

Our ref: Sample

(Date)

Sample copy

Dear (Salutation)

HSBC GIF Russia Equity – fund closure

Account number:

Your financial adviser:

The HSBC GIF Russia Equity fund that you invest in as part of a model portfolio set up by your financial adviser is due to be closed from **30 July 2025**.

The fund suspended trading on 02 March 2022 following Russia's invasion of Ukraine and the resultant closure of the Russian Stock Market to most foreign investors.

Your financial adviser will take any action that needs to be taken and, if necessary, help to address any questions you may have.

Why the fund manager is closing the fund

HSBC has authority to liquidate a fund if a change in the economic or political situation would justify such liquidation. Given the elapsed time since the suspension, HSBC has taken the decision to liquidate the fund in the best interests of Shareholders.

The fund's net assets currently consist of two portions being the liquid assets, i.e. mainly comprised of cash held by the fund (the "Liquid Assets") and the fund's Russian securities (the "Russian Assets"). As at 30 May 2025, the fund's assets under management were valued at approximately US \$12.99 million, with the Russian Assets valued at zero and Liquid Assets valued at US \$12.99 million.

The liquidation will initially only involve the distribution of the Liquid Assets and will not involve the disposal of any of the Russian Assets, owing to their lack of liquidity as a result of sanctions. This approach aims at ensuring the distribution of Liquid Assets to shareholders and the preservation of any potential future value of Russian Assets.

Russian Assets will continue to be held by HSBC until such Russian Assets are sold and realised. Once it becomes possible to do so the Russian Assets will be sold, aiming to act in the best interests of shareholders.

The potential value of Russian Assets resulting from any future upturn in circumstances will be preserved, with net liquidation proceeds distributed on an ad-hoc basis and on pro-rata portion of shareholders' holdings in the fund as at the Liquidation Date.

We will provide you with further updates regarding the Russian Assets as and when we receive them from HSBC, which HSBC say will be at least annually.

How the fund closure will affect your account

You will receive cash based on the value of your holding as at the closure date. Cash may not be suitable for your long-term investment needs. If you're happy for the amount to stay in cash, you don't need to do anything. Your financial adviser will take any action that needs to be taken and help to answer any questions you may have.

You will no longer see the fund on any statements that you may receive in the future, however, we will maintain records on our side to ensure we can pass on further distributions, if any, as and when the Russian Assets can be sold and realised.

A note about cash in your account

We don't take any product or service charges on your cash balance (although the value is still included in the total value calculation for the charge). Instead, we pay you a rate of interest on cash in your account and we are paid by retaining a proportion of the interest we receive from our banking partners.

You can find more information, including the current interest rate payable and how much interest we retain, on our website at quilter.com/interest-on-cash.

Capital gains tax – Collective Investment Account only

This is a disposal for capital gains tax purposes. Please speak to your financial adviser to understand how this may affect you.

If you have any questions about this letter, please speak to your financial adviser who will be able to help you. Alternatively, you can call or email us using the details shown and we will be happy to help. Our Customer Service Centre is open 8:30am – 5:30pm, Monday to Friday.

Yours sincerely

A handwritten signature in dark ink that reads "Callum Earl". The signature is written in a cursive, slightly stylized font.

Callum Earl

Head of Client Services