



# **Your Securities Transactions and Schwab's Compensation**

## **您的證券交易及嘉信之酬金**

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When individual investors purchase products or services from Charles Schwab, Hong Kong, Ltd. ("Schwab Hong Kong") and its affiliates, including Charles Schwab & Co., Inc. (Schwab U.S.) (Schwab Hong Kong together with its affiliates collectively hereinafter referred as "Schwab"), Schwab acts in agency capacity for all trades apart from certain fixed income trades where Schwab acts in principal capacity. Schwab may earn money from third parties or affiliates in addition to the fees paid by our clients. This compensation may apply to products or services that are bought, sold or introduced through Schwab, including offshore mutual funds, Schwab-affiliated money market funds, fixed income, or Exchange-Traded Funds ("ETFs").

As such, Schwab is NOT an independent intermediary. Any monetary benefits received or receivable from affiliates or third parties which may include product issuers, directly or indirectly, are explicit and quantifiable prior to the point of sales. For details, please refer to the following disclosure on monetary benefits. Schwab does not engage in a back-to-back transaction of the above-mentioned investment products except fixed income. Schwab does not receive from affiliates or third parties non-monetary benefits for distributing investment products.

Schwab Hong Kong may receive monetary compensation from Schwab U.S. in relation to the distribution of investment products to our clients. As such, Schwab Hong Kong is NOT an independent intermediary.

Please note that the information provided throughout this document describes how Schwab earns money from third parties, not how clients pay Schwab for services. Information about what clients pay Schwab can be found in Schwab Hong Kong Pricing Guide for Individual Investors at [www.schwab.com.hk](http://www.schwab.com.hk) or in the disclosure brochures that describe Schwab's fee-based advice programs. Schwab may discount its fees and charges from time to time at its absolute discretion.

### Offshore Mutual Funds

Through Schwab's Offshore Mutual Fund Center, Schwab makes available a selection of load-waived offshore mutual funds. Schwab receives compensation from offshore mutual fund companies when clients invest in an offshore mutual fund. Schwab receives fees and other remuneration from offshore mutual fund companies or their affiliates for the recordkeeping, shareholder services, and other administrative services that Schwab provides to shareholders of the funds. These shareholder services include transaction processing, settlement of trades, dividend distribution, record maintenance, and distribution of statements, confirmations, prospectuses and other regulatory shareholder documents.

To compensate Schwab for these various shareholder services, the funds pay Schwab either an asset-based annual fee, which usually equals 0.60% of the average fund assets held at Schwab, but may be as high as 0.75% annually, or the funds pay Schwab any service fee or commission payable to a broker as disclosed in the fund's offering documents. Schwab may also receive a networking fee for each sub-account, most often equal to \$6 annually.

### Schwab-Affiliated Money Market Funds

Schwab Hong Kong clients have access to a sweep money market fund alternative, the Schwab U.S. Dollar Liquid Assets Fund (the "Fund"). Schwab Hong Kong will act in agent capacity for purposes of the Fund's transactions. The Fund is a sub-fund of Charles Schwab Worldwide Funds plc, an investment company with variable capital incorporated in Ireland. Charles Schwab Asset Management

(Ireland) Limited ("CSAMIL") serves as the Fund's manager and Charles Schwab Investment Management, Inc. ("CSIM") serves as the Fund's investment manager. The Fund pays CSAMIL a fee for management services, the amount of which is described in the prospectus or supplement thereto and out of which CSAMIL compensates other service providers to the Fund, including CSIM.

Additionally, CSAMIL may pay Schwab U.S. up to 0.45% of the fund's average annual daily net asset value annually for investment and shareholder services that CS&Co. provides to shareholders invested in the Fund. Schwab U.S. may pass on revenue generated from the Fund to Schwab Hong Kong. Schwab U.S., Schwab Hong Kong, CSAMIL, CSIM and CS&Co. are separate but affiliated companies and subsidiaries of The Charles Schwab Corporation.

### Fixed Income

Schwab reserves the right to act as principal on any fixed income transaction. When Schwab acts as principal in a back-to-back transaction, the bond price includes our transaction fee or a markup of \$1 per bond (\$10 minimum/ \$250 maximum). In secondary market principal transactions, the price may include a profit to Schwab in the form of a bid-ask spread. When trading as principal, Schwab may also be holding the security in its own account prior to selling it to you and, therefore, may make (or lose) money depending on whether the price of the security has risen or fallen while Schwab has held it.

### Exchange-Traded Funds ("ETFs")

Please note that Exchange-Traded Funds (ETFs) featured in the ETF Center are U.S.-listed securities and are not funds authorized by the Securities and Futures Commission ("SFC") in Hong Kong.

Schwab's affiliate, CSIM, serves as investment advisor to a family of Schwab-affiliated ETFs, which compensate CSIM out of the applicable operating expense ratios. CSIM will receive compensation from the fund on the amount you invest. The amounts paid to CSIM for Schwab ETFs™ will vary depending on the particular fund in which you invest and may range from 0.03% to 0.39% of assets annually. Specific information concerning the advisory fees paid to CSIM by each Schwab ETF is available in the applicable fund prospectus.

## 您的證券交易及嘉信之酬金

當個人投資者從嘉信理財香港有限公司(「香港嘉信理財」)及其聯屬機構,包括嘉信理財公司(「嘉信美國」)(嘉信香港及聯屬機構統稱為「嘉信」)購買產品或服務時,嘉信以代理人身分進行所有交易;某些特定的固定收益產品,嘉信為主事人而進行交易。除客戶向嘉信支付的費用外,嘉信還可能從第三方或聯屬機構獲取酬金。該酬金可能適用於透過嘉信而進行購買、出售及介紹的產品與服務,包括離岸共同基金、嘉信聯屬貨幣市場基金、固定收益投資及交易所買賣基金。

因此,嘉信並非獨立的金融中介機構。嘉信從其聯屬或第三方機構包括產品發行方直接或間接收取的或應收的經濟利益在出售產品給客戶前是明確並可量化的。有關詳情,請參閱以下有關各個經銷產品的經濟酬勞的披露。除固定收益外,嘉信不參與上述投資產品的背靠背交易。嘉信未從其聯署或第三方收取與經銷以上投資產品相關的非經濟酬勞。

嘉信香港可能會從嘉信美國獲取有關經銷以上投資產品的經濟補償。因此,嘉信香港並非獨立中介機構。

請注意本文件提供的所有資訊僅闡述嘉信如何從第三方獲取酬金,而非客戶如何向嘉信支付服務費。關於客戶與嘉信間的付費資訊,請瀏覽香港嘉信網站 [www.schwab.com.hk](http://www.schwab.com.hk) 列出的「嘉信理財香港個人投資者收費指引」或參閱披露聲明手冊中所闡述的嘉信付費諮詢服務。嘉信可依照其絕對酌情權,不定時減免其各項費用及收費。

## 離岸共同基金

通過嘉信的離岸共同基金中心,嘉信提供一系列免除認購費的離岸共同基金。當客戶投資離岸共同基金時,嘉信將從離岸共同基金公司獲取酬金。嘉信為其向基金股東提供的服務而從離岸共同基金或其聯屬公司獲取費用及其他酬勞,這類服務包括記錄備存、股東服務及其他行政服務。其中股東服務包括交易處理、交易結算、股利分紅及記錄保管,以及報表、確認書、基金招股章程書等規管管理性股東文件的發佈。

嘉信憑向這些基金提供的股東服務而獲取酬金。作為嘉信所提供各種股東服務的酬勞,基金向嘉信支付按資產為基礎計算的年費或任何經紀服務費兩者其中之一。年費一般相當於在嘉信的平均基金資產的0.60%,但亦可能高達每年0.75%;而經紀服務費則包括基金銷售文件中所公佈的任何應向經紀人支付的服務費或佣金。此外,嘉信還可能獲取通常相當於每個子帳戶每年\$6美元的聯網費。

## 嘉信聯屬貨幣市場基金

香港嘉信客戶可選擇流動貨幣市場基金的替代產品—嘉信美元流動資產基金(簡稱“基金”)。嘉信理財香港有限公司(簡稱“香港嘉信”)以代理的身份進行基金的交易。嘉信美元流動資產基金為嘉信環球基金有限公司(Charles Schwab Worldwide Funds plc)的附屬基金,該公司為擁有可變動資本的投資公司且成立於愛爾蘭。嘉信理財投資管理(愛爾蘭)有限公司(Charles Schwab Asset Management (Ireland) Limited [簡稱“CSAMIL”])擔任該基金的經理,嘉信投資管理公司(Charles Schwab Investment Management, Inc. [簡稱“CSIM”])擔任基金的投資經理。基金向CSAMIL支付管理服務費用,具體數額於基金銷售說明書

或隨附補充說明書中有所闡述;CSAMIL會用此管理費的一部分支付其他服務商,包括CSIM。

此外,CSAMIL會向嘉信理財公司(Charles Schwab & Co., Inc.)每年支付高達該基金的平均年度每日淨資產的0.45%的酬金,作為嘉信向投資於基金的股東提供的投資和行政服務的酬勞。香港嘉信,CSAMIL,CSIM和嘉信是嘉信集團旗下附屬的獨立公司。

## 固定收入投資

嘉信保留在任何固定收入交易中擔任主事人的權利。當嘉信作為背靠背交易的主事人時,債券價格包括我們的交易費用或每個債券1美元的加價(最低10美元/最高250美元)。在二級市場主事交易中,價格可能以買賣價差的形式包含嘉信所獲的利潤。當以主事人身分進行交易時,嘉信亦可能在向閣下出售證券之前暫持證券於其本身的帳戶,並因此可能有盈利或虧損,具體情況則視乎其持有證券之時價格的上下浮動而定。

## 交易所買賣基金(“ETFs”)

請注意:交易所買賣基金中心的交易所買賣基金為在美國上市的證券,並非獲得香港證監會認可的基金。

嘉信理財的聯屬公司CSIM擔任其交易所買賣基金系列的投資顧問,並依照後者適用的營運費用比率獲取酬金。CSIM將依閣下投資的金額從基金收取酬金。就嘉信理財交易所買賣基金而向CSIM支付的金額各有差異,將根據閣下投資的特定基金而定,數額由每年資產之0.03%至0.39%不等。有關個別嘉信理財交易所買賣基金須向CSIM支付的顧問費用的詳細資料,可參考適用的基金招股章程書。

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