directed by the meeting. Any resolution or issue put to the vote shall be decided by a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by the Chairman or by one or more of the Holders present in person or by proxy.

- (E) On a show of hands every Holder entitled to attend and vote who (being an individual) is present in person or (being a corporation) is present by one or more of its officers or an agent as its proxy shall have one vote. On a poll every Holder entitled to attend and vote who is present in person or by proxy shall have one vote for every undivided share of the Scheme Property represented by each Unit of which they are a Holder. A person entitled to more than one vote need not use all his votes or cast them all the same way. In the case of joint Holders the first named of such joint Holders in the Register entitled to attend and vote who is present in person or by proxy shall be deemed the Holder thereof who may cast a vote either by a show of hand or on a poll.
- (F) Where one Fund (the "**Investor Fund**") invests in the Units of another Fund (the "**Receiving Fund**") the Investor Fund shall not exercise any voting rights in respect of its holding in the Receiving Fund.
- (G) The instrument appointing a proxy shall be in such format as the Manager shall determine and a copy thereof shall be issued along with every notice of meeting of Holders that is issued. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the power of attorney or other authority under which the proxy was signed or the transfer of Units in respect of which the proxy is given provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received at the place appointed for the deposit of proxies or if no such place is appointed at the registered office of the Trustee before the commencement of the meeting or adjourned meeting at which the proxy is used.
- (H) Rule 7.06 of the Class B Rules shall apply to such meeting and a Resolution passed by the Holders of a Fund shall be binding upon all Holders of that Fund whether present or not present at the meeting and each of such Holders of that Fund and the Manager, the Trustee, and any delegate of the Manager and the Trustee shall be bound to give effect thereto accordingly.
- (I) For the purpose of this Clause 28 and in any circumstance where a procedure or a formality is not described herein or is questioned at such a meeting the matter shall be decided on by the Trustee at its absolute discretion and the decision of the

Trustee shall be binding on all Holders.

- (J) In accordance with Rule 7.06(2) of the Class B Rules, a Resolution may be approved as a written resolution if it is passed by Holders representing a simple majority of the total voting rights of Holders eligible to vote.

**29. PROPER LAW AND EXCLUSION**

- (A) These presents shall in all respects be governed by and in accordance with the laws and custom of Guernsey and the parties to these presents and the Holders accordingly agree to submit to the non-exclusive jurisdiction of the Courts of Guernsey.
- (B) Sections 23(b), 24, 26, 29 and 39(1) of the Trusts (Guernsey) Law, 2007 shall not apply hereto and all or any of the liabilities or obligations imposed on the Trustee by all or any of such provisions or order are hereby negated and excluded and shall have no application to the Trust, each Fund, the Trustee, the Manager or hereto.

**IN WITNESS WHEREOF** this Deed has been entered into the day and year first above written.

Executed for and on behalf of **HSBC MANAGEMENT (GUERNSEY) LIMITED**

.....  
Director

.....  
Director

Executed for and on behalf of **HSBC CUSTODY SERVICES (GUERNSEY) LIMITED**

.....  
Director

.....  
Director

## THE FIRST SCHEDULE

A Fund shall be created by the Manager and the Trustee hereof executing a Fund Deed pursuant to the provisions of Clause 6(B) and each Fund shall have the attributes set out in its Fund Deed, substantially in the form set out hereafter in this schedule but subject to such modification, alteration or addition as the Manager and the Trustee shall deem appropriate.

"**THIS DEED** is made on [ ] 20[ ]

### BETWEEN

- (1) **HSBC MANAGEMENT (GUERNSEY) LIMITED** whose registered office is situate at Arnold House, St Julian's Avenue, St Peter Port, Guernsey, GY1 1WA (the "**Manager**") of the one part; and
- (2) **HSBC CUSTODY SERVICES (GUERNSEY) LIMITED** whose registered office is situate at Arnold House, St Julian's Avenue, St Peter Port, Guernsey, GY1 3NF (the "**Trustee**") of the other part.

### WHEREAS:

- (A) An umbrella unit trust with the name HSBC Portfolio Selection Fund (the "**Trust**") is constituted by an amended and restated unit trust deed between the Manager and Trustee dated [ ] 2020 (the "**Trust Deed**").
- (B) Pursuant to the terms of clause 6(B) of the Trust Deed the parties thereto have the power to establish one or more sub-funds of the Trust (each defined in the Trust Deed as a "**Fund**").
- (C) The Manager and the Trustee wish to create a new Fund in accordance with the terms and provisions of the Trust Deed and the terms and provisions hereof.

### NOW IT IS HEREBY AGREED AND DECLARED as follows:

1. Unless the context otherwise requires or unless defined in this deed the words or expressions defined in the Trust Deed have the same meaning herein as they have therein and the following words or expressions shall have the following meanings:

"**Fund Deed**" means this deed; and

this "**Fund**" means the sub-fund of the Trust created by this Fund Deed.

The headings herein are for convenience only and shall not affect the construction

hereof.

## **CREATION OF FUND**

2. To clause 6(B) of the Trust Deed the Manager and the Trustee Pursuant hereby resolve to create a new Fund to be known by the name [ ] or by such other name as the Manager shall determine and whereas the Trust Deed provides that certain information concerning a Fund shall be specified in its Fund Deed, in respect of this Fund the following terms referred to in the Trust Deed shall have the following meanings:

**"Accounting Date"** shall be the last Dealing Day in [ ] of each year commencing in [YY];

**"Allotment Day"** shall be the [ ] Business Day immediately following the Valuation Point for each Dealing Day;

**"Base Currency"** shall be the [ ];

**"Distribution Date"** shall be the [ ];

**"Maximum Management Fee Rate"** shall be [ ] per cent.;

**"Minimum Holding"** shall be [ ];and

**"Performance Fee"** shall be [ ].

## **ADHERENCE TO THE TRUST DEED**

1. Unless the context shall otherwise require and subject to the terms and provisions herein contained all the terms and provisions of the Trust Deed creating the Trust shall be incorporated herein *mutatis mutandis* and the Trustee and Manager shall be bound by and comply with and have the benefits thereof and hereof in respect of this Fund.

## **INITIAL LAUNCH PERIOD**

(A) As referred to in Clause 7 of the Trust Deed:

- (i) the initial period during which Units of this Fund may be offered for sale by the Manager shall commence any time after the date hereof as the Manager shall determine;

- (ii) the initial price of a Unit during such period shall be [ ] and for the purpose of the initial offer period only the Issue Price shall be the same;
- (iii) the Net Asset Value Per Unit shall be calculated to [ ] decimal places.

**PROPER LAW AND EXCLUSION**

- (A) This Fund Deed shall in all respects be governed by and in accordance with the laws of Guernsey and the parties to these presents and the Holders of Units in this Fund accordingly agree to submit to the non-exclusive jurisdiction of the Courts of Guernsey.
- (B) Sections 23(b), 24, 26, 29 and 39(1) of the Trusts (Guernsey) Law, 2007 shall not apply to this Fund and all or any of the liabilities or obligations imposed on the Trustee by all or any of such provisions or order are hereby negated and excluded and shall have no application to this Fund, the Trustee the Manager or hereto.

**IN WITNESS WHEREOF** this Deed has been entered into the day and year first above written. Executed for and on behalf of **HSBC Management (Guernsey) Limited**

\_\_\_\_\_ Director

\_\_\_\_\_ Director

Executed for and on behalf of **HSBC Custody Services (Guernsey) Limited**

\_\_\_\_\_ Director

\_\_\_\_\_ Director

## THE SECOND SCHEDULE

### DEFINITIONS

1. "Investment" means: securities or assets including, but not limited to, stocks, shares, debentures, debenture stocks, units, sub-units or units in a unit trust or collective investment scheme or comparable scheme, participation in a mutual fund, convertible bonds, loan stock, bonds, notes, certificates of deposit, short-term paper, commercial paper and treasury bills issued by or under the guarantee of any body (whether companies, supranational bodies or any government or political sub-division or taxing authority thereof or local authority therein); warrants or rights; and provided they have been freely traded for at least six months on a recognised market or exchange or forum acceptable to the Manager, index or currency futures contracts, currency forward contracts, contracts for differences, stock or interest rate futures contracts or forward contracts, and options on such contracts and other derivative instruments; commodities and bullion; and unless the context otherwise provides, may include a Unit in a Fund and all forms of monetary deposit in the Base Currency or some other currency and whether such deposit or the purchase of such instrument be of a fixed or floating term or nature; whether paying interest or dividends or not and whether involving liability or dividends or not and including options or rights in respect of such securities or instruments and all other forms of property, real or personal, and all other forms of security medium together with any reference made to investments in the Prospectus; and in this definition the words "securities", "assets", "investments" and "instruments" shall be given the widest possible construction and shall include anything the Manager considers a "security", "asset", "investment" or "instrument" that could reasonably fall within the generality of the above description. Such Investments shall not be restricted to investments authorised by law (if any) for the investment of trust funds and so that the Manager shall (subject as aforesaid) have the same powers of making realising and transposing investments as if it were the absolute beneficial owner of the Scheme Property provided that (without prejudice to the right to make deposits with or to acquire certificates of deposit issued by or banking instruments of Interested Parties) no investment made hereunder shall be prohibited from including any shares or units in or debentures or other securities or instruments issued by an Interested Party.

### RULES AS TO DETERMINATION OF NET ASSET VALUE OF THE SCHEME PROPERTY

2. The Net Asset Value of the Scheme Property shall be determined by the Manager deducting the total liabilities from the total assets of the Scheme Property.

For the purpose of establishing the Net Asset Value of the Scheme Property:

The assets of the Fund shall include:

- (i) all Investments owned or contracted for by the Fund;
- (ii) all cash on hand, on loan, on deposit or on call (including any interest accrued thereon);
- (iii) all cash payments due, or other property transferable, to the Fund on the issue of any Units allotted or provisionally allotted;
- (iv) all bills, demand notes, promissory notes and accounts receivable;
- (v) interest accrued on interest bearing Investments of the Fund except insofar as such interest is reflected in the valuation adopted by the Manager of some other asset of the Fund;
- (vi) the Amortised Expenses of the Fund, the expenses of any Prospectus and the expenses of obtaining a listing for Units on any stock exchange insofar as (in each case) they have not been amortised; and
- (vii) all other assets of any kind, including prepaid expenses, as valued and defined from time to time by the Manager.

The liabilities of each Fund shall be deemed to include all its liabilities (including such amount as the Manager determines to provide in respect of contingent liabilities) of whatsoever kind and nature. In determining the amount of such liabilities the Manager may calculate any liabilities on an estimated figure for yearly or other periods in advance and accrue the same in equal proportions over any such period.

3. The Scheme Property shall be valued as at the relevant Valuation Point for each Dealing Day on the following rules:

- (a) bank deposits shall be valued at their principal amount plus accrued interest from the date of deposit;
- (b) securities listed or quoted on a Securities Market shall be valued on a Bid basis. All valuations of securities shall be made at the latest available prices on the relevant Securities Market at the relevant Valuation Point provided always that if such assets shall be listed or dealt in upon more than one Securities Market the Manager may in its discretion select one such Securities Market for the foregoing purposes;
- (c) other Investments shall be valued on a Bid basis plus accrued income if this is not included in the market value;
- (d) the value of any cash on hand or on deposit and accounts receivable, pre-

paid expenses, dividend and interest declared or accrued and not yet payable shall be deemed to be the full amount thereof, plus accrued interest where applicable, unless the Manager shall have determined that any asset is not worth such amount, in which case such asset shall be valued at the Manager's estimate of its reasonable value;

- (e) liabilities, including accrued expenses, shall be taken into account at full value.

provided that if in the case of any Investment of the Fund the Manager at any time considers that the above basis of valuation is inapplicable or that the value determined in accordance with the foregoing principles is unequitable for Holders it shall be entitled to substitute what in its opinion is a fair value and in particular but without prejudice to the generality of the foregoing may deem any amounts of accrued interest which form part of the Net Asset Value of the Fund to be included in the Income Property of the Fund.

- (f) Notwithstanding the above rules of valuation, if an asset is realised or contracted to be realised for a known price, the net proceeds of such realisation (subject to adjustment for delayed receipt, where appropriate) shall be taken in lieu of any value for the asset concerned.
- (g) Notwithstanding the above provisions, the Manager may in its discretion determine to calculate the Net Asset Value on such basis as it decides taking into account the provisions of this paragraph 3 but without prejudice to the foregoing may adjust the Net Asset Value of a Fund to take into account or make provision for any charges or expenses incurred in investing or realising any Investments.

#### **DETERMINATION OF NET ASSET VALUE PER UNIT**

4. The Net Asset Value Per Unit as at the relevant Valuation Point shall be calculated by taking the Net Asset Value of the Scheme Property (calculated in accordance with paragraph 3 above) and dividing the Net Asset Value by the number of Units of the Fund deemed to be in issue immediately prior to such Valuation Point.

### THE THIRD SCHEDULE

Subject to any requisite consents from the competent authorities and any statutory requirements for the time being in force and to the terms and conditions hereinafter provided the Trustee shall at any time at the request of the Manager procure the incorporation of one or more companies or otherwise take possession of the whole of the issued share capital of one or more companies (each a "**Company**") and stand possessed of the same as part of the Scheme Property of a Fund upon trust for the benefit of the Holders of such Fund and in relation thereto the following provisions shall apply:

1. A Company shall be incorporated in such jurisdiction as the Manager shall determine to allow investments of the Scheme Property made on behalf of the Fund to be held by such Company (which is an underlying investment holding company), or to be held by the custodians appointed by such Company on such Company's behalf.
2. The Manager may instruct the Trustee to transfer to the Company by way of a loan any or all of the Scheme Property on such terms as to interest and repayment as the Manager at its sole discretion shall think fit.
3. Subject to paragraphs 4 and 6 of this Schedule, the Trustee shall be the sole appointed custodian of all of the assets of a Company and shall hold the same on like terms *mutatis mutandis* as provided herein for the safe keeping of the Scheme Property.
4. The Company may from time to time, with the prior written approval of the Trustee to such appointment and the terms thereof, appoint such person or persons as it thinks fit (including, without limitation, the Manager, the Trustee or any of their respective connected persons) to act as custodian and delegates of the Company to provide such custodian and delegation services as may be determined by the Company from time to time.
5. The Manager and the Trustee shall ensure that verification of ownership procedures are applied to each such Company and to the investments and assets held by each Company which form all or part of the Scheme Property.
6. If a Company has entered into a prime brokerage agreement with a prime broker approved by the Trustee, the Trustee shall not be the custodian of the assets of a Company nor shall the Trustee be bound or required to interfere in the management or conduct of the business of the Company so long as the Trustee shall have no notice of any act of dishonesty or misappropriation of monies on the part of the directors of the Company. The Trustee shall be at liberty to leave the conduct of the Company's business wholly unto such directors.
7. The investment of any monies transferred to a Company shall be subject to the provisions concerning the Investments Limits of the Scheme Property of the

relevant Fund and for the purposes of considering such Investment Limits the assets of a Company shall be taken into account as if they were assets of the Fund. The Manager and the Trustee shall monitor each Company to ensure that each Company complies with the Investment Objective and the Investment Limits applicable to the relevant Fund.

8. As agreed with the Manager from time to time, the Trustee shall verify the assets of each Company and the legal ownership thereof.
9. The Manager shall ensure that the type, issuer, notional amount and quantity of the assets of a Company are consistent with the valuation records of the relevant Fund and any inconsistencies will be investigated by the Trustee and raised with the Manager.
10. For the purpose of determining whether any Borrowing Limit has been exceeded the extent of all borrowings shall be the aggregate of all monies borrowed by the Trustee for the account of the Fund and those borrowed by the Company other than by loan to the Company by the Trustee pursuant to paragraph 2 above.
11. The expenses of incorporating a Company and its annual administration costs and charges shall be payable out of the Scheme Property of the relevant Fund.
12. Any Investment Limits or restrictions pertaining to the Scheme Property of a Fund shall not apply in respect of any loan or equity investment by the Trustee to or in a Company comprised of such Scheme Property.

## THE FOURTH SCHEDULE

The functions of the Manager shall include, but shall not be limited to, the following:

- (a) to invest the Scheme Property in accordance with the Investment Objective and the Investment Limitations of each Fund, the terms of these presents and the Class B Rules;
- (b) to duly settle all investment transactions or disposals entered into on behalf of a Fund;
- (c) to open, maintain and close bank accounts for the Trust/a Fund and to draw cheques and other orders for the payment of monies in the name of the Trust/a Fund and to execute any other documentation in relation to such accounts;
- (d) to borrow money on behalf of a Fund in accordance with these presents and the Class B Rules;
- (e) in connection with (d) above, to issue, accept, endorse and execute promissory notes, drafts, bills of exchange, guarantees and other instruments and evidences of indebtedness, and secure the payment of them by mortgage, charge, pledge, security interest or assignment of any interest in all or any part of the Scheme Property on behalf of a Fund and in accordance with these presents and the Class B Rules;
- (f) to disburse payments of costs and expenses payable on behalf of a Fund;
- (g) to commence or defend any litigation relating to the Trust or any of the Scheme Property;
- (h) to maintain the records and books of account of the Trust and such other books and records as may be required by the Class B Rules or applicable law;
- (i) to furnish reports to Holders in accordance with the terms of these presents and the Class B Rules;
- (j) to make payments and distributions in accordance with the terms of these presents and the Class B Rules;
- (k) to apply to the Trustee for the issue or cancellation of Units;
- (l) to accept Applications Forms and Redemption Notices in accordance with Clauses (f) and 8 respectively of these presents and the Class B Rules;
- (m) to approve any transfer of Units in accordance with Clause 5 of these presents;
- (n) to require any further information or documentation as may be required for the issue, transfer or redemption of Units in accordance with these presents and the

Class B Rules;

- (o) generally to communicate with Holders and to report to the Trustee or the Commission at such times as it shall think fit or as required by the Class B Rules;
- (p) to apply to the Director of Income Tax in Guernsey to be exempt from taxation as necessary;
- (q) generally to do all other things on behalf of the Trust or the Holders as may in the opinion of the Manager be reasonably required in connection with or ancillary to the purposes and objectives of the Trust and these presents;
- (r) to obtain, maintain, supplement and amend (as required) all necessary regulatory consents in connection with the establishment and operation of the Trust and each Fund;
- (s) pursuant to Clause 10 of these presents, to appoint an Investment Adviser to provide it with investment advisory services and such other services as the Manager may in its discretion consider necessary or desirable, pursuant to the terms of an investment advisory agreement;
- (t) to enter into distribution agreements and similar arrangements in relation to the distribution of Units;
- (u) to delegate or subcontract to, or otherwise engage such agents, lawyers, accountants, custodians, distributors, nominees, brokers, investment and financial advisers and consultants as it may deem necessary or advisable in relation to the affairs of the Trust in accordance with these presents and the Class B Rules;
- (v) to appoint service providers and any other delegates as deemed necessary or advisable in accordance with the Class B Rules;
- (w) to comply with all relevant data protection and anti-money laundering legislation, rules, regulation or guidance; and
- (x) to enter into, make and perform such contracts, agreements and other undertakings and to sign, endorse or execute any document including, without limitation, any document which is to be executed as a deed, for and on behalf of the Trust and to do all such other acts as it may deem necessary or advisable for or as may be required by the Class B Rules or other applicable law or incidental to the conduct of the Trust.

## **ADDITIONAL INFORMATION FOR NON-QUALIFIED INVESTORS IN SWITZERLAND**

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### **1. REPRESENTATIVE**

HSBC Global Asset Management (Switzerland) AG, whose registered office is based in Gartenstrasse 26, P.O. Box, CH-8002 Zurich, acts as representative in Switzerland, for shares distributed in or from Switzerland.

### **2. PAYING AGENT**

HSBC Private Bank (Suisse) SA, whose registered office is based in Quai des Bergues 9-17, PO Box 2888, 1211 Geneva 1, provides payment services for shares distributed in or from Switzerland.

### **3. PLACE WHERE THE RELEVANT DOCUMENTS MAY BE OBTAINED**

The official fund documents within the meaning of Art. 13a CISO as well as the (semi-)annual report may be obtained free of charge upon request at the registered office of the representative in Switzerland.

### **4. PUBLICATIONS**

In Switzerland, notices to shareholders will be published on the electronic platform [www.fundinfo.com](http://www.fundinfo.com).

In addition, the issue and repurchase prices, as well as the net inventory value for the shares, will be published with the words "commission not included" on each share issue or repurchase and at least twice a month through the electronic platform [www.fundinfo.com](http://www.fundinfo.com).

### **5. PAYMENT OF RETROCESSIONS AND REBATES**

The Company as well as its agents may pay retrocessions as remuneration for distribution activities of fund units in Switzerland. In particular, the following services may be compensated with this remuneration:

- Activities in connection with distribution to non-qualified investors and private placements
- Set-up and maintenance of an electronic distribution/information platform
- Setting up processes for the subscription, holding or custody of shares of the Company
- Forwarding or providing marketing documents and legal documents of collective investment schemes
- Conducting due diligence on matters such as money laundering, identification of client needs and distribution restrictions delegated by a provider
- Mandating licensed audit firms to verify compliance with the Asset Management Association Switzerland (AMAS) regulations for distributors
- Clarifying and responding to specific investor inquiries relating to the Company
- Subscription of shares of the Company as nominee
- Training of client advisors with regard to the distribution of shares of the Company

Retrocessions are not deemed to be rebates even if they are ultimately passed on, in full or in part, to the investors.

Disclosure of the receipt of retrocessions is based on the applicable provisions of FinSA.

In respect of offering in Switzerland, the Company and its agents do not pay any rebates to reduce the fees or costs incurred by the Shareholders and charged to the Fund.

## **6. PLACE OF PERFORMANCE AND JURISDICTION**

In respect of the shares offered in Switzerland, the place of performance is the registered office of the representative. The place of jurisdiction is at the registered office of the representative or at the registered office or place of residence of the investor.

## **7. LANGUAGE**

The legal relationship between the Company and the investors in Switzerland is governed by the English version of the Prospectus.