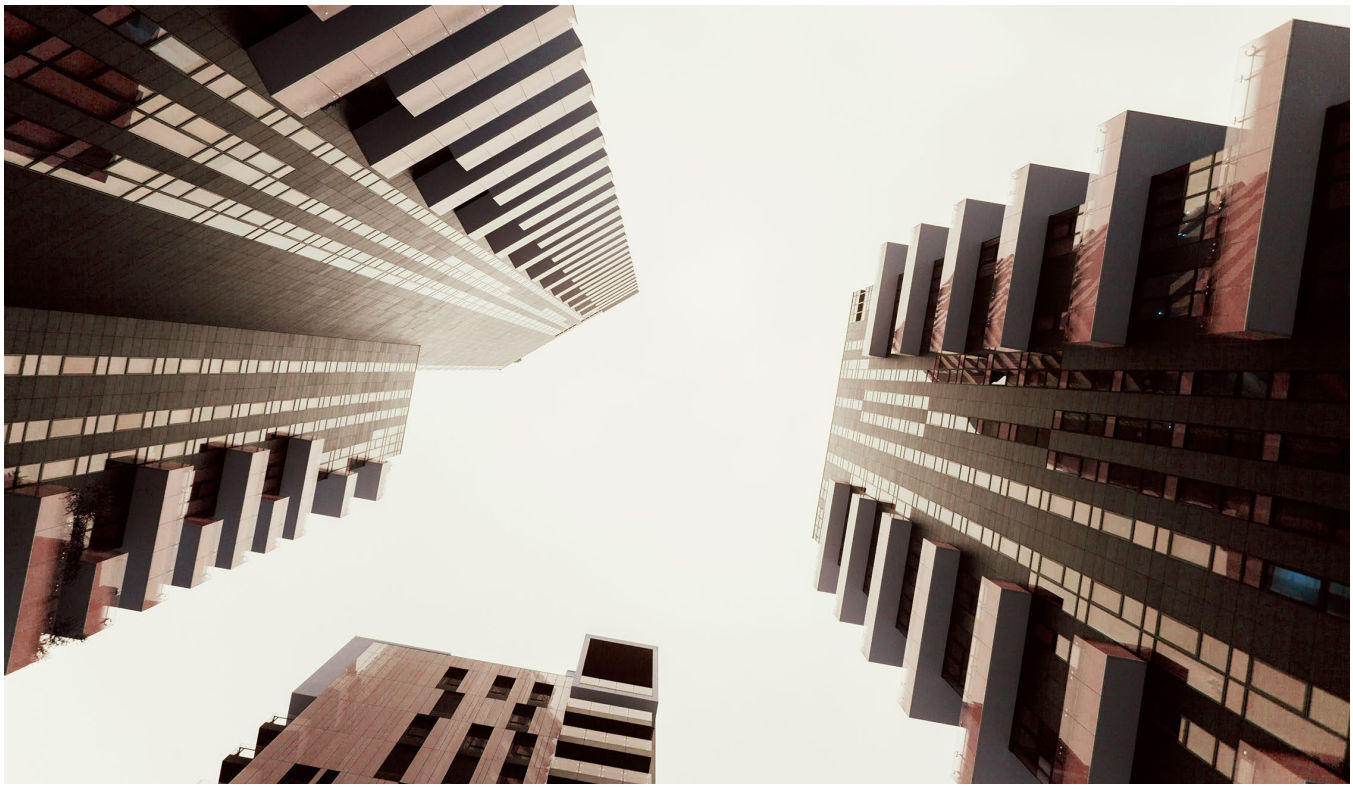
RedHex SIF

By HSBC Mutual Fund



Statement of Additional Information (SAI)

This Statement of Additional Information (SAI) contains details of RedHex Specialized Investment Fund ('SIF') offered by HSBC Mutual Fund (the "Mutual Fund"), its constitution, and certain tax, legal and general information. It is incorporated by reference and is legally a part of the Investment Strategy Information Document (ISID).

This SAI is dated **April 30, 2026.**

Name of Specialized Investment Fund:	**Name of Mutual Fund:**	**Name of Asset Management Company:**	**Name of Trustee Company:**
RedHex Specialized Investment Fund 11 Floors, NESCO IT Park, Building No. 3, Western Express Highway, Goregaon (East), Mumbai – 400 063, India	**HSBC Mutual Fund** 9-11 Floors, NESCO IT Park, Building No. 3, Western Express Highway, Goregaon (East), Mumbai – 400 063, India	**HSBC Asset Management (India) Private Limited** CIN – U74140MH2001PTC134220 Regd. & Corp. Office: 9-11 Floors, NESCO IT Park, Building No. 3, Western Express Highway, Goregaon (East), Mumbai – 400 063, India	**HSBC Trustees (India) Private Limited** CIN – U66190MH2024PTC416973 Regd. Office: 52/60 Mahatma Gandhi Road,Fort, Mumbai – 400001, India
E-mail: sifinvestor.line@mutualfunds.hsbc.co.in		**Website:** **HSBC Mutual Fund:** www.assetmanagement.hsbc.co.in **RedHex SIF:** www.assetmanagement.hsbc.co.in/redhex-sif	

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LIST OF ADDENDA TO STATEMENT OF ADDITIONAL INFORMATION ("SAI") OF REDHEX SPECIALIZED INVESTMENT FUND ("REDHEX SIF")

Addendum No.	Date of Addendum	Particulars
1	September 24, 2026	Introduction of Additional Official Points of Acceptance for Transactions via the Open Network for Digital Commerce ("ONDC Network") on Cybrilla Technologies Private Limited's ("Cybrilla Platform").

ADDENDUM NO. 1

Introduction of Additional Official Points of Acceptance for Transactions via the Open Network for Digital Commerce ("ONDC Network") on Cybrilla Technologies Private Limited's ("Cybrilla Platform").

Notice Cum Addendum to the Investment Strategy Information Document ("ISID") and Key Infor mation Memorandum ("KIM") of the Investment strategy & Statement of Additional Information ("SAI") of RedHex Specialized Investment Fund ("RedHex SIF")

Investors are requested to note that with a view to increase the network and to make SIF investment simpler for our investors, with effect from 25 September 2026, Cybrilla platform will be appointed as one of the Official Points of Acceptance for transactions under all investment strategy(s) of RedHex SIF. The facility shall be extended to allow financial transactions i.e. Subscription/Redemption/Switches/ Systematic Transactions and non-financial transactions through Cybrilla platform.

RedHex Specialized Investment Fund by HSBC Mutual Fund / HSBC Asset Management (India) Private Limited reserves the right to introduce, amend, or withdraw the features available in the Cybrilla platform from time to time. Accordingly, for the purpose of determining the applicability of NAV, the time at which the request for purchase / sale of units is received on the server(s) of Cybrilla platform will be considered as time of receipt of transaction with HSBC Asset Management (India) Private Limited.

In view of the above, relevant changes will be carried out in the ISID and KIM of the investment strategy and SAI of RedHex SIF

All the other terms and conditions of the ISID and KIM of the investment strategy & SAI of RedHex SIF will remain unchanged.

This notice-cum-addendum forms an integral part of the ISID, KIM of the investment strategy & SAI of RedHex SIF.

For & on behalf of HSBC Asset Management (India) Private Limited
(Investment Manager to RedHex SIF by HSBC Mutual Fund)

Sd/-

Authorized Signatory

Place: Mumbai
Date: 24 September 2026

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I. INFORMATION ABOUT SPONSOR, AMC AND TRUSTEE COMPANIES

A. CONSTITUTION OF THE MUTUAL FUND

HSBC Mutual Fund has been constituted as a trust on February 7, 2002, in accordance with the provisions of the Indian Trusts Act, 1882 (2 of 1882) with HSBC Securities and Capital Markets (India) Private Limited, as the Sponsor and Board of Directors of Trustee Company as the Trustee. The Trust Deed has been registered under the Indian Registration Act, 1908. The Mutual Fund was registered with SEBI on May 27, 2002 under Registration Code MF- MF/046/02/5

The office of the Mutual Fund is at 9-11 Floors, NESCO IT Park, Building No. Western Express Highway, Goregaon (East), Mumbai 400 063.

The Trust has been formed for the purpose of pooling of capital from the public for collective investment in securities/any other property for the purpose of providing facilities for participation by persons as beneficiaries in such properties/investments and in the profits/income arising therefrom.

B. CONSTITUTION OF THE SPECIALIZED INVESTMENT FUND

RedHex Specialized Investment Fund ('SIF') is offered by HSBC Mutual Fund in terms of Regulation 49W(1) of SEBI (Mutual Funds) Regulations, 1996 ("SEBI Regulations") with HSBC Trustees (India) Private Limited as the Trustee and HSBC Asset Management (India) Private Limited as the Asset Management Company (AMC). HSBC Mutual Fund was granted approval to establish the SIF by SEBI on January 14, 2026.

C. SPONSOR

HSBC Mutual Fund is sponsored by HSBC Securities and Capital Markets (India) Private Limited. The Sponsor is the Settler of the Mutual Fund Trust.

HSCI is a member of the HSBC Group, one of the world's largest banking and financial services organizations. HSBC Holdings plc, the parent company of the HSBC Group, is headquartered in London. HSBC serves customers worldwide from offices in 62 countries and territories in our geographical regions: Europe, Asia, North America, Latin America, and Middle East and North Africa. With assets of US$ 3 trillion, HSBC is one of the world's largest banking and financial services organizations. Listed on the London, Hong Kong , Bermuda and New York stock exchanges, shares in HSBC Holdings plc are held by over 160,000 shareholders in 127 countries and territories. (source: https://www.hsbc.com/investors/shareholder-and-dividend-information).

HSCI offers integrated investment banking services, securities and corporate finance & advisory. HSCI is a member of The Bombay Stock Exchange Limited and National Stock Exchange (capital and derivative market segments) and is a registered Research Analyst Entity and a category I Merchant Banker and underwriter with the Securities and Exchange Board of India.

Equities: HSCI is primarily an institutional stockbroker, with a client base spanning foreign portfolio investors, Indian financial institutions, mutual funds and select retail clients. The business is backed by comprehensive research covering around 100 of India's largest, actively traded securities across industry groups.

Global Investment Banking: HSCI provides public and private sector corporates and government clients with strategic and financial advice in the areas of mergers and acquisitions, primary and secondary market funding, privatizations, structured financial solutions and project export finance. HSCI holds 100% of the paid-up equity share capital of the AMC.

Research Analysts: HSCI publishes research report for listed Indian securities for its clients.

Financial Performance of the Sponsor (past three years):

(Rs. in lakhs)

Particulars	2024-2025	2023-2024	2022-2023
Net Worth	463,275	457,774	440,590
Total Income	46,330	45,874	22,401
Profit/(loss) after tax	5,515	17,239	843
Assets Under Management (if applicable)	NA	NA	NA

D. THE TRUSTEE

HSBC Trustees (India) Private Limited (the "Trustee"), through its Board of Directors, shall discharge its obligations as trustee of the RedHex SIF. The Trustee ensures that the transactions entered into by the AMC are in accordance with the SEBI Regulations, as amended from time to time and will also review the activities carried on by the AMC.

As regards to the SIF, the Trustee ensures that all the activities of the SIF are in accordance with the provisions of the SEBI Regulations and Circulars issued in this regard from time to time.

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1. Details of Trustee Directors:

Name	Age	Educational Qualifications	Brief Experience
Ms. Jasmine Batliwalla	71	BSc, LLB, ACS	Ms. Jasmine Batliwalla has over 45 years' experience across legal, compliance and corporate secretarial functions covering banking, capital markets, mergers and acquisitions, asset management and insurance broking. Ms. Batliwalla retired as General Counsel, HSBC India in 2012 and continued as Advisor till March 2015. During her 20 years with the HSBC Group, Ms. Batliwalla managed organic growth, acquisitions, divestments, regulatory challenges across the financial services spectrum. Ms. Batliwalla contributed towards framing the code of the Banking Codes and Standards Board of India and was a member of FICCI's Corporate Laws Committee, focusing on corporate and banking laws.
Mr. Nani Javeri	80	B.A. (Hons) History	Mr. Javeri has over 50 years' experience in financial services industry. He served as CEO of Bank Sohar in Oman from 2006- 2009 and Birla Sun Life Insurance in India from 2002-2006. Prior to joining Birla Sun Life Insurance, Mr. Javeri spent 32 years with Grindlays Bank in various capacities in India, London and Melbourne. He had also been associated with Oman International, Bank in Oman and Times Bank Ltd in India. Under his leadership Birla Sun Life Insurance emerged as one of the leading private sector life insurance companies in India. During his tenure Birla Sun Life was awarded as Best Insurance Company by Outlook in 2004 and among best five life insurance companies in Asia for 2004 by Asian Insurance Review. He joined as MD of Times Bank when it was in difficulty and through a well thought out action plan, he along with senior management, turned around the fortunes of the Bank.
Mr. David Rasquinha	64	Graduate in Economics (Gold medalist) from Mumbai University and Post graduate in Business Management -XLRI, Jamshedpur.	Mr. David Rasquinha has over 40 years of experience in corporate finance, cross-border issues, international finance and export credit. Mr. Rasquinha was the Managing Director and Chief Executive Officer of the Export-Import Bank of India. He is also an Independent Director on the Board of various companies.
Mr. Ramaswamy Meyyappan	59	• Bachelor of Commerce, Loyola College, University of Madras – 1986 • Associate Member of the Institute of Chartered Accountants of India – 1989 • Master of Business Administration, University of Florida, USA – 1991	Mr. Ramaswamy Meyyappan has over 34 years of experience in Risk Management. Mr. Meyyappan is associated with HSBC from June 2023 and is the Chief Risk Officer, India, responsible for oversight of all the risk verticals of the Bank. Prior to joining HSBC India, he was the Chief Risk Officer at Indusind Bank for 9 years where he was responsible for managing the various risk stripes as well as Financial Restructuring & Recovery. His banking experience over the last 24 years has been gained while working with foreign banks such as Standard Chartered Bank, ABN AMRO Bank N.V. and J.P. Morgan Chase Bank, N.A., of which, he spent the last 18 years working across various risk management roles.

Mr. Ramaswamy Meyyappan is associated with the Sponsor. Ms. Jasmine Batliwalla, Mr. Nani Javeri and Mr. David Rasquinha are Independent Directors of Trustee Company. Thus, 3 out of the 4 Directors of the Trustee Company are independent Directors.

Responsibilities and duties of the Board of Directors of Trustee Company as well as the specific and general due diligence:

Pursuant to the Trust Deed dated February 7, 2002 constituting the Mutual Fund and in terms of the SEBI (Mutual Funds) Regulations, 2026, the rights and obligations of the Trustees are as under:

- The Board of Directors of the Trustee Company shall be responsible to comply with the provision of SEBI (Mutual Funds) Regulations and as amended from time to time.
- The Board of Directors of the Trustee Company in carrying out their responsibilities, shall maintain arm's length relationship with other companies, or institutions or financial intermediaries or any body corporate with which he may be associated.
- The Board of Directors of Trustee Company shall have a right to obtain from the AMC such information as is considered necessary by them.
- The Board of Directors of Trustee Company shall ensure that the AMC complies with the obligations set out under regulation 22, adhere to the Code of Conduct applicable to the AMC, and observe all other provisions of these regulations.

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- The Board of Directors of Trustee Company shall approve the policy for empanelment of brokers by the AMC and shall ensure that an AMC has been diligent in empanelling the brokers, in monitoring securities transactions with brokers and avoiding undue concentration business with any broker.
- The Board of Directors of Trustee Company are required to ensure that the AMC has not given any undue or unfair advantage to any associate or dealt with any of the associates of the AMC in any manner detrimental to the interests of the Unitholders.
- The Board of Directors of Trustee Company are required to ensure that the transactions entered into by the AMC are in accordance with the SEBI (Mutual Funds) Regulations, 2026 and the provisions of the investment strategy.
- The Board of Directors of Trustee Company shall ensure that the AMC establishes systems and submits reports and information that the trustees may require in discharging their responsibility under these regulations including matters relating to:
  (i) prevention and oversight of mis-selling;
  (ii) prevention and oversight of undue influence of sponsor;
  (iii) ensuring adequate systems are in place to prevent misconduct including market abuse; and
  (iv) addressing potential conflict of interest.
- The Board of Directors of Trustee Company are required to ensure that the AMC has been managing the Investment Strategies independently of other activities and has taken adequate steps to ensure that the interest of investors of one Investment Strategy are not compromised with those of any other Investment Strategy or of other activities of the AMC.
- Where the Board of Directors of Trustee Company have reason to believe that the conduct of the business of the Fund is not in accordance with the Regulations and the provisions of the Investment Strategy, they are required to take such remedial steps as are necessary by them and to immediately inform SEBI of the violation and the action taken by them.
- The Board of Directors of the Trustee Company are required to file with the Fund the details of his securities' transactions on a quarterly basis, within the time and manner as may be specified by the Board from time to time.
- The Board of Directors of Trustee Company are accountable for and are required to be the custodian of the Fund's property of the respective Investment Strategy and to hold the same in trust for the benefit of the Unitholders in accordance with the SEBI (Mutual Funds) Regulations, 2026 and the provisions of the Trust Deed.
- The Board of Directors of Trustee Company are required to take steps to ensure that the transactions of the Fund are in accordance with the provisions of the Trust Deed.
- The Board of Directors of Trustee Company shall ensure that the income calculated by the AMC shall be in accordance with regulation 22(9)(d) of SEBI (Mutual Funds) Regulations and the Trust Deed.
- The Board of Directors of Trustee Company are required to obtain the consent of the Unitholders of a Investment Strategy:
  - When required by SEBI for the benefit of the Unitholders of that Investment Strategy; or
  - Upon the request of three-fourths of the Unitholders of any Investment Strategy under the Fund for that Investment Strategy; or
  - When the majority of the Board of Directors of Trustee Company decide to wind up a Investment Strategy prematurely redeem the units of a close ended Investment Strategy.
- The Board of Directors of Trustee Company are required to call for the details of transactions in securities by the key personnel of the AMC in their own names or on behalf of the AMC and report the same to SEBI as and when called for.
- The Board of Directors of Trustee Company are required to review quarterly, all transactions carried out between the SIF, the AMC and its associates.
- The Board of Directors of Trustee Company shall on a quarterly basis review the net worth of the asset management company to ensure compliance with the threshold provided in clause (e) of sub-regulation (1) of regulation 5 of SEBI (Mutual Funds) Regulations 1996, on a continuous basis.
- The Board of Directors of Trustee Company shall periodically review the service contracts relating to custody arrangements and ensure they serve the unitholders' interests.
- The Board of Directors of Trustee Company are required to ensure that there is no conflict of interest between the manner of deployment of its net worth by the AMC and the interest of the Unitholders.
- The Board of Directors of Trustee Company are required to periodically review the investor complaints received and the redressal of the same by the AMC.
- The Board of Directors of Trustee Company are required to abide by the Code of Conduct as specified in Part A of the Fourth Schedule of the SEBI (Mutual Funds) Regulations, 2026.
- The Board of Directors of Trustee Company have to furnish to SEBI on a half yearly basis: -
  - a report on the activities of the SIF.
  - a certificate stating that the Trustees have satisfied themselves that there have been no instances of self-dealing or front running by any of the directors of The Trustee Company, directors and key personnel of the AMC.
  - a certificate confirming that the AMC has managed the investment strategies independently of other activities, and any conflicts were addressed to protect unitholders' interests.

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- The independent directors of the Trustee Company are required to give their comments on the report received from the AMC regarding the investments by the SIF in the securities of the group companies of the Sponsor.
- No amendment to the Trust Deed shall be carried out without prior approval of SEBI and Unitholders' approval / consent will be obtained where it affects the interests of Unitholders as per the procedure / provisions laid down in the Regulations.

General Due Diligence

- The Board of Directors of Trustee Company shall be discerning in the appointment of the directors of the AMC.
- The Board of Directors of Trustee Company shall review the desirability of the continuance of the AMC if substantial irregularities are observed in the Investment Strategies and shall not allow the AMC to float any new Investment Strategy until such irregularities are resolved.
- The Board of Directors of Trustee Company shall ensure that the trust property is properly protected, held and administered by persons with necessary expertise and experience, and in a manner that ensures adequate oversight through an appropriate number of such persons.
- The Board of Directors of Trustee Company shall ensure that all service engaged for mutual fund related services holding appropriate registrations from SEBI or the concerned regulatory authority.
- The Board of Directors of Trustee Company shall arrange for test checks of service contracts relating to key service providers, whose services, functions, operations and access to information or assets is critical to, or could materially influence the protection of investor interests.
- The Board of Directors of Trustee Company shall immediately report to SEBI any special developments in the SIF.

Specific Due Diligence

The Board of Directors of Trustee Company shall:

- Obtain internal / concurrent audit reports at regular intervals from independent auditors appointed by the Board of Directors of Trustee Company.
- Obtain compliance certificates at regular intervals from the AMC.
- Hold meetings of the Board of Directors of Trustee Company frequently and ensure that at least 4 such meetings shall be held in each year to review reports and functioning of the AMC and ensure compliance with these regulations.
- Consider the reports of the independent auditor and compliance reports of the AMC at the meeting of the Board of Directors of Trustee Company for appropriate action.
- Maintain records of the decisions of the Board of Directors of Trustee Company at their meetings and of the minutes of the meetings.
- Prescribe the Code of Ethics to be adhered to by the AMC and its personnel.
- Communicate in writing to the AMC of the deficiencies and check on the rectification of deficiencies.
- The Board of Directors of Trustee Company shall also exercise due diligence on such matters as may be specified by SEBI from time to time.
- The Board of Directors of Trustee Company shall maintain high standards of integrity and fairness in all their dealings and in the conduct of their business.
- The Board of Directors of Trustee Company shall render at all times high standards of service, exercise due diligence, ensure proper care and exercise independent professional judgement.
- The independent Directors of Trustee Company shall exercise oversight to the following as may be applicable, namely:
  - (i) the investment management agreement and the compensation paid under the agreement;
  - (ii) fees and ensure that fees charged in service contracts entered with associates are not higher than those charged by outside contractors for the similar services;
  - (iii) securities transactions involving associates to the extent such transactions are permitted;
  - (iv) selecting and nominating individuals to fill independent directors' vacancies;
  - (v) ensuing code of ethics designed prevents fraudulent, deceptive or manipulative practices by insiders in connection with personal securities transactions;
  - (vi) the reasonableness of fees paid to sponsors, AMC and any others for services provided; and
  - (vii) any service contract with the associates of the AMC.
- The Board of Directors of Trustee Company shall not be held liable for acts done in good faith if they have exercised adequate due diligence.
- The Regulations provide that the meetings of the Board of Directors of Trustee Company shall be held at least 1 meeting in every quarter and at least 4 such meetings shall be held in every financial year. Further, as per the Regulations, for the purposes of constituting the quorum for the meetings of the board of directors of the Trustee Company, at least one Independent Director should be present during such meetings.

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- The Board of Directors of Trustee Company shall ensure that the asset management company has the necessary expertise, internal control systems and risk management mechanism to invest in and manage investments.
- The Board of Directors of Trustee Company shall ensure that the asset management company shall comply with such other requirements related to risk management, investor protection, disclosures and reporting, as may be specified by SEBI from time to time. The Board of Directors of Trustee Company shall ensure that all activities of the Specialized Investment Fund are in accordance with the provisions of SEBI regulations.

The supervisory role of the Board of Directors of Trustee Company will be discharged by reviewing the information and the operations of the SIF based on the reports submitted at the meetings of the Board of Directors of Trustee Company, by reviewing the reports submitted by the Internal Auditor and the quarterly and half yearly compliance reports. Presently the Board of Trustees/Trustee Company are required to hold a meeting at least 1 meeting in every quarter and at least 4 such meetings shall be held in every financial year. During the financial year 2025-2026, the Board of Directors of Trustee Company met 6 times.

No amendment to the Trust Deed shall be carried out without prior approval of SEBI and Unitholders' approval/consent will be obtained where it affects the interests of Unitholders as per the procedure/provisions laid down in the Regulations.

The Board of Directors of Trustee Company may require or give verification of identity or other details regarding any subscription or related information from/of the Unitholders as may be required under any law, which may result in delay in dealing with the applications, Units, benefits, distribution, etc.

Trusteeship Fees

Pursuant to the Trust Deed constituting the Fund, the Trustee Company shall be entitled to receive as and by way of fees for services rendered herein up to 1% of the assets under management of the investment strategies of SIF or such other sum as may be decided by the Trustee from time to time, subject to the SEBI Regulations.

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II. ASSET MANAGEMENT COMPANY

HSBC Asset Management (India) Private Limited (the Investment Manager or the AMC) is a private limited company incorporated under the Companies Act, 1956 on December 12, 2001, having its Registered Office at 9-11 Floors, NESCO IT Park, Building No. 3, Western Express Highway, Goregaon (East), Mumbai 400 063. HSBC Asset Management (India) Private Limited has been appointed as the Asset Management Company of the RedHex SIF by the Trustee vide Investment Management Agreement (IMA) dated February 7, 2002, and executed between the HSBC Trustees (India) Private Limited and HSBC Asset Management (India) Private Limited. HSBC Asset Management (India) Private Limited is also the AMC of HSBC Mutual Fund.

The paid-up equity share capital of the AMC is Rs. 344.41 crores. HSBC Securities and Capital Markets (India) Private Limited holds 100% of the paid-up equity share capital of the AMC.

The AMC will manage the schemes / Investment Strategies of the Fund/SIF as mentioned in their respective Scheme Information Document / Investment Strategy Information Document, in accordance with the provisions of IMA, the Trust Deed, the SEBI Regulations and the objectives of the Scheme / Investment Strategy.

The AMC is also registered as a Portfolio Manager under the SEBI (Portfolio Managers) Regulations, 1993 vide registration no. INP000001322 and is deemed to be registered as such under SEBI (Portfolio Managers) Regulations, 2020. The AMC has proper systems and controls in place to ensure that there is no conflict of interest between the activity of managing the schemes of the Mutual Fund / Investment Strategies of SIF and the activity of Portfolio Management Services and there exist systems to prohibit access to insider information.

Further, an asset management company, subject to certain conditions, may also permitted to undertake activities in the nature of management and advisory services to pooled assets including offshore funds, insurance funds, pension funds, provident funds or such categories of foreign portfolio investor subject to such conditions as may be specified by SEBI from time to time, if any of such activities are not in conflict with the activities of the mutual fund. Accordingly, the AMC provides or may provide non-binding advisory services to offshore funds, through the fund managers managing the schemes of the Fund, as permitted under Regulation 21(b) of the Regulations. SEBI vide its email dated November 26, 2020, and letter dated March 20, 2024, accorded it's no objection to the AMC for providing such non-binding investment advisory services to offshore funds, which are appropriately regulated foreign portfolio investors, by the fund managers of the schemes of the Fund. The AMC has proper systems and controls in place to ensure that (a) there is no conflict of interest between the activities of managing the schemes of the Fund / Investment Strategies of SIF and other activities of the AMC; and (b) interest of the unit holders of the schemes of the Fund / Investment Strategies of SIF are protected at all times. In case of an unavoidable conflict of interest situation, the AMC shall make appropriate disclosures in an appropriate manner, which shall include the source of conflict, potential 'material risk or damage' to the Fund/SIF's investors' interests and detailed parameters for the same.

Further, SEBI vide letter dated May 3, 2024, has accorded it's no objection to the AMC to undertake Alternate Investment Funds activity under the SEBI (Alternate Investment Funds) Regulations, 2012. The AMC before the launch of Alternate Investment Funds activity shall ensure that it has proper systems and controls in place to ensure that there is no conflict of interest between the activity of managing the schemes of the Mutual Fund / Investment Strategies of SIF and the activity of Alternate Investment Funds and there exist systems to prohibit access to insider information.

Further, SEBI vide its letter dated October 3, 2024, accorded it's no objection to the AMC for setting up of a wholly owned subsidiary in International Financial Services Centre ("IFSC"), Gujarat International Finance Tee-City ("GIFT City") to undertake activities as permitted under Regulation 21(b) of SEBI (Mutual Funds) Regulations, 2026 and provide non-binding advisory services to the subsidiary for its GIFT AIF activity. This activity has not commenced yet.

Details of AMC Directors:

Name	Age	Educational Qualification	Brief Experience
Dr. Indu Ranjit Shahani	74	M. Com & Ph. D from University of Mumbai	Dr. Shahani is President of Indian School of Design & Innovation (ISDI) and Founding Dean of the Indian School of Management & Entrepreneurship (ISME). She is the former Sheriff of Mumbai and Principal of H. R. College of Commerce & Economics, Mumbai. Recognised as an international academician, Dr. Shahani has been the Vice- President, International Baccalaureate Organisation – IBO, being the first Indian on the Board of Governors. Dr. Shahani has earned Doctorate in Commerce from University of Mumbai. Dr. Shahani has received many awards, prominent among them are the 'Woman of the Decade Award' by ASSOCHAM, 'Citizen of Mumbai Award' by Rotary Club of Bombay and 'Excellence in Education Award' by the FICCI FLO.
Mr. Kailash Kulkarni	59	B.A, MDBA from Institute of Management Development & Research, Pune	Mr. Kulkarni has 33 years of work experience, most of which includes heading sales functions of businesses across BFSI. Previously, He was the Head of Sales at Kotak Mahindra Asset Management. At MetLife India Insurance, He was involved in setting up and expanding the agency network. In his journey in the BFSI space began with growing the third-party distribution network first for JM Financial and subsequently for ICICI Bank.

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Name	Age	Educational Qualification	Brief Experience
			He has also worked in Eicher Motors in distribution, sales and marketing functions. He was a member of the SEBI Mutual Fund Advisory Committee and was on the board of Association of Mutual Funds of India (AMFI). He also headed the Financial Literacy Committee for AMFI, in the past.
Mr. Kapil Seth	52	Certified Associate of the Indian Institute of Bankers Postgraduate in Management • BA (Hons) Economics	Mr. Seth has more than 26 years' experience across Retail Bank, Corporate and Institutional Banking, Securities Market and Securities Market Transaction Banking including custodian and fund valuation responsibilities.
Ms. Roopa Varma	55	B. Com	Ms. Roopa Verma has more than 30 years of experience in various areas like customer services, banking, operations, business transformation etc. Ms. Varma is an employee of HSBC Bank, India.

Mr. Kailash Kulkarni and Ms. Roopa Varma are associated with the Sponsor. Dr. Indu Shahani and Mr. Kapil Seth are Independent Directors

Powers, Duties, Obligations and Responsibilities of the Asset Management Company (AMC):

The powers, duties and responsibilities of the AMC shall be governed by the Regulations and the Investment Management Agreement. The AMC, in the course of managing the affairs of the Mutual Fund, has the powers, inter alia for following duties and responsibilities:

- Floating Investment Strategy(s) of the SIF after approval of the same by the Board of Directors of Trustee Company and investing and managing the funds mobilised under various Investment Strategies, in accordance with the provisions of the Trust Deed and the Regulations.
- Evaluating investment opportunities for further investments by the SIF.
- Evaluating and issuing orders and instructions with respect to the acquisition and disposition of investments and risk positions / exposures.
- Issuing and ensuring due compliance of instructions to the custodian and the SIF's brokers, agents including registrars and transfer agents.
- Issuing, selling, repurchasing and cancelling the Units as per the terms of the respective Investment Strategies of the SIF.
- Managing the Investment Strategies independently of other activities and taking adequate steps to ensure that the interests of Unitholders are not being compromised with those of any other Investment Strategies or any of its other activities.
- Opening and operating bank accounts in the name and on behalf of each Investment Strategy in relation to the investments made by the SIF.
- Fixing record dates or book closure periods for the purpose of effecting transfer of Units and determining eligibility for dividends, bonus, rights, privileges, preferences, reservations or other entitlements or accretions.
- Providing information to SEBI and the Unitholders as required under the Regulations or as otherwise required by SEBI.
- Receiving, holding in trust, or as agent or nominee of the Board of Directors of Trustee Company, improving, developing, using, selling, transferring, exchanging, assigning, dealing, trading in and managing all assets and all accretions thereto and endeavoring to earn adequate returns on them for and on behalf of the Trust.
- Fixing sales and re-purchase prices, and calculating Net Asset Value for Units, consistent with the Regulations.
- Setting up an effective establishment for servicing of Unitholders under the various Investment Strategies(s) and also to protect the interest of the Unitholders.
- Generally doing all acts, deeds, matters and things which are necessary for any object, purpose or in relation to the SIF in any manner or in relation to any Investment Strategy of the SIF.

Duties and Responsibilities of the AMC:

- The AMC shall be responsible to comply with the provisions of the SEBI (Mutual Funds) Regulations, 2026. and as amended from time to time.
- The AMC shall ensure that the Specialized Investment Fund has distinct identification, separate from that of the Mutual Fund, to maintain clear differentiation between the offerings of the Specialized Investment Fund and that of a Mutual Fund.
- The AMC shall comply with the provisions relating to branding, advertising, standard disclaimers, guidelines on usage of sponsor or asset management company or mutual fund's brand name and maintenance of a separate website, as may be specified by the Board from time to time.
- The AMC shall ensure that all activities of the AMC adhere to SEBI Mutual Funds regulations including taking all reasonable steps and exercise due diligence to ensure that the investment of funds pertaining to any Investment Strategy is not contrary to the provisions of the aforesaid regulations, circulars/ and guidelines issued thereunder and the trust deed.
- The AMC shall exercise due diligence and reasonable care in all investment decisions consistent with the standards of other entities engaged in the same business.

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- The AMC shall obtain, wherever required under these regulations, prior in-principal approval from the recognized stock exchange(s) where units are proposed to be listed.
- The AMC shall be responsible for the acts of commissions or omissions by its employees or the persons whose services have been procured by the AMC, where such act or omission is committed in the course of carrying out functions under these regulations, and involves negligence, breach of duty, or failure to comply with applicable law.
- The AMC shall submit to the Board of Directors of Trustee Company quarterly reports of each year on its activities and the compliance with the SEBI Regulations.
- The Board of Directors of Trustee Company at the request of the AMC may terminate the assignment of the AMC at any time provided that such termination shall become effective only after the Board of Directors of Trustee Company have accepted the termination of assignment and communicated their decision in writing to the AMC.
- Notwithstanding anything contained in any contract or agreement of termination, the AMC or its directors or other officers shall not be absolved of liability to the SIF for their acts of commissions or omissions, while holding such position or office.
- The Chief Executive Officer (whatever be the designation) of the asset management company shall ensure that the SIF complies with all the provisions of these regulations and the guidelines or circulars issued in relation thereto from time to time and that the investments made by the fund managers are in the interest of the unit holders and shall also be responsible for the overall risk management function of the SIF.
- Chief Executive Officer (whatever be the designation) shall also ensure that the Asset Management Company has adequate systems in place to ensure that the Code of Conduct for Fund Managers and Dealers specified in PART - B of the Fourth Schedule of these regulations are adhered to in letter and spirit. Any breach of the said Code of Conduct shall be brought to the attention of the Board of Directors of the Asset Management Company and Board of Directors of Trustee Company.
- The Fund Managers (whatever be the designation) shall ensure that the funds of the Investment Strategies are invested to achieve the objectives of the Investment Strategy and in the interest of the unit holders.
- The Fund Managers (whatever be the designation) shall abide by the Code of Conduct for Fund Managers and Dealers specified in PART - B of the Fourth Schedule of Securities and Exchange Board of India (Mutual Funds) Regulations, 2026 and submit a quarterly self-certification to the Board of Directors of Trustee Company that they have complied with the said code of conduct or list exceptions, if any. [For the purposes of this, the phrase “Fund Managers” shall include Chief Investment Officer (whatever be the designation)].
- The Dealers (whatever be the designation) shall ensure that orders are executed on the best available terms, in the best interest of all the unit holders.
- The Dealers (whatever be the designation) shall abide by the Code of Conduct for Fund Managers and Dealers specified in PART - B of the Fourth Schedule of the Securities and Exchange Board of India (Mutual Funds) Regulations, 2026 and submit a quarterly self-certification to the Board of Directors of Trustee Company that they have complied with the said code of conduct or list exceptions, if any.
- The board of directors of the asset management company shall ensure that all the activities of the asset management company are in accordance with the provisions of SEBI (Mutual Funds) Regulations.
- The AMC shall not through any broker associated with the Sponsor, purchase or sell securities, which is average of 5% or more of the aggregate purchases and sales of securities made by the SIF in all its Investment Strategy(s). Provided that for these purposes, aggregate purchase and sale of securities shall exclude sale and distribution of Units issued by the SIF. Provided further that the aforesaid limit of 5% shall apply for a block of any 3 months.
- The AMC shall not purchase and sell through any broker (other than a broker associated with the Sponsor) which is average of 5% or more of the aggregate purchases and sale of securities made by the SIF in all its Investment Strategy(s), unless the AMC has recorded in writing the justification for exceeding the limit of 5% and reports of all such investments are sent to the Board of Directors of Trustee Company on a quarterly basis. Provided that the aforesaid limit shall apply for a block of 3 months.
- The AMC shall not utilise the services of the Sponsor or any of its associates, employees or their relatives, for the purpose of any securities’ transactions and distribution and sale of securities, provided that the AMC may utilise such services if disclosure to that effect is made to the Unitholders and the brokerage or commission paid is also disclosed in the half yearly annual accounts of the Mutual Fund.
- The AMC shall file with the Board of Directors of Trustee Company the details of transactions in securities by key personnel of the AMC in their own name or on behalf of the AMC and shall also report to SEBI, as and when required by SEBI.
- In case the AMC enters into any securities’ transaction with any of its associates a report to that effect shall be sent to the Board of Directors of Trustee Company at their next meeting.
- In case any company has invested more than 5% of the net asset value of a Investment Strategy, the investment made by that Investment Strategy or by any other Investment Strategy of the same Mutual Fund in that company or its subsidiaries shall be brought to the notice of the Board of Directors of Trustee Company by the AMC and be disclosed in the half yearly/annual accounts of the respective investment strategy with justification for such investment provided that the latter investment has been made within 1 year of the date of the former investment calculated on either side.

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- The AMC shall file with the Board of Directors of Trustee Company and SEBI
  - Detailed biodata of all its directors along with their interest in other companies within 15 days of their appointment; and any change in the interest of directors every 6 months.
  - A quarterly report to the Board of Directors of Trustee Company giving details and adequate justification about the purchase and sale of securities of the group companies of the Sponsor or the AMC as the case may be, by the Mutual Fund during the quarter.
  - Each director of the AMC shall file the details of his transactions of dealing in securities with the Board of Directors of Trustee Company on a quarterly basis in accordance with guidelines issued by SEBI from time to time.
- The AMC shall not appoint any person as key personnel who has been found guilty of any economic offence or involved in violation of securities laws.
- The AMC shall appoint registrars and share transfer agents who are registered with SEBI. Provided if the work relating to the transfer of Units is processed in-house, the charges at competitive market rates may be debited to the investment strategies and for rates higher than the competitive market rates, prior approval of the Board of Directors of Trustee Company shall be obtained and reasons for charging higher rates shall be disclosed in the annual accounts.
- The AMC shall abide by the Code of Conduct as specified in Part A of the Fifth Schedule of the SEBI Regulations.
- The AMC shall invest such amounts in such Investment Strategy of the SIF, based on the risks associated with the Investment Strategy, as may be specified by the Board from time to time.
- The AMC shall invest a percentage of the remuneration of such employees as specified by the SEBI in units of investment strategies of the SIF based on the designation or roles of the designated employees in the manner as may be specified by the SEBI.
- The AMC shall not invest in any of its Investment Strategy, unless full disclosure of its intention to invest has been made in the Investment Strategy Information Document:

  Provided that an asset management company shall not be entitled to charge any fee on its investment in that Investment Strategy.
- The AMC shall not carry out its fund management operations or execution of transactions relating to mutual funds/SIF, outside the territory of India, except for execution of trades for investment in overseas securities.
- The AMC shall compute and carry out valuation of investments made by its investment strategy(s) in accordance with the investment valuation norms specified in Seventh Schedule and shall publish the same.
- The AMC and the sponsor of the SIF shall be liable to compensate the affected investors and/or the investment strategy for any unfair treatment to any investor as a result of inappropriate valuation.
- The AMC shall report and disclose all the transactions in debt and money market securities, including inter investment strategy transfers, as may be specified by the Board.
- The Board of Directors of the AMC shall exercise due diligence as follows:

  a) The board of directors of the asset management company shall ensure before the launch of any investment strategy that the asset management company has :-
     (i) established systems for its back office, dealing room and accounting;
     (ii) appointed all key personnel specified by SEBI, including fund managers for the investment strategy(s) and submitted their bio-data (including educational qualifications and securities market experience) to the trustees within 15 calendar days of their appointment;
     (iii) appointed auditors for audit of its accounts;
     (iv) appointed a compliance officer responsible for monitoring compliance with the Act, rules and regulations, notifications, guidelines, instructions, etc., issued by SEBI or the Central Government and for addressing investors grievances;
     (v) appointed a registrar to an issue and share transfer agent registered under the Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2025 and established parameters for their supervision;
     (vi) prepared a compliance manual and designed internal control mechanisms including internal audit systems;
     (vii) specified norms for the empanelment of brokers and marketing agents; and
     (viii) obtained, where required by these regulations, prior in-principle approval from the recognized stock exchange(s) where units are proposed to be listed, in the manner specified by such exchange(s).

  b) The board of directors of the asset management company shall ensure that: -
     (i) the asset management company has been diligent in empaneling the brokers, in monitoring securities transactions with brokers and avoiding undue concentration of business with specific brokers.
     (ii) the asset management company has not given any undue or unfair advantage to any associate or dealt with any of the associate of the asset management company in any manner detrimental to interest of the unit holders.
     (iii) the transactions entered into by the asset management company are in accordance with SEBI (Mutual Funds) regulations, investment objective and asset allocation of the respective investment strategies.
     (iv) the transactions of the SIF are in accordance with the provisions of the trust deed.

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(v) the networth of the asset management company are reviewed on a quarterly basis to ensure compliance with the threshold provided in clause (e) of sub-regulation (1) of regulation 5 of SEBI (Mutual Funds) Regulations on a continuous basis.

(vi) all service contracts including custody arrangements of the assets and transfer agency of the securities are executed in the interest of the unit holders.

(vii) there is no conflict of interest between the manner of deployment of the networth of the asset management company and the interest of the unit holders.

(viii) the investor complaints received are periodically reviewed and redressed.

(ix) all service providers are holding appropriate registrations with the SEBI or with the concerned regulatory authority.

(x) any special developments in the SIF are immediately reported to the Board of Directors of Trustee Company.

(xi) there has been exercise of due diligence on the reports submitted by the asset management company to the Board of Directors of Trustee Company.

(xii) there has been exercise of due diligence on such matters as may be specified by the SEBI from time to time

- The Compliance Officer appointed shall independently and immediately report to the SEBI any non-compliance observed by him.
- The AMC shall constitute a Unit Holder Protection Committee in the form and manner and with a mandate as may be specified by SEBI.
- The AMC shall be responsible for calculation of any income due to be paid to the mutual fund and also any income received in the mutual fund, for the unit holders of any investment strategies of the SIF, in accordance with SEBI (MF) Regulations and the Trust Deed.
- The AMC shall ensure that no change in the fundamental attributes of any investment strategy or the trust, fees and expenses payable or any other change which would modify the investment strategy and affect the interest of unit holders, shall be carried out unless:—

  i) a written communication about the proposed change is sent to each unit holder and an advertisement is issued in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of region where the Head Office of the mutual fund is situated; and

  ii) the unit holders are given an option to exit at the prevailing Net Asset Value without any exit load.
- The AMC shall put in place an institutional mechanism, as may be specified by SEBI, for the identification and deterrence of potential market abuse including front-running and fraudulent transactions in securities.
- The Chief Executive Officer or Managing Director or such other person of equivalent or analogous rank and Chief Compliance Officer of the AMC shall be responsible and accountable for implementation of such an institutional mechanism for deterrence of potential market abuse, including front-running and fraudulent transactions in securities.
- The AMC shall establish, implement and maintain a documented whistle blower policy that shall —

  (a) provide for a confidential channel for employees, directors, trustees, and other stakeholders to raise concerns about suspected fraudulent, unfair or unethical practices, violations of regulatory or legal requirements or governance vulnerability, and

  (b) establish procedures to ensure adequate protection of the whistle blowers.
- The AMC shall conduct stress testing for such Investment Strategies as specified by the SEBI and disclose the results of the stress testing in the form and manner, as may be specified by the SEBI.
- The AMC shall

  ➢ Not act as a trustee of any mutual fund/SIF.

  ➢ Not undertake any other business activities except activities in the nature of, management and advisory services provided to pooled assets including offshore funds, pension funds, provident funds or Category I foreign portfolio investor as specified in the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, if any of such activities are not in conflict with the activities of the Mutual Fund.

  Provided that the AMC may itself or through its subsidiaries undertake portfolio management services and advisory services for other than broad based fund subject to complying with the additional conditions viz (a) that key personnel of the asset management company, the system, back office, bank and securities accounts are segregated activity wise and there exist system to prohibit access to inside information of various activities; and (b) that it meets with the capital adequacy requirements, if any, separately for each of such activities and obtain separate approval, if necessary under the relevant regulations is obtained; and other directions, as may be specified by the SEBI from time to time are adhered to.

  Provided further that an AMC may become a proprietary trading member for carrying out trades in the debt segment of the recognised stock exchanges, on behalf of its investment strategies and may also become a self-clearing member of the recognised clearing corporations to clear and settle trades in the debt segment on behalf of its investment strategies.

  ➢ Not acquire any of the assets out of the Trust funds, which involves the assumption of any liability which is unlimited, or which may result in encumbrance of the Investment Strategy property in any way.
- The independent Directors of the AMC shall pay specific attention to the following as may be applicable, namely:

  (i) the investment management agreement and the compensation paid under the agreement;

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(ii) fees and ensure that fees charged in service contracts entered with associates are not higher than those charged by outside contractors for the similar services;

(iii) securities transactions involving associates to the extent such transactions are permitted;

(iv) selecting and nominating individuals to fill independent directors' vacancies;

(v) ensuing code of ethics designed prevents fraudulent, deceptive or manipulative practices by insiders in connection with personal securities transactions;

(vi) the reasonableness of fees paid to sponsors, AMC and any others for services provided; and

(vii) any service contract with the associates of the AMC.

Asset Management Fees

The AMC is entitled to charge the SIF an investment management and advisory fees as specified in the Investment Management Agreement and Regulations.

Information on Key Personnel:

Name	Age	Designation	Educational Qualification	Total No. of years of Experience	Nature of past experience including assignments held during the last 10 years
Kailash Kulkarni	59	Chief Executive Officer	B.A, MDBA from Institute of Management Development & Research, Pune	33	**HSBC Asset Management (India) Private Limited** as Chief Executive Officer from May 2023 onwards; Co-Chief Executive Officer (from November 26, 2022 to April 2023) ***Prior Assignments:*** **L&T Investment Management Limited** as Chief Executive Officer from June 1, 2015 to November 25, 2022. **L&T Investment Management Limited** as Chief Business Officer from November 24, 2012 to May 31, 2015 **L&T Investment Management Limited** as Chief Executive Officer March 1, 2012 to November 23, 2012
Venugopal Manghat	55	CIO – Equity	MBA Finance, BSC (Mathematics)	33	**HSBC Asset Management (India) Private. Limited** as CIO - Equity (Since November 26, 2022) ***Prior Assignments:*** **L&T Investment Management Limited** as Head of Equity Investments from May 26, 2016 to November 25, 2022. **L&T Investment Management Limited** as Co Head – Equities from November 24, 2012 till May 25, 2016) **L&T Investment Management Limited** as Vice President and Co-Head – Equity Investments from January 23, 2012 till November 23, 2012 **Tata Asset Management Limited** from June 19, 1995 to January 20, 2012. His last assignment was as Co-Head - Equities with Tata Asset Management Ltd.

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Name	Age	Designation	Educational Qualification	Total No. of years of Experience	Nature of past experience including assignments held during the last 10 years
Shriram Ramanathan	50	CIO – Fixed Income	B.E (Electrical), PGDBM – XLRI, CFA	25	**HSBC Asset Management (India) Private Limited** as CIO – Fixed Income (Since November 26, 2022) ***Prior Assignments:*** **L&T Investment Management Limited** as Head of Fixed Income from July 6, 2012 to November 25, 2022. **FIL Fund Management Private Limited** as Portfolio Manager – Fixed Income from December 2009 to June 2012. **ING Investment Management Asia Pacific (Hong Kong)** as Senior Investment Manager – Global Emerging Market Debt (Asia) from September 2005 to October 2009 **ING Investment Management (India) Private Limited** as Portfolio Manager – Fixed Income from June 2003 to September 2005. **Zurich (India) Asset Management Company** as Dealer / Research – Fixed Income from September 2001 to June 2003 **ICICI Limited Mumbai** as Treasury from June 2000 to September 2001 **Larsen & Toubro Limited** in Design Department, Switchgear Group from August 1997 to May 1998
Ankur Thakore	54	Chief Business Officer	Bachelors of Engineering (Construction), Masters in Management Studies (Finance)	24	**HSBC Asset Management (India) Private. Limited** as Chief Business Officer from May 2024 onwards; Head Retail Sales and Distribution (Since November 26, 2022 to April 2024) ***Prior Assignments:*** **L&T Investment Management Limited** as Chief Distribution Officer from December 1, 2016 to November 25, 2022. **L&T Investment Management Limited** as National Head - Sales & Distribution from November 24, 2012 to November 30, 2016. **FIL Fund Management Private Limited** as Associate Director Sales from January 2012 to November 2012. **FIL Fund Management Private Limited** as Regional Head (West) from February 2010 till December 2011. **FIL Fund Management Private Limited** as Key Account and Distribution Services from January 2007 till February 2010 **HSBC Asset Management Private Limited** as Vice President – Sales (for PMS Sales) since November 2005 till December 2006 **DSP Merrill Lynch Investment Managers Private Ltd.** As Head -Banking Channel from January 2000 to October 2005 **Kothari Pioneer Mutual Fund** as Assistant Manager – Sales for Mumbai from July 1998 till December 1999

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Name	Age	Designation	Educational Qualification	Total No. of years of Experience	Nature of past experience including assignments held during the last 10 years
Padmanabhan T	54	Chief Risk Officer	PGDM, M.Sc (Finance), CFA	22	**HSBC Asset Management (India) Private Limited,** Senior Vice President & Head – Risk Management since December 2015. Also, designated as Chief Risk Officer in line with Risk Management Framework from SEBI. ***Prior Assignments:*** **IDBI Asset Management Limited,** Vice President – Risk Management and Products from February 2010 to November 2015. **SBI Funds Management Limited,** Associate Vice President – Products and International Business from October 2000 to June 2007.
Sumesh Kumar	49	Head – Compliance Advisory	B.Sc. (Mathematics), ACS, BGL	19	**HSBC Asset Management (India) Private Limited,** Head – Regulatory Compliance since February 2017 onwards (Designated as the Compliance Officer with effect from March 1, 2017). **DHFL Pramerica Asset Managers Private Limited** Director & Head – Legal & Compliance from January 2012 to February 2017. **ING Investment Management (India) Private Limited** (Last position held - Vice President – Compliance & Company Secretary) from March 2009 to January 2012. **Religare Asset Management Company Private Limited** (Last position held - Manager – Compliance) from December 2005 to February 2009.
Kamlesh Patil	46	Chief Information Security Officer (CISO)	Bachelor of Engineering (Computers)	20	**HSBC Asset Management (India) Private Limited** as Chief Information Security Officer (CISO) (Since June 24, 2025 onwards) ***Prior Assignments:*** **The Hongkong and Shanghai Banking Corporation Ltd.** Vice President - Cyber security from September 2019 till June 2025. **Edelweiss Financial Services Ltd.** Chief Manager – Business Information Security Risk Officer from August 2015 till September 2019. **Royal Bank of Scotland** Manager – Security and Resilience from June 2013 till August 2015. **Tech Mahindra Ltd.** Senior – Security Analyst from November 2008 till June 2013 **3i-infotech Ltd.** Senior Security Administrator from October 2004 till November 2008.

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Name	Age	Designation	Educational Qualification	Total No. of years of Experience	Nature of past experience including assignments held during the last 10 years
Ankur Banthiya	45	SVP Client Operations	ACA, Grad CS	22	**HSBC Asset Management (India) Private Limited** as SVP – Client Operations (Since November 26, 2022). ***Prior Assignments:*** **L&T Investment Management Limited** as Head – Customer Service, Distribution Support Service and Investor Relations Officer since July 2016 to November 25, 2022. **L&T Investment Management Limited** as Head – Customer Service and Distribution Support Service from October 2015 to July 2016. **L&T Investment Management Limited** as Senior Manager – Distribution Support Services from November 2012 till September 2015. **FIL Fund Management Private Limited** as Senior Manager Operations – July 2009 to Nov. 2012. **FIL Funds Network Private Limited** as Manager – Operations from October 2008 to June 2009. **Citigroup Global Services Ltd** as Senior Manager Operations from 2003 to October 2008.
Mittal Shah	46	SVP – Finance & Chief Financial Officer	Chartered Accountant	22	**HSBC Asset Management (India) Private Limited** Sr. Vice President – Finance & Chief Financial Officer w.e.f. September 14, 2023. ***Prior Assignments:*** **HSBC Bank, India** Responsible for leading HSBC India bank's financial reporting and accounting policy function. Last position held - SVP and Head - Financial Accounting and Reporting. Was with HSBC Bank from Aug. 2006 to Sept. 2023.
Sujata N. Gokhale	45	Head of Products	B. Com, PGDBM (Finance)	20	**HSBC Asset Management (India) Private Limited** Head of Products from April 2024 onwards; Senior Vice President & Head of Product from July 2019 to March 2024. ***Prior Assignments:*** **DSP Investment Managers** Vice President – Product from December 2016 to July 2019 **Reliance Nippon Asset Management** Associate Vice President – Product from Jan 2005 to December 2016
Neelotpal Sahai	57	Director Indian Equities and Head Offshore Advisory	B. Tech (IIT BHU), PGDM (IIM Calcutta)	32	**HSBC Asset Management (India) Private Ltd.** Director Indian Equities and Head Offshore Advisory (Since March 2020) Senior Vice President and Head of Equities from September 2017 till February 2020 Senior Fund Manager – Equities from April 2013 to August 2017. ***Prior Assignments:*** **IDFC Asset Management Company Ltd**. Director from February 2006 to April 2013. **Motilal Oswal Securities Ltd.** Senior Research Analyst from March 2005 to January 2006 **Infosys Ltd.** Senior Project Manager from June 1999 to March 2005.

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Name	Age	Designation	Educational Qualification	Total No. of years of Experience	Nature of past experience including assignments held during the last 10 years
					Vickers Ballas Securities Ltd. Analyst from September 1998 to June 1999. **SBC Warburg** Analyst from May 1997 to May 1998. **UTI Securities Ltd.** Equity Analyst from June 1995 to May 1997. **HCL HP Ltd.** Senior Management Trainee from May 1994 to June 1995. **Infosys Ltd.** Software Programmer from July 1991 to June 1992.
Gautam Bhupal	49	SVP & Fund Manager – Equities	PGDBM, CA, CS, B.Com	22	**HSBC Asset Management (India) Private Limited** SVP & Fund Manager – Equities, since March 2022 till date Vice President & Fund Manager, from October 2015 to February 2022 Vice President – Investment Management, from June 2015 to October 2015. Fund Manager for PMS Portfolios from July 2008 to June 2015. ***Prior Assignments:*** **UTI Asset Management Company,** Equity Research Analyst from May 2004 to June 2008.
Abhishek Gupta	45	SVP – Fund Management Equities	PGDM IIMC, CFA, CFA Institute, USA, BCom (hons) from SRCC Delhi.	21	**HSBC Asset Management (India) Private Limited** as SVP – Fund Management Equities (Since Feb 2024) ***Prior Assignments:*** **Edelweiss Mutual Fund** – Equity Investments from July 2021 to January 2024 **Goldman Sachs Asset management** – Equity Investments from December 2010 to June 2021
Cheenu Gupta	44	SVP Fund Management Equities	CFA Charter (USA), PGDBM (Finance) - SPJIMR, B.E. (I.T)	20	**HSBC Asset Management (India) Private Limited** as SVP Fund Management Equities (Since November 26, 2022) ***Prior Assignments:*** **L&T Investment Management Limited** Fund Manager – Equity from July 1, 2021 to November 25, 2022. **Canara Robeco Asset Management Company Limited** as Equity – Fund Manager (March 2018 – June 2021) **Tata AIA Life Insurance Company Limited** Equity Fund Manager (from August 2009 - February 2018)
Siddharth Vora	39	VP – Equities	• PGDM – Finance from L. N. Welingkar Institute of Management Development & Research. • Bachelor of Engineering – Information Technology from Dwarkadas J. Sanghvi College of Engineering. • CFA Charter holder (USA).	14	**HSBC Asset Management (India) Private Limited** as VP – Equities (Since November 26, 2022) ***Prior Assignments:*** **L&T Investment Management Limited –** Research Analyst July 16, 2021 to November 25, 2022. **Reliance Nippon Life Insurance Company Limited –** Research Analyst from April 17, 2017 to July 15, 2021. **Religare Capital Market Limited –** Research Analyst from June 18, 2015 to April 13, 2017. **Motilal Oswal Securities Limited –** Research Analyst from May 2, 2013 to June 12, 2015

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Name	Age	Designation	Educational Qualification	Total No. of years of Experience	Nature of past experience including assignments held during the last 10 years
Anish Goenka	38	SVP & Fund Manager – Equities	MBA from IMT Ghaziabad	14	**HSBC Asset Management (India) Private Limited** as SVP – Fund Management Equities (Since March 2025) as VP – Equities (Since Nov 2022) ***Prior Assignments:*** **L&T Investment Management Limited** as VP – Equities from June 2021 to November 2022 **IIFL Asset Management** as AVP – Equities from Oct 2012 to June 2021
Prakriti Banka	41	Vice President – Equities	BE (Electronics and Telecom, Mumbai University), MBA (IMT, Ghaziabad), CFA (CFA Institute)	15	**HSBC Asset Management (India) Private Limited** as Vice President – Equity (Since April 25, 2022) ***Prior Assignments:*** **PGIM India Asset Management Pvt. Ltd.** Senior Manager – Equity from November 2012 to March 2020. **Avendus Securities Ltd.** Associate – Institutional Equity Sales from February 2011 to November 2012. **Yes Bank Limited** Associate – Corporate Banking from December 2009 to February 2011.
Mayank Chaturvedi	31	Vice President – Equities	Chartered Accountant (ICAI) CFA Level 2 (Charlottsville, USA) B.Com (Ahmedabad University)	6	**HSBC Asset Management (India) Private Limited** as Vice President – Equity (Since September 2023 onwards) ***Prior Assignments:*** **Equirus Securities** Equity Research Analyst from December 2019 to August 2023.
Mohd Asif Rizwi	41	SVP – Fund Management Fixed Income	PGDM from IIM Calcutta & B. Tech (Chemical Engineering) from IIT Bombay	16	**HSBC Asset Management (India) Private Limited** as SVP - Fund Management – Fixed Income (Since January 16, 2024) as SVP - Dealing – Fixed Income (Since March 1, 2023) as VP - Dealing – Fixed Income (Since November 26, 2022) ***Prior Assignments:*** **L&T Investment Management Ltd.** as Senior Dealer in Fixed Income since May 11, 2020 to November 25, 2022 **Yes Bank Ltd** as Executive Vice President from April 20, 2015 to May 8, 2020. **ICICI Bank Ltd.** as Senior Manager from May 9, 2012 to April 18, 2015. **Deutsche Bank Global Markets Centre** as Senior Analyst from July 2007 to May 2010.

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Name	Age	Designation	Educational Qualification	Total No. of years of Experience	Nature of past experience including assignments held during the last 10 years
Mahesh Chhabria	39	SVP – Fund Management Fixed Income	Masters in Management Studies (M.M.S)	15	**HSBC Asset Management (India) Private Limited** as SVP - Fund Management – Fixed Income (Since March 1, 2024) as VP - Fund Management – Fixed Income (From November 26, 2022 till February 29, 2024) ***Prior Assignments:*** **L&T Investment Management Ltd** as Fixed Income – Fund Manager from November 25, 2021 to November 25, 2022. **L&T Investment Management Ltd** as Dealer in Fixed Income since June, 2015 till November 24, 2021 **Edelweiss Securities Ltd** as Fixed Income dealer from October 2013 – June 2015 **Derivium Traditions Pvt. Ltd.** as Fixed Income dealer from February 2013- October 2013 **L&T Investment Management Ltd.** as Associate in Investment Operations from November 2012 – February 2013. **FIL Fund Management Pvt. Ltd.** as Associate in Investment Operations from August 2010 – November, 2012
Abhishek Iyer	42	SVP – Fund Management Fixed Income	• Master in Finance Management - Thakur Institute of Management • B.Com - Vivek College of Commerce	18	**HSBC Asset Management (India) Private Limited** as SVP – Fund Management Fixed Income (Since March, 2025) ***Prior Assignments:*** **Mirae Asset Investment Managers (India) Private Limited** AVP – Fund Manager from April 2017 till March 2025 **IDBI Asset Management Limited** Asst. Manager – Dealing Fixed Income from September 2014 till April 2017 **IIFL Asset Management Ltd.** Asst. Manager – Dealing Fixed Income from April 2013 till August 2014 **L&T Investment Management Limited** Asst. Dealer & Credit Analyst from June 2011 till March 2013 **Sahara Asset Management Company Private Limited** Associate Dealer/Operations from June 2007 till June 2011.
Praveen Ayathan	58	SVP & Head Dealing Equities	B.Sc Mathematics	34	**HSBC Asset Management (India) Private Limited** as SVP & Head Dealing Equities (Since November 26, 2022) ***Prior Assignments:*** **L&T Investment Management Limited** as Chief Dealer – Equities since July 2012 to November 25, 2022 **Kotak Mahindra Asset Management Company Ltd.** as Chief Dealer of Equities from September 2005 to July 2012. **Dalal and Broacha Stock Broking Private Ltd.** as Institutional Head Equity from May 2000 to September 2005.

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Name	Age	Designation	Educational Qualification	Total No. of years of Experience	Nature of past experience including assignments held during the last 10 years
Sonal Gupta	47	Head of Research – Equity	PGDM (IIM Bangalore), CFA (CFA Institute), Bachelors in Mechanical Engineering	22	**HSBC Asset Management (India) Private Limited** as Head Research - Equity (Since November 26, 2022) ***Prior Assignments:*** **L&T Investment Management Limited** as Head of Research - Equity from June 1, 2021 to November 25, 2022. **UBS Securities India Private Limited** from June 19, 2006 till May 28, 2021 [Director – Equity Research (since Mar' 2010)]
Dipan Parikh	52	SVP – Dealing Equities	B.Com.	29	**HSBC Asset Management (India) Private Limited,** as SVP – Dealing Equities (Since March 2025) as VP – Dealing Equities from September 2006 till February 2025 ***Prior Assignments:*** **Karvy Stock Broking Private Limited,** Institutional Dealer from July 2001 to September 2006
Hitesh Gondhia	45	VP – Dealing Equities	PGDBM Finance	21	**HSBC Asset Management (India) Private Limited** as VP – Dealing Equities (Since November 26, 2022) ***Prior Assignments:*** **L&T Investment Management Limited** as Equity Dealer from June 2014 to November 25, 2022. **Edelweiss Securities Limited** as Equity dealer from March 2007 to May 2014. **Karvy Stock Broking Limited** as Equity dealer from June 2005 to March 2007
Rajeesh Nair	37	VP – Dealing Equities	CA- Inter (ICAI) B.com (Mumbai University)	15	**HSBC Asset Management (India) Private Limited** as Manager – Dealing Equities (Since November 26, 2022) ***Prior Assignments:*** **L&T Investment Management Limited** as Equity Dealer from August 2019 to November 25, 2022 **L&T Investment Management Limited** in Investment Operations from November 2016 to August 2019 **IDFC Mutual Fund** in Operations team from March 2011 to October 2016
Priti Rane	38	VP – Dealing Equities	PGDBA from Welingkar	15	**HSBC Asset Management (India) Private Limited** as VP – Dealing Equities (Since November 26, 2022) ***Prior Assignments:*** **L&T Investment Management Limited** as Equity Dealer from May 2015 to November 25, 2022. **L&T Investment Management Limited** as Data Analyst from February 2011 to April 2015. **Cholamandalam Investment Management Ltd.** as Data Analyst from November 2008 to January 2011.

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Name	Age	Designation	Educational Qualification	Total No. of years of Experience	Nature of past experience including assignments held during the last 10 years
Rahul Totla	42	VP – Dealing Fixed Income	BE (Electronics), MBA (Finance)	16	**HSBC Global Asset Management Company Ltd.** Vice President & Dealer – Fixed Income from March 2017 onwards. ***Prior Assignments:*** **IDBI Asset Management Company Ltd.** Dealer – Fixed Income from November 2014 to March 2017. **ING Investment Management Ltd.** Dealer – Fixed Income from January 2014 to October 2014. **Edelweiss Asset Management Company Ltd.** Assistant Fund Manager – Fixed Income from July 2011 to Dec. 2013. **Godfrey Phillips India Ltd.** Deputy Manager – Operations from November 2005 to April 2008.
Amit Mahadik	34	VP – Dealing Fixed Income	CA - Intermediate – Institute of Chartered Accountants of India Bachelor of Commerce – University of Mumbai	13	**HSBC Asset Management (India) Private Limited** as VP – Dealing Fixed Income (Since June 2024) Fund Accounting from November 2022 to May 2024 ***Prior Assignments:*** **L&T Investment Management Ltd.** Fund Accounting from November 2020 to November 2022 **TATA AIA Life Insurance Ltd.** Investment Operations from November 2019 to November 2020. **M.P. Chitale & Company – Chartered Accountants –** Concurrent Audit from July 2016 to November 2019 & Internal Audit from January 2012 to June 2015.
Sonakshi Mata	30	VP – Dealing Fixed Income	• MBA – School of Business Management, Narsee Monjee Institute of Management Studies – Mumbai • BMS – Narsee Monjee College of Commerce and Economics – Mumbai	6	**HSBC Asset Management (India) Private Limited** as VP – Dealing Fixed Income (Since September 26, 2024) ***Prior Assignments:*** **HDFC Bank Limited** Sr. Dealer – Institutional Sales from January 10, 2022 to September 25, 2024 **ICICI Bank** Dealer – Debt Capital Markets from May 06, 2019 to January 06, 2022. **Edelweiss Tokio Life Insurance** Analyst, CEO's Office from June 01, 2016 to May 19, 2017.

Presently the AMC has 5 dedicated equity dealers and a total of 19 employees in the Equity investment management department and a total of 11 employees in the Fixed Income investment management department.

Further, at present all the key personnel are based at the Corporate Office of the AMC except for Mr. Ankur Banthiya who is based out of Chennai. Mr. Ankur Banthiya, Senior Vice President – Client Operations, has been appointed as the Investor Relations Officer of the SIF.

PROCEDURE FOLLOWED FOR INVESTMENT DECISIONS

The Fund Managers of the Investment Strategies are responsible for making buy/sell decisions in respect of the securities in the Investment Strategies portfolio and to develop a well-diversified portfolio, while taking into account various factors such as liquidity and credit risk. The investment decisions are made on a daily basis keeping in view the market conditions and all relevant aspects.

The Board of the AMC has constituted Risk Management Committee (also known as Front Office Management Committee) that meets at periodic intervals. The Investment Management Committee, at its meetings, reviews investments, including investments in unrated debt instruments. The approval of unrated debt instruments is based on parameters laid down by the Board of the AMC and the Board of Directors of Trustee Company. The details of such investments are communicated by the AMC to the Board of Directors of Trustee Company in their periodical reports along with a disclosure regarding how the parameters have been complied with. Such reporting shall

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be in the manner prescribed by SEBI from time to time. The Committee also reviews the performance of the Investment Strategies and general market outlook and formulates the broad investment strategy at their meetings.

It is the responsibility of the AMC to ensure that the investments are made as per the internal/Regulatory guidelines, Investment Strategy's investment objectives and in the best interest of the Unitholders of the Investment Strategy. The Fund may follow internal guidelines as approved by the Board of the AMC and the Board of Directors of Trustee Company from time to time. Internal guidelines shall be subject to change and may be amended from time to time in the best interest of the Unitholders. The amendments will be approved by the Board of the AMC and the Board of Directors of Trustee Company of the SIF.

The performance of the Investment Strategies of equities & fixed income vis-à-vis the benchmark returns are presented to the Board of the AMC and the Trustee Company periodically. The performance of the Investment Strategies shall be reviewed by the Boards with reference to the appropriate benchmarks. The Fund Managers of the various Equities & Fixed Income Investment Strategies will bring to the notice of the AMC Board, specific factors if any, which are impacting the performance of the Investment Strategy. The Board on consideration of all relevant factors may, if necessary, give appropriate directions to the AMC. The AMC will keep a record of all investment decisions.

The performance of the Investment Strategies are benchmarked against the respective Benchmark Index mentioned in the Investment Strategy Information Document read with the addendums issued from time to time. However, the Investment Strategies performance may not be strictly comparable with the performance of their Index due to the inherent differences in the construction of the portfolios.

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III. SERVICE PROVIDERS

1. Custodian

1. Custodian for all schemes (except HSBC Gold ETF) :

HDFC Bank Limited (SEBI registration number IN/CUS/001 dated October 31, 2018), registered office address at HDFC Bank House, Senapati Bapat Marg, Lower Parel (W), Mumbai 400013.

2. Custodian for HSBC Gold ETF :

Deutsche Bank AG (SEBI registration number IN/CUS/003 dated 20th March 1998), registered office address at DB House, Hazarimal Somani Marg, Fort, Mumbai, Maharashtra, 400001.

2. Registrar and Transfer Agent

Computer Age Management Services Ltd. (CAMS) having registered office at Rayala Towers, Tower 1, Seventh Floor, 158 Anna Salai, Chennai 600002 has been appointed as Registrar, Transfer Agents and dividend paying agent. The Registrar is registered with SEBI under the SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 vide registration number INR000002813 and its deemed to be registered under SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 2025. As Registrars to the Investment Strategy, CAMS will handle communications with investors, perform data entry services and dispatch account statements. The Board of AMC and Board of Directors of Trustee Company have ensured that the Registrar has adequate capacity to discharge responsibilities with regard to processing of applications and dispatching account statements / issue units in dematerialized form to unitholders within the time limit prescribed in the Regulations and also have sufficient capacity to handle investor complaints.

3. Statutory Auditor

M/s. Price Waterhouse, Chartered Accountants LLP, Nesco IT Building III, 8th Floor, Nesco IT Park, Nesco Complex, Gate No. 3, Western Express Highway, Goregaon (East), Mumbai 400063, Maharashtra, India has been appointed as the Auditors for the Investment Strategy of the SIF. The Board of Directors of Trustee Company have the right to change the Auditors.

4. Legal Counsel

Based on the issue on hand, the AMC appoints appropriate legal counsel on a case to case basis.

5. Fund Accountant

HDFC Bank Limited (SEBI registration number IN/CUS/001 dated October 31, 2018), registered office address at HDFC Bank House, Senapati Bapat Marg, Lower Parel (W), Mumbai – 400013.

6. Collecting Bankers

Name of Bank	Registered Office Address	SEBI Registration Number
The Hongkong and Shanghai Banking Corporation Limited	56/60, M. G. Road, Mumbai 400 001	INBI00000027

IV. CONDENSED FINANCIAL INFORMATION (CFI):

Presently, this disclosure is not applicable.

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V. RISK FACTORS

1. STANDARD RISK FACTORS

a. Standard Risk Factors for investments in SIF

- Investments in SIF and securities investments are subject to market risks and there is no assurance or guarantee that the objectives of the SIF's will be achieved.
- Investment in SIF involves investment risks such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of principal.
- As per the price/value/yield of the securities in which the Investment Strategy invests fluctuates, the value of investment in the Investment Strategy s may go up or down depending on the various factors and forces affecting the capital markets and money markets.
- Past performance of the Sponsor/AMC/SIF does not guarantee future performance of the Investment Strategies.
- The name of the Investment Strategy does not in any manner indicate either the quality of the Investment Strategy or their future prospects and returns.
- The Sponsor is not responsible or liable for any loss resulting from the operation of the Investment Strategy beyond the initial contribution of Rs. 1,00,000/- (Rupees One Lakh only) made by it towards setting up the Fund. The associates of the Sponsor are not responsible or liable for any loss or shortfall resulting from the operation of the Investment Strategies.
- SIF Investment Strategies are not guaranteed or assured return.
- SIF being vehicles of securities investments are subject to market and other risks and there can be no guarantee against loss resulting from investing in the Investment Strategy. The various factors which impact the value of the Investment Strategies' investments include, but are not limited to settlement periods, trading volumes etc.
- Investment decisions made by the AMC shall be in the best interest of investors but may not always be profitable.

b. Risks associated with different derivative strategies including derivative strategies as applicable for the SIF.

- The AMC, on behalf of the Investment Strategy may use various derivative products, from time to time, in an attempt to protect the value of the portfolio and enhance Unit holders' interest. Investors should understand that derivative products are specialized instruments that require investment techniques and risk analysis different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying instrument but of the derivative itself. Other risks include but are not limited to the risk of mispricing or improper valuation and the inability of derivatives to correlate perfectly with underlying assets, rates and indices. There may be a cost attached to selling or buying futures or other derivative instrument. Further there could be an element of settlement risk, which could be different from the risk in settling physical shares. The possible lack of a liquid secondary market for a futures contract or listed option may result in inability to close futures or listed option positions prior to their maturity date.
- Derivative instruments can lead to both amplified gains and heightened losses. While they can be used to enhance portfolio efficiency or manage risk, their application involves a higher degree of complexity. The effectiveness of derivative strategies depends on accurate assessment of market conditions and timely execution. However, identifying and implementing such strategies involves uncertainty and there is no assurance that these strategies will consistently generate positive outcomes.
- The risks associated with derivatives may be different from, or potentially greater than, those associated with direct investments in traditional securities. Investors should be aware that such instruments can increase the volatility of the portfolio under certain market conditions. The Investment Strategy will be predominantly actively managed, with the use of derivatives forming an integral part of the investment and risk management process.
- No assurance can be given that the fund manager will be able to identify or execute such strategies.
- Covered call strategies offer limited downside protection and cap upside gains. Risks include poor execution due to low option liquidity, difficulty rolling positions in volatile markets, margin calls if using leverage, and forced stock sale if assigned near expiry.
- Unhedged Short derivative positions carry unlimited risk and no downside protection. The investment strategies under the SIF may take unhedged short exposure through exchange traded derivative instruments of up to 25% of net assets

c. Other risk factors (viz. Swing pricing, investment in CDMDF, LRM etc.)

Risk factors associated with Swing Pricing framework (Applicable to debt-oriented SIF Investment Strategies): Not applicable.

Risk factor associated with Corporate Debt Market Development Fund (CDMDF) (Applicable to debt-oriented Investment Strategies): Not applicable.

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2. SPECIAL CONSIDERATIONS

- From time to time and subject to the Regulations, the Sponsor, their associates, subsidiaries, the SIF, Trustee Company and the AMC may invest directly or indirectly in the Investment Strategies(s) of RedHex SIF. These entities may acquire a substantial portion of investment strategy's units and collectively constitute a major investor in the Investment Strategy(ies). Accordingly, redemption of Units held by such entities may have an adverse impact on the Investment Strategy (s) because the timing of such redemption may impact the ability of other Unitholders to redeem their Units.
- As the liquidity of the Investment Strategy(s) investments could, at times, be restricted by trading volumes and settlement periods, the time taken by the Investment Strategy(s) for redemption of Units may be significant in the event of an inordinately large number of redemption requests or of a restructuring of the Investment Strategy(s) portfolio. In view of this, the Trustees have the right, in their sole discretion to limit redemptions (including suspending redemption) under certain circumstances, as described under the section titled "Suspension of Redemption of units" in ISID of respective investment strategy(s).
- Redemptions due to change in the fundamental attributes of the Investment Strategy(s) or due to any other reasons may entail tax consequences. The Trustees, the SIF, the AMC, their directors of AMC and Trustee Company or their employees shall not be liable for any tax consequences that may arise.
- The Investment Strategy(s) at times may receive large number of redemption requests which may have an adverse impact on the performance of the Investment Strategy(s) and may also affect all the unit holders as the fund manager needs to liquidate securities to meet the redemptions post which the portfolio is likely to be less liquid.
- The tax benefits described in the ISIDs of the respective investment strategies are as available under the present taxation laws and are available subject to conditions. The information given is included for general purpose only and is based on advice received by the AMC regarding the law and practice in force in India and the investors should be aware that the relevant fiscal rules or their interpretation may change. As is the case with any investment, there can be no guarantee that the tax position or the proposed tax position prevailing at the time of an investment in the Investment Strategy(s) of RedHex SIF will endure indefinitely. In view of the individual nature of tax consequences, each investor is advised to consult his/her own professional tax advisor.
- Neither the ISIDs of the Investment Strategy (s) nor the Units of the Investment Strategy(s) have been registered in any jurisdiction. The distribution of the ISIDs of the Investment Strategy(s) of RedHex SIF in certain jurisdictions may be restricted or totally prohibited and accordingly, persons who come into possession of the ISIDs of the Investment Strategy(s) of RedHex SIF are required to inform themselves about, and to observe, any such restrictions.
- Prospective investors should review/study the ISIDs of the Investment Strategy (s) of RedHex SIF carefully and in its entirety and shall not construe the contents hereof or regard the summaries contained herein as advice relating to legal, taxation, or financial/investment matters and are advised to consult their own professional advisor(s) as to the legal, tax, financial or any other requirements or restrictions relating to the subscription, gifting, acquisition, holding, disposal (sale, switch or redemption or conversion into money) of Units and to the treatment of income (if any), capitalisation, capital gains, any distribution, and other tax consequences relevant to their subscription, acquisition, holding, capitalisation, disposal (sale, transfer, switch or conversion into money) of Units within their jurisdiction of nationality, residence, incorporation, domicile etc. or under the laws of any jurisdiction to which they or any managed funds to be used to purchase/gift Units are subject, and also to determine possible legal, tax, financial or other consequences of subscribing/gifting, purchasing or holding Units before making an application for Units.
- The SIF/the Trustee Company/the AMC have not authorised any person to give any information or make any representations, either oral or written, not stated in the ISIDs of the Investment Strategy (s) of RedHex SIF in connection with issue of Units under the Investment Strategy. Prospective investors are advised not to rely upon any information or representations not incorporated in the ISIDs of the Investment Strategy(s) of RedHex SIF as the same have not been authorised by the SIFor the AMC. Any subscription, purchase or sale made by any person on the basis of statements or representations which are not contained in the ISIDs of the Investment Strategy(s) of RedHex or which are inconsistent with the information contained herein shall be solely at the risk of the investor.
- To the best of the knowledge and belief of the Trustees/Trustee Company and the AMC, information contained in the ISIDs of the Investment Strategy(s) of RedHex SIF is in accordance with the SEBI regulations and the facts stated herein are correct and this ISID does not omit anything likely to have an impact on the importance of such information.
- The AMC is also registered as a Portfolio Manager under the SEBI (Portfolio Managers) Regulations, 1993 vide registration no. INP000001322 and is deemed to be registered as such under SEBI (Portfolio Managers) Regulations, 2020. The AMC has proper systems and controls in place to ensure that there is no conflict of interest between the activity of managing the Investment Strategies of the SIF and the activity of Portfolio Management Services and there exist systems to prohibit access to insider information.

  Further, an asset management company, subject to certain conditions, may also permitted to undertake activities in the nature of management and advisory services to pooled assets including off shore funds, insurance funds, pension funds, provident funds or such categories of foreign portfolio investor subject to such conditions as may be specified by SEBI from time to time, if any of such activities are not in conflict with the activities of the mutual fund/SIF. Accordingly, the AMC provides or may provide non-binding advisory services to off shore funds, through the fund managers managing the schemes of the Fund/Investment Strategies of SIF, as permitted under Regulation 21(b) of the Regulations. SEBI vide its email dated November 26, 2020 and letter dated March 20, 2024, accorded it's no objection to the AMC for providing such non-binding investment advisory services to offshore funds, which are appropriately regulated foreign portfolio investors, by the fund managers of the schemes of the Fund. The AMC has proper systems and controls in place to ensure that (a) there is no conflict of interest between the activities

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of managing the schemes of the Fund / Investment Strategies of SIF and other activities of the AMC; and (b) interest of the unit holders of the schemes of the Fund / Investment Strategies of SIF are protected at all times. In case of an unavoidable conflict of interest situation, the AMC shall make appropriate disclosures in an appropriate manner, which shall include the source of conflict, potential 'material risk or damage' to the Fund's investors' interests and detailed parameters for the same.

Further, SEBI vide letter dated May 3, 2024, has accorded it's no objection to the AMC to undertake Alternate Investment Funds activity under the SEBI (Alternate Investment Funds) Regulations, 2012. The AMC before the launch of Alternate Investment Funds activity shall ensure that it has proper systems and controls in place to ensure that there is no conflict of interest between the activity of managing the schemes of the Mutual Fund / Investment Strategies of SIF and the activity of Alternate Investment Funds and there exist systems to prohibit access to insider information.

Further, SEBI vide its letter dated October 3, 2024, accorded it's no objection to the AMC for setting up of a wholly owned subsidiary in International Financial Services Centre ("IFSC"), Gujarat International Finance Tee-City ("GIFT City") to undertake activities as permitted under Regulation 21(b) of SEBI (Mutual Funds) Regulations, 2026 and provide non-binding advisory services to the subsidiary for its GIFT AIF activity. This activity has not commenced yet.

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VI. HOW TO APPLY?

- New investors can purchase units by submitting duly completed Common application form, subject to KYC requirements and other required documents. Once the new folio is created in SIF, such unit holders may use transaction Slip, or Common Transaction Form. The Application Form for will be available at the Investor Service Centres/Designated Collection Centres/Distributors and also on our website at www.assetmanagement.hsbc.co.in
- Applications should be completed in block letters in English. Signatures should be in English or in any Indian language. Thumb impressions and signatures in languages not specified in the Seventh Schedule of the Constitution of India should be attested by a magistrate or a Notary Public or a special Executive Magistrate under his/her official seal.
- Payment should be made by cheque or Funds Transfer or RTGS/NEFT or bank draft drawn on any bank which is situated at and is a member of the Banker's Clearing House located at the place where the application is submitted or in a manner acceptable to the AMC, which is evidenced by receipt of credit in Bank Account of the Fund.
- Outstation cheques will not be accepted and applications accompanied by such cheques are liable to be rejected. However, outstation cheques are acceptable in case of SIP applications.
- No cash, money orders and postal orders will be accepted.
- Post-dated cheques will not be accepted.
- Bank charges for demand drafts will be reimbursed by the AMC in the form of allotment of additional units limited upto the maximum bank charges as per table below:

Amount	**DD Charges#**
Upto INR 5,000	INR 25 flat fee
INR 5,000 to INR 10,000	INR 50 flat fee
INR 10,001 to INR 1,00,000	INR 5 per INR 1,000 (Minimum charge INR 60)
Above INR 1,00,000	INR 4 per INR 1,000 (minimum INR 600 maximum INR 2,000)

Demand Draft charges vary depending on the bank and the amount. Kindly note, additional GST may also be applicable.

However, such Demand Draft charges would be borne by the AMC only when the investor is not residing in any of the locations where the AMC or CAMS have official points of acceptance and the Demand draft has not been issued at the AMC/CAMS point of acceptance. Such demand drafts should be payable at the AMC/CAMS location where the investment application is submitted. The AMC will not entertain any request for refund of demand draft charges.

- Applications should be made in adherence to the minimum amount requirements as mentioned in the ISID.
- All cheques and bank drafts must be drawn in the name of the Investment Strategies e.g. < RedHex Specialized Investment Fund > and crossed "Account Payee only". A separate cheque or bank draft must accompany each Application. Investors must use separate application forms for investing simultaneously in more than one option of the Investment Strategies, subject to the minimum subscription requirements under each option.
- All cheques and bank drafts accompanying the application form should contain the application form number/folio number on its reverse.
- Investors are requested to use the services of AMFI certified Distributors empanelled with the AMC. The AMC shall not be liable to an Investor, with respect to investments made through non-empanelled Distributors. If the investor wishes to invest directly, i.e without involving the services of any agent or broker, "DIRECT" should be mentioned in the space provided for "ARN Number" in the Application Form/Transaction Form. Any subsequent change/updation/removal of broker code will be based on the written request from the Unit holder and will be on a prospective basis only from the date when the Registrar executes such written instruction.

Treatment of Financial Transactions Received Through Invalid Distributors (ARNs):

1. All Purchase/Switch requests (including under fresh registrations of Systematic Investment Plan ("SIP")/Systematic Transfer Plan ("STP") or under SIPs/STPs registered prior to the suspension period) received during the suspension period shall be processed under "Direct Plan" and continue to be processed under "Direct Plan" perpetually unless, after suspension of ARN is revoked, investor makes a written request to process the future instalments/investments under "Regular Plan". HSBC Asset Management (India) Private Limited ('AMC') shall also suitably inform the concerned unitholders about the suspension of the distributor from doing mutual fund distribution business.
2. Any Purchase/Switch or SIP/STP transaction requests received through the stock exchange platform, from any distributor whose ARN has been suspended, shall be rejected.
3. Additionally, where the ARN of a distributor has been terminated permanently, the AMC shall advise the concerned unitholder(s), who may at their option, either continue their existing investments under Regular Plan under any valid ARN holder of their choice or switch their existing investments from "Regular Plan" to "Direct Plan" subject to tax implications and exit load, if any.

Definition of "Invalid ARN":

"Invalid ARNs" shall include the following situations –

1. ARN validity period expired.
2. ARN cancelled/terminated.
3. ARN suspended.

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4. ARN Holder deceased

5. Nomenclature change, as required pursuant to IA Regulations, not complied by the MFD.

6. MFD is debarred by SEBI.

7. ARN not present in AMFI ARN database.

8. ARN not empanelled with an AMC.

Guidelines for Processing of transactions received under Regular Plan with invalid ARN

Transactions received in Regular Plan with Invalid ARN to be processed in Direct Plan of the same Scheme (even if reported in Regular Plan), applying the below logic :

Transaction Type	Primary ARN			SUB Distributor ARN		EUIN*	Execution Only Mentioned	Regular Plan / Direct Plan
	Valid	Invalid	Empanelled	Valid	Invalid	Valid	Yes	
Lum Sum/Registration	Y		Y				Y	Regular
	Y		N	Not applicable				Direct
	Y		Y	N.A.	N.A.	N.A.	N	Regular*
	Y		Y	Y		Y		Regular
		Y						Direct
	Y		Y	Y			Y	Regular
	Y		Y		Y			Direct
Trigger	Y			Not applicable				Regular
		Y		Not applicable				Direct

Notes:

1) *If the EUIN is invalid/missing, the transactions shall be processed in Regular plan, and the distributor/investor shall be given 30 day period from the date of the transaction for remediation of the EUIN. In such cases, the investor to be advised to either provide a different EUIN linked to the ARN who would be engaged in servicing the investor OR switch to Direct Plan. The commission shall not be paid to the ARN holder if the Switch transaction does not happen, or fresh EUIN is not provided within 30 days. The commission may be paid if the fresh EUIN is provided by client within 30 days.

2) For SIP & STP facilities, the ARN validity shall be verified/validated at the time of registration. For instances where the registration details not available in RTA records the transaction shall be treated as lumpsum purchase for validations. Distributors must reconcile the active/inactive SIPs with RTA's at regular intervals.

3) SIPs registered under ARN of deceased to continue till end of SIP registration period or investor's request as per AMFI guidelines; No fresh transactions or SIPs to be booked under the ARN of deceased MFD post cancellation of ARN at AMFI.

4) Only Sub-distributor's ARN with valid "ARN-" values in the transaction will be considered for validation of Sub-distributor ARN for all types of transactions (lumpsum/SIP/STP).

5) If the ARN is invalid as on date of SIP/STP registration, such registration and future transactions thereunder will be processed under DIRECT plan.

6) Transactions other than the physical mode which are found to be not in order basis above matrix, will be rejected at the time of upload/submission for following reasons: To give opportunity for the intermediary/platform to rectify details before submitting transactions or to report transactions as DIRECT.

   If these transactions are accepted and processed as DIRECT, the intermediary placing the transaction will not be receiving reverse feeds and hence will not be able to reconcile.

   Since the validation cannot be carried out at the time of acceptance 3 or transactions received in physical form, the same will be done at the time of processing the transaction, and if found to be invalid, the transaction will be processed under DIRECT.

7) Transactions received from the stock exchange platforms in Demat mode with invalid ARN shall be rejected instead of processing in Direct Plan for following reasons – Settlement of units will fail at clearing corporation due to mismatch of ISIN.

   If the RTA processes the transaction in DIRECT Plan, the AMC will face issues with corporate action wherein the clearing corporation will not be able to reconcile and credit the units.

   The distributor/broker will not be able to download the reverse feed/mail back report for the transactions reported by the respective distributor in case if we process under Direct Plan.

8) Dividend reinvestment transactions, being a corporate action, will be excluded from the above validation.

Employee Unique Identification Number (EUIN) : Clause no. 16.11 of SEBI Master Circular on Mutual Funds dated March 20, 2026, required creation of a unique identity number of the employee/relationship manager/sales person of the distributors interacting with the investor for Investment Strategies of SIF, in addition to the AMFI Registration Number (ARN) of the distributor. This has been recommended by SEBI in order to avoid any instance of mis-selling, particularly in advisory based transactions. This would further help tackle the problem of mis-selling even if the employee/relationship manager/sales person leaves the employment of the distributor. Due

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to this regulatory change, all employees of distributors who are involved in sale of Investment Strategies of SIF are required to obtain an Employee Unique Identification Number (EUIN). Applications received without a valid EUIN and/or valid sub-broker code (should be a valid ARN and not an internal code) are subject to rejection by the fund.

Option to hold Units in Demat mode: clause no. 15.7.2 of SEBI Master Circular on Mutual Funds dated March 20, 2026 with effect from October 01, 2011, investors subscribing for the Units in any of the Investment Strategies of SIF may opt to hold Units in dematerialized (demat) mode by filling and providing details of their demat account in the specified application form and furnish Bank Account details linked with their demat account. Units shall be allotted in physical form by default, unless the investors intimate their intention of holding Units in demat form by filling in the specified application form. This option shall be available in accordance with the provisions laid under the respective investment strategies and in terms of guidelines/procedural requirements as laid by the depositories (NSDL/CDSL) from time to time. Currently, the option to hold Units in demat form shall not be available to investors subscribing for Units into options where the dividend distribution frequency is less than one month.

Investors intending to hold the Units in Demat form are required to have a beneficiary account with the Depository Participant (DP) registered with NSDL/CDSL and will be required to indicate in the specified application form, the DP's name, DP ID number and the beneficiary account number of the Unit holder with the DP apart from other details. In case the Demat account details are not provided or the details are incomplete or the details do not match with the records as per Depository(ies), Units will be allotted in physical form. The sequence of names/pattern of holding as mentioned in the application form must be same as that in the demat account. Units shall be credited to the investors' demat account only after the funds are credited into the SIF's investment strategy(s) account to the satisfaction of the AMC. In case of credit of Units to depository account, applicants' details like the mode of holding, bank account, correspondence address, payment bank, nomination etc. will be considered as appearing in the DP records. For any subsequent change in static information like address, bank details, nomination etc. investors should approach their respective depository.

If the demat account details do not match with applicants' name and order, Units will be allotted in physical form. Bank details in such cases shall be captured from the payment instrument provided by the investor. No further transactions shall be permitted in such folio in case Units have been allotted in physical form, till the time KYC related documents are provided, or until valid depository account details are provided for holding of units in demat mode.

In case, the Unit holder desires to convert the Units into Dematerialized/Rematerialized form at a later date, the request for conversion of Units held from non-demat form into Demat (electronic) form or vice-versa should be submitted along with a Demat/Remat Request Form to their Depository Participants. Rematerialization of Units will be in accordance with the provisions of SEBI (Depositories & Participants) Regulations, 2018 as may be amended from time. Units held in demat form will be transferable subject to the provisions laid under the respective Investment Strategy(s)/Plan(s) and in accordance with provisions of Depositories Act, 2018 and the SEBI (Depositories and Participants) Regulations, 2018 as may be amended from time to time. All expenses in connection with demat account/dematerialization of units will have to be incurred by the investor.

Transacting through Stock Exchange mechanism: The SIF also offers an alternate facility of transacting in the Units of the select Investment Strategies of SIF through the mutual fund trading platform of the Bombay Stock Exchange (BSE Star MF) and National Stock Exchange (NSE MFSS). Investors desirous of transacting through the stock exchange mode have an option to hold units in Demat Mode or in Physical Mode. Investors may note that the facility of transacting through the stock exchange mode being offered for all Investment Strategies of SIF. Investors desirous of transacting through the stock exchange mode shall submit applications to registered stock brokers, clearing members of recognized stock exchanges, or Depository Participants for transacting through BSE Star MF or NSE MFSS. Stock brokers, clearing members and Depository Participants (DP) will be considered as official points of acceptance of such transactions. A confirmation slip will be issued to the investor upon acceptance of the application.

If the investor wishes to invest directly, i.e. without involving the services of any agent or broker, "DIRECT" should be mentioned in the space provided for "ARN Number" in the application form/Transaction Form. Any subsequent change/updation/removal of broker code will be based on the written request from the Unit holder and will be on a prospective basis only from the date when the Registrar executes such written instruction.

The Application Forms together with the cheque/demand draft can be tendered at any of the Designated Collection Centers

Transactions through Facsimile or Electronic Mode:

The AMC, SIF, Registrar (collectively, the **"Recipient"**) may, at its sole discretion, accept certain transactions submitted via facsimile or through any electronic means, including but not limited to fax and email (referred as **"Electronic Transactions"**). Such acceptance shall be subject to the investor compliance with the terms and conditions prescribed by the AMC from time to time and shall be permitted only to the extent by the SEBI or AMFI or other regulatory authorities. The acceptance of Electronic Transactions shall be entirely at the risk of the sender (**"Transmitter"**), and the Recipient shall not be liable for any loss or damage, whether direct or indirect, suffered by the Transmitter due to the submission or attempted submission of such transactions, including instances where a transaction is not processed due to non-receipt by the Recipient. The Transmitter acknowledges that Electronic Transactions are not a secure mode of communication and involve inherent risks, including inaccuracies, transmission failures, distortions, illegibility, delays, or unauthorized alterations. The Transmitter further acknowledges that any request to the Recipient to act upon an Electronic Transaction is made solely for the Transmitter's convenience, and the Recipient is not obligated to process such transactions. The Transmitter expressly authorizes the Recipient to accept and act upon any Electronic Transaction that the Recipient, in good faith, believes to have been submitted by the Transmitter, and such transactions shall be deemed as if executed under the Transmitter's original signature.

For Electronic Transactions submitted via email by non-individual Transmitter (**"Client"**), the Recipient shall obtain from the Client a certified copy of its board resolution or an authority letter on official letterhead, expressly authorizing designated officials or employees to execute Electronic Transactions on its behalf.

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The Transmitter acknowledges and agrees that the Recipient may implement security procedures to verify Electronic Transactions, which may include but are not limited to signature verification, telephone callbacks, or a combination thereof. The Transmitter consents to the recording of such callbacks and agrees to cooperate with the Recipient to verify transaction requests. A transaction shall be deemed valid only upon appropriate time-stamping in accordance with SEBI regulations and the applicable investment strategy terms.

In consideration of the Recipient accepting and acting upon Electronic Transactions at its sole discretion (including the right to modify, extend, or discontinue such facilities at any time), the Transmitter agrees to indemnify and hold harmless the AMC, its directors, employees, agents, representatives, the SIF, and the Trustees (collectively, the "Indemnified Parties") from and against any and all claims, demands, liabilities, losses, damages, costs (including but not limited to interest and legal fees), and expenses of any nature, whether actual or contingent, arising directly or indirectly in connection with the Indemnified Parties accepting and acting in good faith upon such Electronic Transactions. This indemnity shall apply even in cases where the transaction request was not genuinely submitted by the Transmitter but was reasonably believed by the Recipient to have been so submitted.

The AMC reserves the right to discontinue the acceptance of Electronic Transactions at any time without prior notice. Applications that are incomplete in any respect shall be liable for rejection.

- **Terms and Condition for Transacting via Fax or Electronic Mail by Non-Individual Client(s):**

1. The Electronic Transactions submitted shall be accepted at the sole discretion of the Recipient and shall be subject to compliance with these terms, as modified from time to time.
2. The Client acknowledges that Electronic Transactions are not a secure mode of communication and may be subject to risks, including but not limited to:
    a. Transmission failures, inaccuracies, or errors;
    b. Illegibility, distortion, or lack of clarity;
    c. Unauthorized alterations, delays, or security breaches.
3. The Client further acknowledges that any request to the Recipient to process an Electronic Transaction is made solely for the Transmitter's convenience, and the Recipient shall not be obligated to act upon such requests.
4. The Client expressly authorizes the Recipient to accept and act upon any Electronic Transaction that the Recipient, in good faith, believes to have been submitted by the Transmitter. Such transactions shall be deemed as if they were submitted under the Client's original signature.
5. The Recipient may adopt security measures to verify Electronic Transactions, including but not limited to:
    a. Signature verification;
    b. Confirmation via email or telephone callback (which may be recorded);
    c. Any other method deemed necessary by the Recipient.
6. A transaction shall be considered valid only upon appropriate time-stamping in accordance with SEBI regulations and the applicable investment strategy terms.
7. Client submitting Electronic Transactions via email must provide the Recipient with a certified copy of a board resolution or an authority letter on official letterhead, expressly authorizing designated officials or employees to transact on the Client's behalf. Such board resolution or authority letter must explicitly include:
    a. A list of authorized officials, along with their designations and official email addresses, duly signed by official or an employee authorized vide board resolution.
    b. An undertaking that any financial transaction instructions sent via email by these authorized officials shall be binding on the Client as if executed under a duly signed written agreement.
8. Additionally, the Recipient may accept a scanned copy of a duly signed transaction form or request letter bearing the wet signature of the Client's authorized signatories, provided that:
    a. The email is copied (CC'd) to the registered email ID of the Client's authorized official/signatory.
    b. The sender's email address originates from the Client's official domain.
9. In consideration of the Recipient accepting and acting upon Electronic Transactions at its sole discretion (including the right to modify, extend, or discontinue such facilities at any time), the Client agrees to indemnify and hold harmless the AMC, its directors, employees, agents, representatives, the SIF, and the Trustees (collectively, the "Indemnified Parties") from and against any and all claims, demands, liabilities, losses, damages, costs (including but not limited to interest and legal fees), and expenses of any nature, whether actual or contingent, arising directly or indirectly from:
    a. The Indemnified Parties accepting and acting in good faith upon such Electronic Transactions;
    b. Any unauthorized or fraudulent transaction purportedly received from the Client.
10. The Client acknowledges that the time of receipt of an Electronic Transaction by the Recipient shall be final for the applicability of the Net Asset Value (NAV).
11. The Recipient shall maintain records of Electronic Transactions in compliance with applicable laws.
12. The Client availing the facility for submitting financial transactions via email shall retain records of such transactions for at least eight (8) years from the date of the transaction, or as required under applicable regulations.

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13. In the event of any change in the Client's authorized signatories, it shall be the Client's sole responsibility to notify the Recipient in a timely manner.
14. Any change in the Client's registered email ID or contact details shall be accepted only from designated officials authorized to notify such changes via a board resolution or authority letter. Such a change request must be submitted through a physical request letter or a scanned copy thereof bearing the wet signature of the designated authorized officials.
15. No change in or addition to the Client's bank mandate shall be permitted via email. Any change in bank details or the addition of a bank account must be submitted only through the prescribed service request form, duly signed by the Client's authorized signatories with their wet signatures.
16. The AMC reserves the right to modify, extend, or discontinue the acceptance of Electronic Transactions at any time without prior notice.
17. Applications that are incomplete in any respect shall be liable for rejection.

Bank Account Numbers

In order to protect the interest of investors from fraudulent encashment of cheques, cheques specify the name of the Unitholder and the bank name and account number where payments are to be credited. As per the directive issued by SEBI vide its letters IIMARP/MF/CIR/07/826/98 dated April 15, 1998 and para 15.17 of SEBI Master Circular on Mutual Funds dated March 20, 2026, it is mandatory for applicants to mention their bank details in their applications for purchase or redemption of units.

It is important for applicants to mention their bank name, bank account number, branch address, account type in their applications at the time of subscription. Applications without this information shall be rejected.

Bank mandate information provided will be subjected to 'penny drop' validation [IMPS] in addition to the documentary proof submitted and the name should match as per the bank records vs. folio records. If the name is not matching or name not found as part of the penny drop reverse feed, suitable notification should be sent to the claimant to establish further documentary evidence/proof, post confirmation from them and evidence is found to be satisfactory, then transmission process can be allowed.

Mandate Registration as part of new folio creation

Investor(s) or Unit Holder(s) are requested to note that any one of the following documents shall be submitted by the investor(s) or Unit Holder(s), in case the cheque/Fund Transfer Request provided along with fresh subscription/new folio creation does not belong to the bank mandate specified in the application form:

Any one of the following supporting documents* can be accepted as a Proof for Old and New Bank account

a) Cancelled original cheque leaf with first Unit Holder name and bank account number printed on the face of the cheque. OR

b) Copy of Bank Passbook having the name, address and account number of the account holder. OR

c) Bank Statement (issued within 3 months for new bank, in case of old bank account the date of statement will not be applicable).

Important: *The above documents should be either in original or copy to be submitted along with original produced for verification. In case if documents for the existing bank account are not available, kindly visit HSBC/CAMS office for In Person Verification along with PAN Card Copy/Photo Identification Proof for PAN Exempt cases. All documents to be self-attested. Kindly carry originals for adding a new bank.

Such additional document(s) are not provided for the verification of bank account, the AMC reserves the right to capture the bank account used towards subscription for the purpose of redemption and dividend payments

Updation of Bank Account

Updation/change of bank account in a folio should either be through Multiple Bank Account Registration Form or a standalone separate Change of Bank Mandate form only. Hence, forms like Common Transaction Form or any other form containing Redemption and Change of Bank Mandate requests will not be processed by the Fund and investors must refrain from using such forms which have combined Redemption and Change of Bank Mandate requests for the purpose of changing their bank mandate or updating a new bank mandate. Please visit our website www.assetmanagement.hsbc.co.in/redhex-sif for the list of documents for updation of new bank mandate.

Any request for change of bank mandate details will be entertained only if the Unit Holder provides any of the following documents along with the designated Multiple Bank Account Registration/Deletion form or a standalone separate Change of Bank Mandate form:

Any one of the following documents to be provided for Existing (Old) as well as New Bank account.

1. Cancelled original cheque leaf with first Unit Holder name and bank account number printed on the face of the cheque. OR
2. Copy of Bank Passbook having the name, address and account number of the account holder. OR
3. Bank Statement (issued within 3 months for new bank, in case of old bank account the date of statement will not be applicable).

Important : The above document can be in original or a copy which is duly attested by the bank (providing the attester's name, designation, employee id, seal and stamp of the bank) or verified against original by AMC/CAMS staff. In case if documents for the existing bank account are not available, kindly visit HSBC/CAMS office for In Person Verification along with PAN Card Copy/Photo Identification Proof for PAN Exempt cases. All documents to be self-attested. Kindly carry originals for adding a new bank.

In case if multiple banks are registered in the folio, existing bank proof of any one bank will be required to be submitted for adding another bank. It may be noted that, in case of those unit holders who hold Units in demat form, the bank mandate available with respective DP

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will be treated as the valid bank mandate for the purpose of payout at the time of maturity or at the time of any corporate action. AMC reserves the right to conduct additional due diligence as appropriate. Hence in case of delays in payment beyond the regulatory timelines, AMC will not be liable for any interest payment.

Change of bank account along with Redemption request placed with the Mutual Fund

In the interest of security of investments made by the Unit holder(s), the below risk mitigating steps have been introduced by the SIF:

Any request received for Change in Bank details which forms part of a financial transaction request will be subject to rejection. In such cases, only the financial transaction will be processed. For e.g. In case of a redemption transaction, the same will be processed and the proceeds shall be credited to the registered bank account without considering the change of bank details received along with such redemption request.

In case a redemption request is received before the change of bank details have been validated and registered, the redemption request would be processed to the currently registered bank account (existing on Fund's records). The Fund will follow a cooling period only in such cases where an updation/change of bank mandate request is received/processed few days prior to submission of a redemption request.

The SIF will require a cooling period of not more than 10 calendar days for validation and registration of bank accounts. The process of validation would include notifying the investor through e-mail, SMS, phone etc. about the registration of a new bank account. The SIF shall endeavors to use, where possible, more than one of the above means of communication. Further, the SIF shall credit the redemption/dividend proceeds only to a registered bank account that has gone through the validation process as enumerated above.

Within the cooling period, the investor will have an option to contact the SIF and validate the request placed. In case of non-validation or no objection raised by the Unit holder, the redemption proceeds will be paid in favour of the new bank account details requested for registration. The SIF reserves the right to reject any such request found incomplete or not found in order.

NRIs/FPIs

The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 (the "FEMA Regulations") permit a NRI/PIO to purchase on repatriation or non-repatriation basis, without limit, units of SIF Payment for such units must be made either by: (i) inward remittance through normal banking channels; or (ii) out of funds held in the NRE/FCNR account, or (iii) Indian Rupee drafts purchased abroad, in the case of purchases on a repatriation basis or out of funds held in the NRE/FCNR/NRO account, in the case of purchases on a non-repatriation basis.

In case Indian Rupee drafts are purchased abroad or from FCNR/NRE accounts, an account debit certificate from the bank/financial entity issuing the draft confirming the debit shall also be enclosed. NRIs shall also be required to furnish such other documents as may be necessary and as desired by the AMC/SIF/Registrar, in connection with the investment in the investment strategies.

The FEMA Regulations also permit a registered FPI to purchase, on repatriation basis, units of domestic mutual funds provided the FPI restricts allocation of its total investment between equity and debt instruments in the ratio as applicable at the time of investments. Payment by the FPI must be made either by inward remittance through normal banking channels or out of funds held in foreign currency account or non-resident rupee account maintained by the FPI with a designated branch of an authorised dealer with the approval of the RBI in terms of paragraph 2 of Schedule 2 to the FEMA Regulations. In case an investor who is a foreign national and resident in India, ceases to be resident in India, such investor will be required to redeem his/her investments prior to change in the resident status. Investor shall be fully liable for all consequences (including taxation) arising out of the failure to redeem on account of change in residential status.

The AMC reserves the right to redeem investments of such investors if their resident status is found to have changed to a country other than India. The redemption proceeds will be credited in Indian rupees only. Further, the AMC, its affiliates or service providers reserve the right to seek additional documents, implement controls and/or impose restrictions with respect to acceptance of investments from foreign nationals resident in India including the right to reject applications or subsequently redeem investments which are not in line with the controls deemed necessary by the AMC.

Applications under Power of Attorney/Body Corporate/Registered Society/Trust/Partnership

The original Power of Attorney or a duly notarized copy of the Power of Attorney shall be required to be submitted where applications are made under a Power of Attorney.

A company, body corporate, eligible institutions, registered society, trusts, partnership or other eligible non-individuals who apply in the SIF should furnish a certified copy of resolution or authority to make the application as the case may be and a certified copy of the Memorandum and Articles of Association and/or bye-laws and/or Trust Deed and/or Partnership Deed and certificate of registration or any other document as the case may be. In case of a Trust/Fund, it shall submit a certified true copy of the resolution from the Trustee(s) authorizing such purchases. The officials should sign the application under their official designation and furnish a list of authorised signatories.

Identification of Ultimate Beneficial Owner (UBO)

As per PMLA guidelines and relevant SEBI circulars issued from time to time, non-individuals and trusts are required to provide the details of controlling persons [CP]/ultimate beneficiary owner [UBO] and submit appropriate proof of identity and proof of address of such CPs/UBOs. The beneficial owner is the natural person or persons, who ultimately owns, controls or influences a client and/or persons on whose behalf a transaction is being conducted and includes a person who exercises ultimate effective control over a legal person or arrangement.

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A. For Investors other than individuals or trusts:

(i) The identity of the natural person, who, whether acting alone or together, or through one or more juridical person, exercises control through ownership or who ultimately has a controlling ownership interest. Controlling ownership interest means ownership of/entitlement to:

- more than 10% of shares or capital or profits of the juridical person, where the juridical person is a company.
- more than 10% of the capital or profits of the juridical person, where the juridical person is a partnership.
- more than 15% of the property or capital or profits of the juridical person, where the juridical person is an unincorporated association or body of individuals.

(ii) In cases where there exists doubt under clause (i) above as to whether the person with the controlling ownership interest is the beneficial owner or where no natural person exerts control through ownership interests, the identity of the natural person exercising control over the juridical person through other means like through voting rights, agreement, arrangements or in any other manner.

(iii) Where no natural person is identified under clauses (i) or (ii) above, the identity of the relevant natural person who holds the position of senior managing official.

B. For Investors which is a trust:

The identity of the settler of the trust, the trustee, the protector, the beneficiaries with 10% or more interest in the trust and any other natural person exercising ultimate effective control over the trust through a chain of control or ownership.

C. Exemption in case of listed companies/foreign investors

The client or the owner of the controlling interest is a company listed on a stock exchange or is a majority-owned subsidiary of such a company, there is no need for identification and verification of the identity of any shareholder or beneficial owner of such companies and hence exempted from UBO declaration provided other requisite information is provided. Intermediaries dealing with foreign investors' viz., Foreign Institutional Investors, Sub Accounts and Qualified Foreign Investors, may be guided by the clarifications issued vide SEBI circular CIR/MIRSD/11/2012 dated September 5, 2012 and other circulars issued from time to time, for the purpose of identification of beneficial ownership of the client.

D. KYC requirements: Beneficial Owner(s)/Senior Managing Official (SMO) is/are required to comply with the prescribed KYC process as stipulated by SEBI from time to time with any one of the KRA & submit the same to AMC. KYC acknowledgement proof is to be submitted for all the UBO(s)/SMO(s).

Investors (other than Individuals & Listed companies) are required to submit the following additional documents along with the declaration, to the Fund at the time of an investment transaction. Additionally, investors shall be required to notify the fund, when there is a change in the beneficial ownership:

- Copy of the latest share holding pattern including list of all those holding control, either directly or indirectly, in the company in terms of SEBI takeover Regulations, duly certified by the Company Secretary/Whole time director/MD.
- Documents confirming identity and address of the UBOs of the entity.

Investors are requested to note that, the fund shall reserve the right to seek additional information to ascertain the beneficial or controlling ownership in the entity investing with the fund. Applications without the information are subject to rejection/refund. Investors are also required to note that the Beneficial owners of investors shall also be required to comply with the "Who can Invest" section as outlined in the Investment Strategy Information Document.

In accordance with SEBI Circular no. CIR/MIRSD/2/2013 dated January 24, 2013 and AMFI Best practices guidelines circular no. 62/2015-16 dated September 18, 2015, it shall be mandatory for existing Unitholders to provide the beneficial ownership details, failing which the AMC shall have the authority to reject the transaction for additional subscription (including switches).

Joint Applicants

In the event an account has more than one registered owner, the first-named holder (as determined by reference to the original Application Form) shall receive all Account Statements, notices and correspondence with respect to the account, as well as the proceeds of any redemption requests or dividends or other distributions. In addition, such Unitholder shall have voting rights associated with such Units, as per the applicable guidelines. Applicants can specify the mode of holding in the Application Form as 'Joint' or 'Anyone or Survivor'. In the case of holding specified as 'Joint', all transactions/instructions would have to be signed by all joint holders. However, in cases of holding specified as 'Anyone or Survivor', any one of the Unitholders will have the power to make transaction requests/provide instructions, without it being necessary for all the Unitholders to sign. However, in all cases, all distributions will be made to the first-named holder only.

In case of death/insolvency of any one or more of the persons named in the register of Unitholders as the joint holders of any Units, the AMC shall not be bound to recognize any person(s) other than the remaining holders. In all such cases, redemption proceeds shall be paid to the first named of such remaining Unitholders.

Investments on behalf of Minor

In case of investments made On Behalf of Minor, investors are requested to note the following:

i) The Minor shall be the first and sole holder in the folio. In folios where Unit holder is a Minor, there can be no Joint Holders or nominees.

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ii) The Guardian to the Minor should either be a natural guardian (i.e. father or mother) or a court appointed legal guardian. The supporting documents reflecting Date of Birth of Minor and relationship of Minor with Guardian should mandatorily accompany the application form. In case of court appointed legal guardian, supporting documentary evidence shall be required.

iii) Payment for investment by means of Cheque, Demand Draft or any other mode shall be accepted from the bank account of the minor, parent or legal guardian of the minor, or from a joint account of the minor with parent or legal guardian only, else the transaction is liable to get rejected.

iv) Irrespective of the source of payment for subscription, all Redemption proceeds shall be credited only in the verified bank account of the Minor i.e. the account the minor may hold with the parent/legal guardian after completing all KYC formalities.

v) Existing unit holders are requested to review the Bank Account registered in the folio and ensure that the registered Bank Mandate is in favour of minor or joint with registered guardian in folio. If the registered Bank Account is not in favour of minor or not joint with registered guardian, unit holders will be required to submit the change of bank mandate, where minor is also a bank account holder (either single or joint with registered guardian), before initiation any redemption transaction in the folio, else the transaction is liable to get rejected.

vi) Unit holders are required to submit the supporting document for old bank account as well as new bank account while submitting the request for change of bank mandate.

vii) The supporting documents confirming the date of birth of the minor unit holder:

a. Birth certificate of the minor (or)

b. School leaving certificate/Mark sheet issued by Higher Secondary Board of respective states, ICSE, CBSE etc., (or)

c. Passport of the minor, (or)

d. Any other suitable proof evidencing the date of birth of the minor.

Change in Guardian

On a later date if a change in guardian is to be requested, either due to mutual consent or demise of existing guardian, the following documents are required to be submitted:

i) Request letter from the new guardian,

ii) No Objection Letter (NoC) or Consent Letter from existing guardian or Court Order for new guardian, in case the existing guardian is alive.

iii) Notarized or attested copy of the Death Certificate of the deceased guardian, where applicable. (Attested by a special executive magistrate, AMC authorised official or manager of a scheduled bank).

iv) Supporting documents evidencing the relationship of new Guardian with the Minor Unit holder.

v) Bank attestation attesting the signature of the new guardian in a bank account of the minor where the new guardian is registered as the guardian.

vi) KYC of the new guardian as per current norms.

vii) FATCA, CRS and Additional KYC Details and Declaration Form

Minor attaining majority – Status Change

When the units are held on behalf of the Minor, the ownership of the units rests with the Minor. A guardian operates the account until the Minor attains the age of majority. When a Minor attains majority, AMC shall obtain relevant documents as listed below, along with a request application for change in tax status from Minor to Individual/NRI as applicable:

(i) Services Request form, duly filled and containing details like name of major, folio number, etc.

ii) New Bank mandate where account changed from Minor to major,

iii) Signature attestation of the major duly attested by:

- The parent/guardian whose signature is registered in the records of mutual fund/RTA against the folio of minor unit holder

iv) KYC acknowledgement of the major as per current norms,

v) FATCA/CRS and Additional KYC Details and Declaration Form,

vi) Nomination form/declaration for opting out of Nomination is mandatory

The guardian cannot undertake any financial and non-financial transactions including fresh registration of Systematic Investment Plan (SIP), Systematic Transfer Plan (STP) and Systematic Withdrawal Plan (SWP) after the date of minor attaining majority till the above application form along with prescribed documents are received by the AMC/RTA. The AMC shall freeze the account for operation by the guardian on the day the Minor attains majority, and no transactions shall be permitted till the documents for changing the status are received. Incase standing instructions for SIP, SWP, STP have already been registered for a period beyond the minor's date of majority, the AMC/RTA shall send an advance notice advising the guardian and minor that existing standing instructions will be suspended in case the documents to change the status are not received by the date when the minor attains majority. However, for fresh SIP, STP or SWP registered post April 1, 2011, the AMC shall register standing instructions only till the date of minor attaining majority. Investors are requested to visit the Fund's website for the list of prescribed documents under the above procedure.

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Web transactions Facility

In the new era of liberalisation and modernisation, the Fund wishes to take optimum advantage of the modern techniques of communication and transactions to serve its investors in a more efficient manner.

The Fund allows the following as the "official points of acceptance" for all financial and non-financial transactions in the SIF;

- Corporate Investors can send transactions on a designated email id transact@hsbc.co.in
- Transactions submitted in electronic mode by specified banks, financial institutions, distributors etc., on behalf of investors, with whom HSBC Asset Management India Pvt Ltd. has entered or may enter into specific arrangements.
- The MF Utilities India Private Limited (MFUI) website www.mfuonline.com and authorized MFUI Points of Service as updated on www.mfuindia.com.
- The Secured internet site/server hosted or managed by CAMS, will also be official point of acceptance in respect of the transactions routed through the distributors who have registered for this facility (in accordance with the terms and conditions, as may be prescribed from time to time).
- In case of transactions done through the stock exchange infrastructure, all the Eligible Stock Brokers, Eligible Clearing Members and Eligible SIF Distributors will also be official point of acceptance for the transactions done under this facility.
- MF Central – A digital platform for SIF investors (https://mfcentral.com/)
- Additional Official Points of Acceptance for Transactions via the Open Network for Digital Commerce ("ONDC Network") on Cybrilla Technologies Private Limited's ("Cybrilla Platform").

  Investors are requested to note that with a view to increase the network and to make mutual fund investment simpler for our investors, with effect from 1 April 2026, Cybrilla platform will be appointed as one of the Official Points of Acceptance for transactions under all schemes of the Fund. The facility shall be extended to allow financial transactions i.e. Subscription/Redemption/Switches/Systematic Transactions and non-financial transactions through Cybrilla platform.

  Further, investors are requested to note that only Regular plan(s) of the schemes of the Fund are available for transaction through this route.

For subscriptions received through Online transaction platform, the bank account details provided will be verified through Penny drop. It is a method of third party verification where the investor's bank mandate (that is given for making the online payment during fresh/additional purchase/SIP transaction) shall be validated for payment done by a third party or not, by crediting Re. 1 to investor's account from HSBC Investment Strategy account. Using the response feed provided by the bank which contains the account holder name, account number etc. the investor's name & bank mandate details as available against the transaction shall be verified and the bank account shall be marled as Third Party Verified. If any of the details do not match and investor's account is found to be a third-party account, such transaction is liable to get rejected.

Online transactions will save cost and time of the investor and will also enable the SIF to serve its clients in a faster and efficient way. However, investors intending to take benefit of the web-based transaction facility should note that the investor shall use this service at his own risk. The SIF, the AMC, the Trustee, along with its directors, employees and representatives shall not be liable for any damages or injuries arising out of or in connection with the use of the website or its non-use including, without limitation, non-availability or failure of performance, loss or corruption of data, loss of or damage to property (including profit and goodwill), work stoppage, computer failure or malfunctioning, or interruption of business; error, omission, interruption, deletion, defect, delay in operation or transmission, computer virus, communication line failure, unauthorised access or use of information.

The SIF shall not be liable for any misuse of data placed on the Internet, by third parties "hacking" or unauthorized accessing of the server. The SIF will not be liable for any failure to act upon electronic instructions or to provide any facility for any cause that is beyond the control of the SIF.

The time of transaction done through various online facilities/electronic modes offered by the AMC, for the purpose of determining the applicability of NAV, would be the time when the request for purchase/sale/switch of units is received in the servers of AMC/RTA.

In case of transactions through online facilities/electronic modes, the movement of funds from the investors' bank account to the investment strategy's bank account may happen via the Intermediary/Aggregator service provider through a Nodal bank account and post reconciliation of fund. The process of movement of funds from the investors' bank account into the investment strategy's Bank account in case of online transaction is governed by Reserve Bank of India (RBI)vide their circular Ref. RBI/2009-10/231 DPSS.CO.PD.No.1102/02.14.08/2009-10 dated 24th November, 2009. The process followed by the aggregator and the timelines within which the Funds are credited into the investment strategy's bank account is within the time lines provided by RBI which is T+3 settlement cycle/business days, where T is the date of Transaction/day of intimation regarding completion of transaction. The nodal bank account as stated above is an internal account of the bank and such accounts are not maintained or operated by the tie intermediary/aggregator or by the SIF. While the movement of Funds out of the investors' Bank account may have happened on T Day, however post reconciliation and as per statutory norms, the allotment can happen only on availability of Funds for utilization by the AMC/SIF and accordingly the transaction will processed as per the applicable NAV based on availability of funds for utilization. This lag may impact the applicability of NAV for transactions where NAV is to be applied, based on actual realization of funds by the investment strategy. Under no circumstances will HSBC Asset Management Limited or its bankers or its service providers be liable for any lag/delay in realization of funds and consequent pricing of units.

The AMC has the right to amend cut off timings subject to SEBI (MF) Regulations for the smooth and efficient functioning of the investment strategy(s).

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Electronic Payouts

Electronic payout (NEFT/RTGS/Direct Credit/ACH Credit) are facilities offered by RBI, for facilitating better customer service by direct credit of dividend/redemption to an investor's bank account through electronic credit. This helps in avoiding loss of dividend/redemption warrant in transit or fraudulent encashment. To facilitate the above electronic credits and minimize errors, HSBC AMC may validate the investors' Bank Account numbers with the respective banks and/or populate necessary IFSC/MICR codes through publicly available sources or through its banks. The SIF will endeavour to arrange such facility for payment of dividend/redemption proceeds to the Unit holders. However, this facility is optional for the investors. It may be specifically noted that there is no commitment from the SIF that this facility will be made available to the Unit holders for payment of dividend/redemption proceeds. While the Mutual Fund will endeavour to arrange the facility, provision of this facility will be dependent on various factors including sufficient demand for the facility from Unit holders at any centre, as required by the authorities. In places where such a facility is not available or if the facility is discontinued by the investment strategy for any reason, the AMC shall dispatch to the Unit holders the dividend proceeds dividend proceeds within 7 days from the record date and the redemption proceeds within 3 Business Days from the date of acceptance of redemption request before the regulatory cut-off at any of the Investor Service Centres.

Note: AMC may use instruments or payment channels such as RTGS, NEFT, IMPS, direct credit, etc. or any other mode allowed by Reserve Bank of India from time to time, for payments including refunds to unitholders in addition to the cheque, demand draft or dividend warrants. Further, AMC may also use modes of dispatch such as speed post, courier etc. for payments including refunds to unitholders in addition to the registered post with acknowledgment due.

Prevention of Money Laundering and Know Your Customer (KYC)

KYC (Know Your Customer) norms are mandatory for all unit holders, including for all joint holders and the guardian in case of folio of a minor investor for transacting in SIF Accordingly, financial transactions (including redemptions, switches and all types of systematic plans) and non-financial requests will not be processed if the unit holders (including POA holder) have not completed KYC requirements. Investors are requested to note that all investors are required to be KRA (KYC Registration Agency) KYC compliant. Those investors who had obtained MF KYC compliance through CVL (KYC registration authority till 31 December 2011) are required to submit necessary supporting(s) and update the missing information to be in compliance with the uniform KYC requirement laid down by SEBI.

Pursuant to SEBI circular dated December 26, 2013 on uniform KYC norms, certain information from Part I of the standard KYC application form, sourced by KRA (KYC Registration Agency) has been shifted to Part II which captures information specific to the area of activity of an intermediary. Accordingly, the additional KYC information required for SIF activities has been incorporated into the new application forms of the Fund and investors are requested to provide the same in order for the Fund to have all the necessary KYC details. For investors who have not completed KYC compliance through KRA, any application received without the requisite KYC information will be rejected. However, investors who have obtained KRA KYC compliance, as well as existing investors of the SIF who have registered their KYC details with the SIF shall be required to submit the additional KYC information to the SIF, only in the event of change in their occupation or income details. Kindly use the updated application forms or the separate KYC form of the SIF, available at ISCs or on the SIF's website for updating the additional information. The AMC reserves the right to reject the application and refund the application amount, post acceptance of the application, in the event that the required KYC information is not provided or not found adequate. their KYC details with the SIF shall be required to submit the additional KYC information to the Fund, only in the event of change in their occupation or income details. Kindly use the updated application forms or the separate KYC form of the SIF, available at ISCs or on the Fund's website for updating the additional information. The AMC reserves the right to reject the application and refund the application amount, post acceptance of the application, in the event that the required KYC information is not provided or not found adequate.

Further, in accordance with para 17.2.2.(b)(iv) of SEBI Master Circular on Mutual Funds dated March 20, 2026 and MIRSD/Cir-5/2012 dated April 13, 2012 on Uniform Know Your Client (KYC) read with AMFI Best practices guidelines circular no. 62/2015-16 dated September 18, 2015, it shall be mandatory for existing Unitholders to provide additional KYC information such as Income details, Occupation, Politically Exposed Person status, Net worth etc. as mentioned in the application form as well as complete In-Person Verification (IPV) and provide any missing KYC information, failing which the AMC shall have the authority to reject the transaction for additional subscription (including switches) in their existing folios. However, any SIP/STP registered till December 31, 2015 will be exempt from this requirement. Investors are requested to comply with the latest KRA KYC requirement. For detailed information kindly refer the KYC section under Information Library on our website www.assetmanagement.hsbc.co.in/redhex-sif

Implementation of Central KYC (CKYC)

The Government of India has authorized the Central Registry of Securitization and Asset Reconstruction and Security interest of India (CERSAI, an independent body), to perform the function of Central KYC Records Registry including receiving, storing, safeguarding and retrieving KYC records in digital form. Accordingly, in line with SEBI circular nos. CIR/MIRSD/66/2016 dated July 21, 2016 and CIR/MIRSD/120/2016 dated November 10, 2016 on Operationalisation of Central KYC (CKYC), read with AMFI Best Practice Guidelines circular no. 68/2016-17 dated December 22, 2016, new individual investors investing into the Fund are requested to note the following changes, from February 1, 2017.

1. New individual investors who have never done KYC under KRA (KYC Registration Agency) regime and whose KYC is not registered or verified in the KRA system, will be required to fill the new CKYC form while investing with the Fund.
2. If any new individual investor uses the old KRA KYC form which does not have all the information needed for registration with CKYC, such investor will be required to either fill the new CKYC form or provide the missing/additional information using the Supplementary CKYC form.
3. Investors who have already completed CKYC and have a KYC Identification Number (KIN) from the CKYC Registry can invest in investment strategies of the SIF quoting their 14 digit KIN in the application form. Further, in case the investors PAN is not updated in CKYC system, a self-certified copy of PAN Card will need to be provided.

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Updation of Permanent Account Number (PAN) for transactions in Investment Strategies

Investors are requested to note that PAN is mandatory for all financial transactions in the Investment Strategies of SIF, with respect to all unitholders in the folio. Accordingly, any financial transactions received without PAN, in respect of non-PAN-exempt folios, shall be rejected in case the copy of the PAN card is not submitted to the Fund or along with the transaction. The AMC reserves the right to keep on hold the transaction till the PAN is validated by the AMC/Registrar.

This clause does not apply to investors residing in the state of Sikkim, officials of Central Government, State Government and those appointed by the Courts e.g. Official Liquidator, Court Receiver, etc. (under the category of Government) For investors based in State of Sikkim the following documents are required:

a. Proof of address of Sikkim state and application form should mention the same address. b. Address proof shall be self-attested by the investor/attested by the ARN holder mentioning the ARN number or attested by any competent authority

The aforesaid exemption shall be applicable to (i) investments only by individuals (including Non Resident Indians, but not Persons of Indian Origin), minors and sole proprietary firms; and (ii) joint holders.

Mandatory updation of Permanent Account Number (PAN) & Know Your Customer (KYC) for processing of SIF transactions

As per the directives issued by SEBI from time to time, it is mandatory for all unitholders to update the Permanent Account Number (PAN) and complete KYC requirements for all unit holders.

- In respect of folios where PAN is not updated/available (non- PAN exempt folios), it is mandatory for all the unit holders in the folio including guardian (in case of a minor) to update PAN.
- In respect of non-PAN exempt folios, it is mandatory to complete the KYC requirements for all unit holders in the folio including guardian (in case of a minor).
- In case of PAN Exempt KYC (PEKRAN) folios, it is mandatory for all the unit holders in the folio including guardian (in case of a minor) to update PEKRAN.

In view of the above, financial transactions (including redemptions, switches and all types of systematic plans) and non-financial requests will not be processed if the unit holders have not completed the above requirements.

Further in case of non-PAN exempt folios, upon updating of PAN details with the KRA (KRA-KYC)/CERSAI (CKYC), the unit holders are requested to intimate AMC/RTA their PAN information along with the folio details for updating in AMCs records.

Effective 30 April, 2024, investors have to ensure that Name and Date of birth in the application of all holder including Guardian in case of Minor needs to match with the PAN to avoid any impact on financial and non-financial transaction.

Sale, Repurchase and Switch of Units on On-going Basis

The Units of the Investment Strategies of SIF are available for sale, repurchase and switch at applicable NAV based prices, subject to prevalent load provisions:

i) Sale (Purchase) of Units

The Units of the Investment Strategies of SIF will be available at the sale price, which is based on the Applicable NAV, subject to entry load if any and subject only by specifying the amount to be invested and not the number of Units to be subscribed. The total number of Units allotted will be determined with reference to the applicable sale price and fractional Units may be created. Fractional Units will be computed and accounted for up to three decimal places for all Investment Strategies of SIF. Fractional Units will in no way affect the investor's ability to redeem Units. The AMC reserves the right to review the terms of acceptance of subscription requests and reserves the right to change the basis for subscription from amount basis to any other basis, subject to the SEBI Regulations. Refer Section III.8 v) on 'Suspension of Sale/Repurchase/Switch of Units.

ii) Repurchase (Redemption) of Units

The repurchase request can be made on a pre-printed form or by such other method(s) as may be acceptable to the SIF/AMC from time to time. Such request should be submitted at any of the Investor Service Centres/Designated Collection Centres.

Repurchase requests can be made for a minimum amount of Rs. 1,000/- and in multiples of Re. 1/- thereafter or 100 Units and in multiples of 0.01 units thereafter.

Where a request for a repurchase is for both amount and number of units, the amount requested for repurchase will be considered as the definitive request. If the balance in the Unitholder's account does not cover the amount of repurchase request, then the SIF is authorised to close the account of the Unitholder and send the entire such (lesser) balance to the Unitholder.

In case an investor has purchased Units on more than 1 Business Day, the Units purchased prior in time (i.e. those Units which have been held for the longest period of time), will be deemed to have been redeemed out first i.e. on a First-in-First-Out basis.) which mentions that in case of repurchase out requests, the units purchased earlier (i.e., held for the longest period) are considered redeemed first on a First-In-First-Out (FIFO) basis.

Unitholders may also request for redemption of their entire holding and close the account by indicating the same to the SIF/AMC. Where however, the Unitholder wishes to redeem Units for a specified amount, then the amount to be paid on redemption will be divided by the redemption price, and the resultant number of Units will be redeemed.

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In case the Units are standing in the names of more than one Unitholder, where mode of holding is specified as 'Joint', redemption requests will have to be signed by ALL joint holders. However, in cases of holding specified as 'Anyone or Survivor', any one of the Unitholders will have the power to make redemption requests, without it being necessary for all the Unitholders to sign. However, in all cases, the proceeds of the redemption will be paid to the first-named holder only. A fresh Account Statement/Transaction Confirmation will be sent to the redeeming investors, indicating the new balance to the credit in the Account.

The redemption cheque will be issued in favour of the Sole/First Unitholder's registered name and bank account number, and will be mailed to the registered address of the Sole/First holder as indicated in the original Application Form. The Fund may also directly credit the investor's bank account with the redemption proceeds, in lieu of issue of redemption cheque. The redemption cheque will be payable at par at all the places where the Investor Service Centres are located. The bank charges for collection of cheques at all other places will be borne by the AMC. Further, as Units may not be held by any person in breach of the Regulations, law or requirements of any governmental, statutory authority including, without limitation, Exchange Control Regulations, the SIF may mandatorily redeem all the Units (except for Units under Segregated Portfolio) of any Unitholder where the Units are held by a Unitholder in breach of the same.

The Trustees may mandatorily redeem Units (except for Units under Segregated Portfolio) of any Unitholder in the event it is found that the Unitholder has submitted information either in the application or otherwise that is false, misleading or incomplete.

If a Unitholder makes a redemption request immediately after purchase of Units, the SIF shall have a right to withhold the redemption request till sufficient time has elapsed to ensure that the amount remitted by him (for purchase of Units) is realised and the proceeds have been credited to the concerned Investment Strategy's Account. However, this is only applicable if the value of redemption is such that some or all of the freshly purchased Units may have to be redeemed to effect the full redemption.

iii) Switching Options

On an on-going basis, the Unitholders have the option to switch all or part of their investment from one Investment Strategy to any of the other Investment Strategy offered by the SIF, which is available for investment at that time, subject to prevailing load structure.

Where an investor seeks to move between the IDCW and growth alternatives within an option of the Investment Strategy/Plan, this will not be construed as a switch. Consequently, no load will apply to such movements. Investors also have the option of switching between various Plans/Options of the same Investment Strategy. To effect a switch, a Unitholder must provide clear instructions. A request for a switch may be specified either in terms of amount or in terms of the number of Units of the Investment Strategy from which the switch is sought. Where request for a switch is for both amount and number of units, the amount requested for switch will be considered as the definitive request. If the balance in the Unitholder's account does not cover the amount of switch request, then the SIF is authorised to switch out the entire such (lesser) balance and investing the net proceeds in the other Investment Strategies/Plans/Options, subject to the minimum balance, minimum application amount and subscription/redemption criteria applicable for the respective Investment Strategy.

In case an investor has purchased Units on more than 1 Business Day, the Units purchased prior in time (i.e. those Units which have been held for the longest period of time), will be deemed to have been switched out first i.e. on a First-in-First-Out basis.) which mentions that in case of switch out requests, the units purchased earlier (i.e., held for the longest period) are considered redeemed first on a First-In-First-Out (FIFO) basis. Such instructions may be provided in writing and lodged on any Business Day at any of the Investor Service Centres/Designated Collection Centres.

The switch will be effected by redeeming units from the Investment Strategy in which the units are held and investing the net proceeds in the other Investment Strategy/Plans/Options, subject to the minimum balance, minimum application amount and subscription/redemption criteria applicable for the respective investment strategy.

Valid requests for 'switch out' shall be treated as redemptions and for 'switch in' shall be treated as purchases, after considering any prevalent exit and entry loads or a combination thereof for switches. A switch by NRI/FPI Unitholders will be subject to the compliance of procedures and/or final approval of the Reserve Bank of India or and any other agency, as may be required.

The AMC reserves the right to charge different (including zero) loads on Applicable NAV on switchover as compared to the sale/repurchase as the case may be. In view of the individual nature of tax impact, each investor is advised to consult his or her own tax consultant with respect to the capital gains/loss and specific tax implications arising out of switches and redemptions

Ongoing price for subscription (purchase)/switch-in (from other investment strategies/Plans of the SIF) by investors (Sale Price)

This is the price an investor needs to pay for purchase/switch-in. The sale price of the Units, on an ongoing basis, is based on the Applicable NAV. As per para 11.7.1 of SEBI Master Circular on Mutual Funds dated March 20, 2026, no entry load shall be charged for subscriptions made under the Plans/Options available under the Investment Strategies of SIF.

However, as stated above, in accordance with para 11.7.1 of SEBI Master Circular on Mutual Funds dated March 20, 2026 no entry load will be charged for purchase/additional purchase/switch-in including registrations for SIP/STP, accepted by the SIF.

Note: Purchase/Switch-in is not allowed under Segregated Portfolio. However, the unit of Segregated Portfolio will be listed on the recognized Stock Exchange.

Ongoing price for redemption (sale)/switch outs (to other investment strategies/plans of the SIF) by investors (Repurchase Price)

This is the price an investor will receive on redemptions/switch outs. Investors may submit their redemption/switch out request on any Business Day. The redemption will be processed as per the cut off timing and desired amount/units will be redeemed at the Applicable NAV on such date after charging applicable Exit Load, if any.

Note: Repurchase/Redemptions including Switch-outs for Segregated Portfolio is not allowed. However, the unit of Segregated Portfolio will be listed on the recognized Stock Exchange. While calculating the repurchase price, the Fund shall be at liberty to charge a load as

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permitted under SEBI Regulations. The Repurchase Price of the Units as per current SEBI Regulations shall not be lower than 95% of the Applicable NAV. The SIF also has the right to charge a different load and therefore a different repurchase price for investors who want to switch over to other eligible Investment Strategies of SIF.

The repurchase price of the Units, on an ongoing basis, is based on the Applicable NAV. As per SEBI Regulations, an exit load upto a maximum of 5% may be charged for all redemptions under the Plans/Options available under the Investment Strategies of SIF.

It will be calculated as follows:

Repurchase Price = Applicable NAV * (1 - Exit Load, if any)

Example

If the Applicable NAV is Rs. 15 and the exit load applicable is 0.5%, the repurchase price is calculated as follows:

Repurchase Price = 15 * (1 - 0.005)
= 15 * 0.995
= 14.925

Note: Repurchase/Redemptions including Switch-outs for Segregated Portfolio is not allowed. However, the unit of Segregated Portfolio will be listed on the recognized Stock Exchange, provided that the difference between the repurchase price and the sale price of the Units shall not exceed the permissible limit of 5% calculated on the sale price.

Cut off timings for subscriptions/redemptions/switch-ins/switch-outs

Investors are requested to refer Investment Strategy Information Document (ISID) for the cutoff timings subscriptions/redemptions/switch-ins/switch-outs

Direct Plan

Vide para 3.4 of SEBI Master Circular on Mutual Funds dated March 20, 2026, the AMC has introduced a separate plan viz. 'Direct Plan' for investors who purchase/subscribe units in a Investment Strategy directly with the SIF. Purchase/subscription applications routed through distributor will not be eligible for investment under Direct Plan. Direct Plan is available in all Investment Strategies/Plans of the SIF. All Plans and Options thereunder (including Direct Plan) will have a common portfolio.

All characteristics of the Investment Strategy viz. investment objective, asset allocation pattern, investment strategy, risk factors, facilities offered and terms and conditions including load structure will be same for Direct Plan except that:

(a) Switch of investments from existing Plans, where the transaction has been received with Distributor Code, to Direct Plan shall be subject to applicable exit load, if any.

(b) No exit load shall be levied:

i. In case of switches made between different plans and options within the Investment Strategy.

ii. In case of switches from existing Plan, where the transactions were made without Distributor Code, (whether the investments were made before or after January 1, 2013) to Direct Plan.

Direct Plan shall have a lower expense ratio compared to the existing Plan and no commission for distribution of units will be paid/charged under Direct Plan.

All categories of investors (whether existing or new Unit holders) are eligible to subscribe under Direct Plan. Investments under Direct Plan can be made through various modes offered by the SIF for investing directly with the SIF {including Stock Exchange platform(s)}

Investors wishing to transfer their accumulated balance held under any existing Plan of the Investment Strategies of SIF (through lumpsum/systematic investments made with or without distributor code) to Direct Plan will have to switch/redeem their investments (subject to applicable exit load, if any) and apply under the Direct Plan. Investors who have invested through distributor code and have opted for Reinvestment of IDCW facility under the existing plan may note that the dividend will continue to be reinvested in the existing plan only.

Non acceptance of Third Party instruments

a) Third party payments (i.e where payment is made from a source other than that of the first holder) will not be accepted by the Fund, except if made under the following exceptional categories, namely,

i) Employer on behalf of employee as payroll deductions or deductions out of expense reimbursements for SIP/Lumpsum investments,

ii) Custodian on behalf of FPI/client and

iii) Payment by Asset Management Company (AMC) to a Distributor empaneled with it on account of commission/incentive etc. in the form of the Mutual Fund Units of the Funds managed by the AMC through Systematic Investment Plans or Lumpsum Investment (w.e.f January 16, 2012).

iv) Payment by a Corporate to its Agent/Distributor/Dealer, on account of commission or incentive payable for sale of its goods/services, in the form of the Investment Strategy Units through Systematic Investment Plan or Lumpsum Investment (w.e.f. April 20, 2015). In such cases, KYC acknowledgement along with additional declarations will have to be submitted along with the application form, failing which the application will be rejected. Such declaration to be submitted in original & in the prescribed standard format and unique across each lumpsum investment. (Declaration format can be obtained from ISCs or downloaded from the Fund's website.)

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b) In case of payment from a joint bank account, first holder in the folio has to be one of the joint holders of the bank account from which the payment is made. Hence, joint holders may pre-register their bank accounts (single/multiple) with the AMC/RTA, by completing the Multiple Bank Account Registration Form, if they intend to make payment on behalf of other joint holder(s) in the folio. In such cases the application will be accepted and not treated as a third party payment.

c) Where the payment instrument does not mention the bank account holders name/s or Signature of the units holder as on the investment application does not match with the signature on the payment instrument, investor should attach a cancelled cheque leaf/bank pass book copy to substantiate that the first unit holder is one of the joint holders of the bank account. Where a payment is through a pre-funded instrument, a bank certification of the bank account no. and account holders name should be attached, in the required format. Pre-funded instrument issued against cash shall not be accepted for investments of Rs. 50,000 or more. For RTGS/NEFT/online bank transfer etc., a copy of the instruction to the bank stating the account number debited must accompany the purchase application.

d) The AMC reserves the right to reject the application, post acceptance of the same, if any of the requisite documents/declarations are unavailable or incomplete, in which case the AMC shall refund the subscription money. No interest will be payable on any subscription money refunded.

Interest on subscription amount will be payable for amounts refunded later than 5 business days from the closure of the New Fund Offer Period at the rate of 15% per annum for the period in excess of 5 business days and will be charged to the AMC. Refund will be credited to the bank account of the unitholder from where the funds are received OR refund order will be marked "A/c. payee only" and will be in favour of and be dispatched to the Sole/First Applicant, by courier/speed post/registered post. AMC may also use instruments or payment channels such as RTGS, NEFT, IMPS, direct credit, etc. or any other mode allowed by Reserve Bank of India from time to time, for payments including refunds to unitholders in addition to the cheque, demand draft or IDCW warrants.

Further, AMC may also use modes of dispatch such as speed post, courier etc. for payments including refunds to unitholders in addition to the registered post with acknowledgement due.

The SIF shall adopt the following procedures to ascertain whether payments are third party payments and investors are therefore required to comply with the requirements specified herein below:

i) Source of Funds – if paid by Cheque

An investor at the time of his/her purchase of units must provide in the application form the details of his pay-in bank account (i.e. account from which a subscription payment is made) and his pay-out bank account (i.e. account into which redemption/dividend proceeds are to be paid).

Identification of third party cheques by the AMC/RTA will be on the basis of either matching of pay-in bank accounts details with the pay-out bank account details, or by matching the bank account number, name of the first applicant with the name and, account number available on the cheque or by matching the signature of the Unit holder as on the investment application against the signature on the payment instrument. For all such cases, where the name is not pre-printed on the cheque, then the first named applicant/investor should submit a self - attested copy of the bank passbook containing the name of the unit holder and the bank account number. The documents should be either in original or copy to be submitted along with original produced for verification.

ii) Source of Funds – if funded by pre-funded instruments such as Demand Draft/Pay Order/Banker's Cheque etc.

In case of subscriptions received through these pre-funded instruments, such instruments should be accompanied with a certificate$ from the issuing banker (containing bank seal and name and employee number of issuing officials), stating the account holder's name and the account number which has been debited for issue of the instrument.

iii) Source of funds - if paid by a pre-funded instrument issued by the Bank against Cash

Subscription received through a pre-funded instrument procured against cash shall only be accepted for investments below Rs. 50,000/. Investor is required to provide a certificates from Banker stating the name, address and PAN of the person requisitioning such pre-funded instruments. Declaration obtained from the banker, if any in a different format will be subject to rejection if the required details are not captured.

iv) Source of Funds - if paid by RTGS, Bank Account-to-Account Transfer, NEFT, ECS, etc.

A copy of the instruction to the bank stating the account number debited must accompany the purchase application. The account number mentioned on the transfer instruction copy should be a registered bank account or the first named applicant/investor should be one of the account holders to the bank account debited for such electronic transfer of funds.

Any other method of payment allowed by the Fund will also be covered under these provisions. All the above mentioned documents, to the extent applicable, are required to be provided along with the application form. In case the application for subscription is not in accordance with the above provisions, the AMC reserves the right to eject/not process the application and refund the subscription amount without interest.

Multiple Bank Account Registration/Deletion facility

1. The SIF offers its investors the facility to register Multiple Bank Accounts to receive redemption/dividend proceeds.
2. Registering of Multiple Bank Accounts will enable the Fund to systematically validate the Pay-in payment and avoid acceptance of third-party payments.
3. Investor can register upto 5 bank accounts in case of individuals/HUFs, and upto 10 in other cases.
4. Investor may choose one of the registered bank accounts as default bank account for the credit of redemption/dividend proceeds. In case of existing investors, their existing bank mandate registered with the AMC/RTA, and in case of new investors, their bank

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account details as mentioned in the application form shall be treated as default bank account for pay-out, if they have not specifically designated a default bank account. Investors may change the same in writing, using the Multiple Bank Account Registration/Deletion Form.

5. For registration of bank account(s), investors shall submit the 'Multiple Bank Account Registration/Deletion Form' together with the supporting documentation, attested as specified in point (i) above.
6. The AMC/RTA will register the bank account only after verifying that the sole or 1st joint holder is the holder or one of the joint holders of the bank account, respectively.
7. Where an investor proposes to delete his existing default bank account, he shall compulsorily designate another account as default account.
8. Thus, change of bank mandates shall be effected only through the 'Multiple Bank Account Registration/Deletion facility'. Such change of bank mandates will be effected within 10 days of valid documents being received by the AMC/RTA.
9. Any financial transaction request received in the interim, will be processed in 10 days as specified in 8 above.
10. Investors are requested to use the Multiple Bank Account Registration/Deletion Form for all bank account related requirements. AMC reserves the right to reject such bank account registration requests which are not in the specified format.

Safe mode for writing/drawing cheques

In order to avoid fraudulent practices, it is recommended to investors that the subscription payment instruments such as Cheque/Demand Draft/Pay Order be drawn in favour of the Investment Strategy account followed by the name of the first investor. For e.g. "Redhex Hybrid Long-Short Fund"

Change in Static Information

Investors, for whom the KYC process has been previously completed, should submit their request for change in static information, viz. Name, PAN, DOB, Address, Email address and contact number to any of the Point of Services (PoS) appointed by CDSL Ventures Ltd/Intermediary through whom the uniform KYC was recorded. Investors, who have not complied with the KYC requirement, may submit their request for change in static information to the AMC's Registrar. Other information such as bank account details, dividend sub option etc. may be changed by Unit Holders by submitting a written request to the Registrar. Such changes will be effected within 5 Business Days of the valid signed request reaching the processing centre of the Registrar at Chennai, and any interim financial transactions like purchase, redemption, switch, payment of dividend etc. will be effected with the previously registered details only.

Investors are advised to update their static details immediately on occurrence of change. Please note that, if any change in static information is submitted along with a financial transaction in the same request, such change shall not be processed and the financial transaction shall get processed with the previously registered details. Unit Holders are therefore advised to provide requests for change in static information separately and not along with financial transactions. Investors transacting through the stock exchange mechanism should approach their respective DP for non-financial requests/applications such as change of address, change of bank, etc.

Any change in Income Distribution cum capital withdrawal (IDCW) sub option due to additional investment or Unit Holder request will be applicable to the entire Units in the IDCW option of the investment strategy/plan concerned.

A. Special Products/Facilities offered by the Investment Strategies

(1) Systematic Investment Plan (SIP)

Unitholders of the Investment Strategies of SIF can benefit by investing specific rupee amounts periodically, for a continuous period. SIP allows the investors to invest a fixed amount every month or quarter for purchasing additional Units of the Investment Strategies of SIF at NAV based prices. The investor should comply with the "Minimum Threshold amount" criteria

In case an investor wishes to invest on a **monthly** basis through the SIP mode, he is required to provide:

- a mandate form to enable SIP debits either through NACH or such other facilities as may be provided by the AMC along with a copy of the cancelled cheque leaf with name of the unit holder pre-printed.

For Present details on minimum investment amount and minimum installments refer to the table below.

Frequency	Minimum Installment Amount#	Minimum number of Installments	SIP Dates
Daily	Rs. 1000/-	Minimum 12 installments subject to aggregate of Rs. 12,000/-	Monday to Friday*
Weekly	Rs. 1000/-	Minimum 12 installments subject to aggregate of Rs. 12,000/-	Any Day from Monday to Friday
Monthly	Rs. 1000/-	Minimum 12 installments subject to aggregate of Rs. 12,000/-	Any Dates
Quarterly	Rs. 3000/-	Minimum 4 installments subject to aggregate of Rs. 12,000/-	

* Daily SIP will be processed from Monday to Friday. In case of a non-business day falling between Monday to Friday (both days inclusive) then the daily SIP installment for that day will not be processed on the next business day.

in multiples of Re. 1/-.

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National Automated Clearing House (NACH):

NACH is a simple and convenient facility that enables the Unit holders to transact in the Investment Strategies of SIF by submitting a debit Mandate registration form to the SIF. By registering this mandate, you authorise the specified bank to debit the said maximum amount per day, towards investment in Investment Strategies of SIF.

Investor has the option to choose any date for SIP, if the choice of date is not indicated then default date of SIP shall be considered as 10th of the month / quarter. In case the chosen / default date falls on a Non-Business Day or on a date which is not available in a particular month, the SIP will be processed on the immediate next available Business Day.

The cheques should be drawn in the name of the Investment Strategy e.g. "RedHex Hybrid Long-Short Fund" and crossed "Account Payee only" and must be payable at the locations where the applications are submitted at the Investor Service Centres. Outstation cheques will not be accepted and applications accompanied by such cheques are liable to be rejected. In case of investments under the SIP, if 3 consecutive SIP payment instructions provided by the investor are dishonored for either insufficiency of funds or as a result of a stop payment instruction issued by the investor, the AMC reserves the right to discontinue the SIP. For Daily SIPs, the SIP shall be liable for discontinuation upon the failure of three consecutive daily installments. However, any subsequent installment amounts successfully realised shall continue to be processed, and units shall be allotted in respect of such valid realizations. The SIP may be discontinued on a written request to any Official Point of Acceptance or to the registrar CAMS. Please note that effect from December 1, 2024 it would take T+2 Business days for the SIP to discontinue from the date of receipt of the duly filled request. Any installment due during this period might get debited from the bank account if it falls within T+2 Business days. The AMC reserves the right to introduce / discontinue SIP / variants of SIP from time to time.

The Mutual Fund may have arrangements with organizations to accept group SIPs whereby the employees of such organizations can opt for a direct deduction from their salary and invest in the Investment Strategies of SIF in which the SIP facility is available. The SIF will decide the terms and conditions on which such group SIPs would be made available.

SIP Top Up Facility:

Under this facility, the investor can opt to increase the amount of SIP instalment ("Top Up") on a half-yearly or annual basis; thus the investment amount under SIP will increase every half year / annually by the amount of Top Up specified by the investor.

The Top Up facility will be available in respect of all Investment Strategies of SIF which offers SIP. The conditions for availing the Top Up facility are stated below:

i) Top Up facility will be available only for valid new registration(s) under SIP or renewal of SIP;

ii) Top Up facility will be available only for investments under SIP effected through auto – debit;

iii) Amount of Top Up shall be in multiples of Rs. 500;

iv) Top Up can be done on a half yearly / annual basis;

v) Top Up Facility will not be available for investments under SIP where the auto debit period has not been indicated by the investor at the time of investments.

vi) Unit holders have the option of indicating the threshold in terms of amount or the date up to which the Top Up will continue. On reaching the threshold, Top Up with respect to the SIP concerned shall cease and SIP instalments will continue at the amount, which was invested last, for such period as may be specified in the SIP application form.

The Top Up facility will be available for investments under SIP done through the website of the SIF.

SIP Pause Facility ("SIP Pause Facility")

SIP Pause Facility enables the investors to pause their investments under the Systematic Investment Plan. Under this facility, the investors have an option to pause their investment for a fixed period of time which is a minimum of 1 month and a maximum of 3 months. The terms and conditions for availing the SIP Pause facility are stated below:

i) SIP Pause Facility will allow investors to pause their investments under SIP for a minimum period of 1 month and a maximum period of 3 months.

ii) Investors can avail the SIP Pause Facility only once during the tenure of the investment under SIP in a folio.

iii) SIP Pause Facility can be availed only if the frequency of investment under SIP is monthly.

iv) Investments under SIP shall resume immediately after the completion of the pause period indicated by the investor.

In case of investments under SIP done through postdated cheque, basis the request for availing of the SIP Pause Facility, the cheque for the period for which the SIP Pause Facility is availed, shall be returned to the investor at the address available in the records.

vi) For availing the SIP Pause Facility, a notice of at least 30 days prior to the date of the subsequent investment under SIP shall be required.

(2) Systematic Withdrawal Plan (SWP)

Unitholders have the benefit of enrolling themselves under the Systematic Withdrawal Plan. The SWP allows the Unitholder to withdraw sums of money each month / quarter / half-year / annual basis from his investments in the Investment Strategies of SIF. SWP is ideal for Unitholders seeking a regular inflow of funds for their needs in a tax efficient manner. It is also suited to retired persons or individuals who wish to invest a lumpsum and withdraw from the investment over a period of time. The Unitholder may avail of this Plan by sending a written request to the Registrar / submit a request online.

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The amount thus withdrawn by redemption will be converted into Units at the Applicable NAV based prices and the number of Units so arrived at will be subtracted from the Unit balance to the credit of that Unitholder. SWP will be subject to compliance with provisions mentioned under "Minimum investment threshold" of SEBI circular dated February 27, 2025 as amended from to time.

The SWP may be terminated or modified on a written notice to the Registrar of at least 14 days by a Unitholder of the SIF and it will terminate automatically if all Units are liquidated or withdrawn from the account by the Unitholder.

Under SWP, investors can opt for withdrawal of a Fixed Amount (for a minimum period of 3 months.

Under the Fixed Amount Option, the investor specifies the fixed amount that he would like to receive on a regular basis irrespective of the gain/loss on the SIF in the specified period. The minimum amount which the Unitholder can withdraw is Rs. 1000/- (Rupees one thousand only) and in multiples of Re. 1/- or 100 units and in multiples of 1 unit thereafter.

If your SWP request specifies both amount and units, the SWP will be processed on the basis of amount.

If the Investment Strategies of SIF/plan/option is not mentioned and there is only one Investment Strategy/plan/option available in the folio, the same will be processed.

In case the criterion of the minimum amount for the purpose of transfer of units under the SWP facility is not met, the AMC reserves the right to discontinue the SWP cancel the registration for SWP.

The AMC reserves the right to introduce/discontinue SWP from time to time.

(3) Systematic Transfer Plan (STP)

Unitholders of the Investment strategy can benefit by transferring specific rupee amounts periodically, for a continuous period. STP allows the investors to transfer a fixed amount at a specified frequency from a particular investment strategy to another at NAV based prices. Investors can opt for the Systematic Transfer Plan by investing a lumpsum amount in any investment strategy by RedHex SIF and providing a standing instruction to transfer pre-specified sum into any other Investment strategy of RedHex SIF. STP will be subject to "Redemption Frequency" applicable to respective Investment strategies and minimum regulatory threshold. Investors could also opt for STP from an existing account by quoting their account/folio number.

SWP and STP will be subject to compliance with provisions mentioned under "Minimum investment threshold" as stated under Clause "Minimum threshold requirement and consequences of non-maintenance" of this ISID. Also the clause under redemption frequency will be applicable.

STP will come into effect within 7 days from the date of receipt of application. If your STP request specifies both amount and units, the STP will be processed on the basis of amount.

If the investment strategy/plan/option is not mentioned and there is only one investment strategy/plan/option available in the folio, the same will be processed.

If end date is not mentioned, Until Cancelled will be the default option.

SWP will be subject to compliance with provisions mentioned under "Minimum investment threshold" of SEBI circular dated February 27, 2025 as amended from to time, if the same is not met, the AMC reserves the right to discontinue the STP/cancel the registration for STP.

Daily STP is available only for fixed amounts and not available for capital appreciation.

The STP may be discontinued on a written notice to the Registrar of at least 14 days by a unit holder of the investment strategy. The AMC reserves the right to introduce/discontinue STP/variants of STP from time to time.

(4) Income Distribution cum Capital Withdrawal Plan Transfer Facility

Under this facility, the Unit holder/investor can opt to transfer the amount of IDCW the Unit holder/investor is eligible to receive under the Investment Strategy ("Source investment strategy") to any other open-ended Investment Strategy of the SIF ("Target investment strategy").

The conditions for availing the above facility are stated below:

i. Unit holders/investors will be eligible for the above facility only if the amount of IDCW (as reduced by the amount of applicable statutory levy) ("IDCW") in the Source investment strategy is more than Rs. 100. In case the amount of IDCW, is less than or equal to Rs. 100 per folio, the same will get compulsorily reinvested in the Source investment strategy as per the applicable NAV.

ii. The allotment of units in the Target investment strategy will be done as per the applicable NAV of the Business Day immediately succeeding the record date for declaration of the dividend in the Source investment strategy.

iii. The registration and cancellation of the above facility will be completed within a period of 7 days from the date of receipt of request from the Unit holders/investors at the Investor Service Centres.

iv. Unless otherwise specified, the amount of IDCW under the above facility will by default be invested in the growth option of the Target investment strategy as per the plan (Direct/Regular) opted for by the unit holder/investor at the time of registering for the Facility.

v. The said facility will not be available in respect of units which are held in the dematerialized mode.

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vi. If the Unit holder/investor opts for the Transfer of IDCW, then any IDCW declared under the Source investment strategy (except as stated in point i above) will mandatorily be transferred to the Target investment strategy irrespective of the option (IDCW payout/IDCW re-investment) selected in the Source investment strategy at the time of making investment.

vii. If a unit holder/investor has opted for the IDCW payout option in the Source investment strategy at the time of investment and registers for the Transfer of IDCW, the default option for IDCW in the Source investment strategy shall be changed to re-investment at the time of registration of the Transfer of IDCW.

viii. The provisions pertaining to "Minimum Initial Application Amount" and" Minimum Additional Application Amount" in respect of the Target investment strategy will not be applicable for investments made through the above Facility. However, if, upon processing of redemption/switch in the Target investment strategy, the balance units/amount available under the Target investment strategy falls below its minimum redemption size requirement, all units in the Target investment strategy would be redeemed/switched-out.

ix. Units allotted under the above facility will be subject to exit load as per the provisions specified in the Investment Strategy Information Document of the Target investment strategy.

(5) Facilitating transactions through Stock Exchange Mechanism (BSE Star & NSE MFSS)

In terms of para 17.2 of SEBI Master Circular on Mutual Funds dated March 20, 2026, units of the investment strategy can be transacted through all the registered stock brokers of the National Stock Exchange of India Limited and/or Bombay Stock Exchange Limited who are also registered with Association of Mutual Funds of India and are empanelled as distributors with AMC. Accordingly, such stock brokers shall be eligible to be considered as 'official points of acceptance' of AMC. International Security Identification Numbers (ISIN) in respect of the plans/options of the investment strategy have been created and have been admitted to National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) and can be transacted using the beneficiary accounts maintained with any of the respective Depository Participants (DPs). The units will be allotted in the physical or depository mode in accordance with the choice of the investor. The facility of transacting in investment strategy of SIF through stock exchange infrastructure is available subject to such limits, operating guidelines, terms and conditions as may be prescribed by the respective Stock Exchanges from time to time. The investor shall be serviced directly by such stock brokers/Depository Participant. The SIF will not be in a position to accept any request for transactions or service requests in respect of Units bought under this facility in demat mode. Further, the minimum purchase/redemption amount in the respective plan/option of such notified investment strategies of the SIF will be applicable for each transaction. Investors transacting in the Units of the investment strategies will be subject to KYC formalities carried out by the DP. Applicable NAV shall be reckoned on the basis of the time stamping as evidenced by confirmation slip given by the stock exchange mechanism. The allotment and redemption of Units on any Business Day with respect to transactions carried out through this mechanism will depend upon the order processing/settlement by exchange and its respective clearing corporation. A Demat statement provided by the DP in such form and manner and at such time as agreed with the DP, shall be equivalent to an Account Statement. For any grievance with respect to transactions through BSE/NSE, the investors should approach the investor grievance cell of BSE/NSE or their DP.

Payment of redemption proceeds to the trading/clearing members by AMC/its Registrar shall discharge AMC of its obligation of payment of redemption proceeds to individual investor. Similarly, in case of purchase of units, crediting units into trading/clearing member pool account shall discharge AMC of its obligation/to allot units to individual investor.

Further, in accordance with SEBI Circular SEBI/HO/MRD1/DSAP/CIR/P/2020/29 dated February 26, 2020, investors can also directly access infrastructure of the recognized stock exchanges to purchase and redeem mutual fund units directly from SIF/Asset Management Companies.

B. Default scenarios available to the investors under Growth/dividend plans of the Investment Strategies.

Default Option

Investors should indicate the Plan and/or Option wherever applicable, for which the subscription is made by indicating the choice in the appropriate box provided for this purpose in the Application Form. In case of valid applications received, without indicating the Plan/Investment Strategy and/or Option etc. the following defaults will be flagged off:

Indication not made/incorrectly made	Default ##
Investment strategy/Plan Name	As indicated on the application form/transaction slip (The applicable NAV shall be as per the funds available for utilization).
Income Distribution cum Capital Withdrawal option (IDCW)/Growth Option	Growth Option
Payout of IDCW/Reinvestment of IDCW	Reinvestment of IDCW
Mode of holding (in cases where there are more than one applicant)	Joint
Direct Plan opted (with/without distributor code on the application)	Units will be allotted in "Direct Plan"
Broker code is mentioned as "DIRECT"/incorrect/left blank	Units will be created under "Direct Plan" with broker code "Direct"
Status of First Applicant (Individual, HUF, Company etc.)	Others #
*Demat account details	Units will be held in physical mode

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* Applicants, who wish to opt for Demat mode (including a transferee), will be required to have a beneficiary account with a DP of NSDL/CDSL and will be required to indicate in the application the DP's name, DP ID Number and its beneficiary account number with DP. In the absence of the information (including incomplete/incorrect information) in respect of DP ID/BO ID, the application will be processed with statement option as 'physical' only.

Tax rates wherever applied on 'Others' by the Mutual Fund/SIF shall be the same as applicable to a Resident Indian Company

With regard to Broker Code, default Plan as per the following table will apply to investors.

Broker Code mentioned by the investor	Plan mentioned by the investor	Default Plan to be captured by the AMC
Not mentioned	Not mentioned	Direct Plan
Not mentioned	Direct	Direct Plan
Not mentioned	Regular	Direct Plan
Mentioned	Direct	Direct Plan
Direct	Not mentioned	Direct Plan
Direct	Regular	Direct Plan
Mentioned	Regular	Regular Plan
Mentioned	Not Mentioned	Regular Plan

In cases of wrong/invalid/incomplete ARN codes mentioned on the application form, the application shall be processed under Regular Plan. The AMC shall contact and obtain the correct ARN code within 30 calendar days of the receipt of the application form from the investor/distributor. In case, the correct code is not received within 30 calendar days, the AMC shall reprocess the transaction under Direct Plan from the date of application without any exit load.

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VII. RIGHTS OF UNITHOLDERS OF THE INVESTMENT STRATEGY

1. Unit holders have a proportionate right in the beneficial ownership of the assets of the Investment Strategy.

   When the SIF declares an Income Distribution cum Capital Withdrawal (IDCW) under an Investment Strategy, IDCW payments shall be completed to the Unit Holders within 7 working days from the record date of IDCW.

   Consolidated Account Statement ('CAS') at SIF level for each calendar month will be issued on or before 15th day of succeeding month to all unit holders having financial transactions and who have provided valid Permanent Account Number (PAN). For folios not included in the CAS, the AMC shall issue a monthly account statement to the unit holders, pursuant to any financial transaction done in such folios; the monthly statement will be send on or before 15th day of succeeding month. In case of a specific request received from the unit holders, the AMC shall provide the account statement to the unit holder within 5 business days from the receipt of such request. If a Unit holder so desires the SIF shall issue a Unit certificate (non- transferable) within 5 Business Days of the receipt of request for the certificate.

2. The SIF shall dispatch redemption or repurchase proceeds within 3 working days of processing the valid redemption or repurchase request. Provided that, processing of redemption(s) in the SIF Investment Strategies shall be subject to appropriate notice period(s), if any, as may be implemented by the AMC, based on structure of the Investment Strategy and the liquidity risk associated with it.

3. The Trustee is bound to make such disclosures to the Unit holders as are essential in order to keep the unitholders informed about any information known to the Trustee which may have a material adverse bearing on their investments.

4. The appointment of the AMC for the SIF can be terminated by majority of the Directors of the Trustee Board or by 75% of the Unit holders of the investment strategy.

5. 75% of the Unit holders can pass a resolution to wind- up an Investment strategy.

6. The Trustee shall obtain the consent of the Unit holders:

   – whenever required to do so by SEBI, in the interest of the Unit holders.

   – whenever required to do so if a requisition is made by three- fourths of the Unit holders of the Investment strategy.

   – when the majority of the trustees decide to wind up a investment strategy in terms of Regulation 36(2)(a) of SEBI (Mutual Funds) Regulations, 2026 or prematurely redeem the units of a close ended investment strategy.

   – when the majority of the trustees decide to wind up the Investment Strategy or prematurely redeem the units of an Investment Strategy.

7. The Trustee shall ensure that no change in the fundamental attributes of any Investment strategy or the trust or fees and expenses payable or any other change which would modify the Investment strategy and affects the interest of Unit holders of the Investment Strategy, shall be carried out by the AMC, unless the AMC ensures compliance with requirements listed hereunder:

   (i) SEBI has reviewed and provided its comments on the proposal;

   (ii) a written communication about the proposed change is sent to each Unit holder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the ABC Mutual Fund is situated; and

   (iii) the Unit holders are given an option to exit at the prevailing Net Asset Value without any Exit Load.

8. In specific circumstances, where the approval of unitholders is sought on any matter, the same shall be obtained by way of a postal ballot or such other means as may be approved by SEBI.

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VIII. INVESTMENT VALUATION NORMS FOR SECURITIES AND OTHER ASSETS

Investment Valuation Policy

SEBI vide its notification dated January 14, 2026 amended Regulation 22(9)(b)(i) and the Seventh Schedule of SEBI (Mutual Fund) Regulations, 2026 and introduced overarching Principles of Fair Valuation to ensure fair treatment to all investors including existing investors as well as investors seeking to purchase or redeem units of mutual funds in all schemes at all points of time.

It further prescribed that the valuation shall be reflective of the realizable value of securities and shall be done in good faith and in true and fair manner through appropriate valuation policies and procedures approved by the Board of the Asset Management Company.

The regulation also states that in case of any conflict between the principles of fair valuation and valuation guidelines prescribed in Seventh Schedule and circulars issued by SEBI, the Principles of Fair Valuation shall prevail.

Based on the said regulation, the Board of Director of HSBC Asset Management (India) Private Limited (AMIN) and the Trustees of HSBC Mutual Fund (Trustees) have adopted the following revised Valuation Policy and Procedure:

Valuation methodologies

- The appended table (refer **Annexure A**) describes the methodologies for valuing all types of securities held by the schemes.
- Investment in any new type of securities / assets by the mutual fund scheme shall be made only after establishment of the valuation methodologies for such securities with the approval of the Board of the asset management company
- Inter-scheme transfers, if any, will be executed as per Regulations at fair value thereby ensuring fair treatment to all the investors in accordance with the guidelines in appended table (refer **Annexure A**)
- Deviations from the valuation policy and principles, if any, will be communicated to the Board of AMIN, Trustees through periodical reporting and to the Unit holders / Investors through suitable disclosures on the mutual fund's website
- Documentation of rationale for fair valuation including inter-scheme transfers, if any, shall be maintained and preserved for such period of time as prescribed under the regulations to enable audit trail.
- Valuation agencies shall follow a waterfall approach for valuation of debt and money market securities. AMFI in consultation with SEBI has issued (vide AMFI Best Practice Guidelines Circular No. 83/2019-20 dated November 18, 2019) the waterfall approach to be followed by the valuation agencies, details of which are provided in Annexure B. The said guidelines are effective within 90 days from the date of the AMFI circular.

Valuation Committee

a) The Board of AMIN has constituted a Valuation Committee (Committee) comprising of senior officials of AMIN.

b) The Committee shall be responsible for implementation and oversight of the valuation methodologies, policies and procedures and update the Board of AMIN and Trustees on the effectiveness of methodologies adopted and deviations, if any, on periodic basis.

c) The Committee shall ensure that the valuation policies and procedures are regularly reviewed (at least once in a financial year) by an independent auditor to seek to ensure their continued appropriateness.

d) The Committee shall ensure that the valuation policies and procedures adopted by AMIN shall seek to address conflict of interest.

e) The Committee shall be responsible for monitoring of exceptional events* where market quotations may not be available / reliable / sufficient for valuation of a particular security and to decide on its valuation based on the fair valuation principles as per the Regulations.

* *Exceptional events are those events where current market information may not be available / sufficient / reliable for valuation of securities. For example, events like -major policy announcements by the Central Bank, the government or the Regulator; ii) natural disasters or public disturbances that force the markets to close unexpectedly; iii) significant volatility in capital markets and; iv) any other significant events considered as abnormal event for the purpose of fair valuation.*

ANNEXURE A:

Annexure A:

Snapshot of Valuation Policy		
Sr. No	**Type of Instrument**	**Basis of Valuation**
1	**EQUITY**	
1.1	**Listed Equity**	To be valued at the last quoted closing price on NSE (primary exchange for HSBC) else BSE or other recognized stock exchange where the security is listed. For valuation of securities held by Exchange Traded Funds (ETFs)/Index Funds which are benchmarked to indices relating to a particular stock exchange, the primary stock exchange will be that exchange, e.g. for an Sensex ETF or Sensex Index Fund, the primary stock exchange will be the S&P BSE.

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Snapshot of Valuation Policy		
Sr. No	**Type of Instrument**	**Basis of Valuation**
1.2	**Non traded Equity** *(Equity Not traded on any of the exchanges for a continuous period of 30 calendar days)*	At Fair value as per SEBI formula i.e. AMC to value the securities based on SEBI valuation guidelines as per circular dated September 18, 2000 and May 09, 2002 (i.e. use of Net worth and EPS capitalization method as prescribed by SEBI formula). If more than 9 months have elapsed from the end of Financial year and Audited Balance Sheet is not available, the security shall be valued at Nil. In determining the valuation as per aforesaid methodology, the valuation committee will also assess the realizable value of the security and document its rationale for applying a particular valuation price.
1.3	**Thinly Traded Equity** *(Trading on all the exchanges in a particular calendar month is both less than Rs. 5 lakhs in value and total volume is less than 50000 shares)*	
1.4	**Unlisted Equity**	
1.5	**Suspended Equity**	In case trading in an equity security is suspended for trading on the stock exchange up to 30 calendar days, then the last traded price would be considered for valuation of that security. If an equity security is suspended for trading on the stock exchange for more than 30 calendar days, then it would be considered as non-traded and valued accordingly.
1.6	**Illiquid securities** *(Non-traded / thinly traded / unlisted equity security is in excess of 15% of total net assets of the scheme in case of open-ended funds and 20% in case of close-ended funds)*	Nil Value
1.7	**Equity shares which are unlisted as a result of corporate actions** *(i.e. Mergers, Demergers, reduction of capital, consolidation, etc.)*	**a) Demerger:** ***Scenario 1:*** If Special Pre-Open session (SPOS) is conducted by Exchange: Where at least one resultant company is not immediately listed, valuation price will be worked out by using cum-price on NSE (primary exchange for HSBC) else BSE or other recognized stock exchange where the security is listed before corporate action as reduced by the price derived during Special Pre-Open session (SPOS) on the Ex. Demerger date listed resultant company after providing for appropriate illiquidity discount but a minimum illiquidity discount of 10% ***Scenario 2:*** If Special Pre-Open session (SPOS) is not conducted by Exchange: Where at least one resultant company is not immediately listed, valuation price will be worked out by using cum-price on NSE (primary exchange for HSBC) else BSE or other recognized stock exchange where the security is listed before corporate action as reduced by the closing price of the listed resultant company after providing for appropriate illiquidity discount but a minimum illiquidity discount of 10% If value of listed resultant company is greater or equal to the value of the listed resultant company before demerger, then the resulting not immediately listed company would be valued at zero, pending listing. In cases where the hived off company is more than one and such companies are not listed, it is proposed that the Valuation Price be allocated between the unlisted hived off companies on an appropriate basis as per the decision of the Valuation Committee. In cases where post demerger, none of the companies are listed, it is proposed that Pre-demerger Price be allocated between all the resultant companies on an appropriate basis as per the decision of the Valuation Committee. Cost allocation shall be proportionate to the derived value of all the resultant companies or an appropriate basis as per the decision of the Valuation Committee. **b) Corporate Action Pending listing:** In case of a corporate action pending listing, the resultant company/ies shall be valued at fair value as determined by the valuation committee on the date of corporate action after providing for appropriate illiquidity discount but a minimum illiquidity discount of 10%.

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Snapshot of Valuation Policy		
Sr. No	**Type of Instrument**	**Basis of Valuation**
		c) Merger: In cases where identity of entities getting merged is lost and the new entity is yet unlisted – Valuation of merged entity would be arrived at by summation of previous day's value of respective companies prior to the merger divided by the entitled quantity of the merged entity. For example, If company A and company B merge to form a new company C, then company C would be valued at price equal to that of value of company A + company B. In cases where identity of one entity continues – Valuation of merged entity would be according to the closing price of the surviving entity The Fair value so arrived for shares which are unlisted as a result of corporate actions will be periodically reviewed by Valuation Committee till listing of such shares. However, if more than 9 months have elapsed from the date of corporate action and the company/ies is/are still not listed, the same shall be valued in good faith by the Valuation Committee of the AMC. The rationale shall be documented and recorded.
1.8	**Equity Shares which are allotted pursuant to IPO and are pending listing**	Prior to allotment – at Bid Price. At acquisition cost up to 30 days from the date of allotment. In case the security is not listed within 30 days from the allotment date, the valuation shall be arrived at in good faith by the Valuation Committee of the AMC. The rationale shall be documented and recorded.
1.9	**Buy-back of Securities**	If a company offers to buy-back hundred percent of the shares tendered then shares will be valued at the price of buy-back, ignoring the market price. Else, market price of the shares will be considered for valuation till formal confirmation of acceptance of shares tendered under the buy-back schemes. Quantum of shares accepted under buy-back will be accounted as a sale trade on receipt of formal confirmation of such acceptance.
1.10	**Valuation of Partly paid up equity share**	**a) Traded:** Refer point 1.1 above. **b) Non-traded:** Will be valued at Underlying Equity price as reduced by the balance call money payable with illiquidity discount as may be deemed appropriate by the valuation committee.
1.11	**Equity and Equity related securities under lock in period**	a) Illiquidity discount will be Nil for securities which are pending listing or where the lock-in is less than 3 months. b) In case of Equity share under lock- in for more than 3 months from the date of purchase/allotment, which are traded on the stock exchanges, the investment manager may apply appropriate discount to the closing price quoted on the stock exchange as may be decided by the Investment Committee on a case-to-case basis.
2	**PREFERENCE SHARES**	
2.1	**Traded**	At Traded Price.
2.2	**Non-traded**	At cost or at fair value as determined by the valuation committee
2.3	**Non- convertible preference shares**	The value of convertible preference shares would be at cost/Face Value till the prices are received from Valuation Agencies. In case prices of Non–traded preference shares are available from agency(ies) appointed by AMFI, then such Non–traded preference shares shall be valued at average of prices provided by AMFI appointed agency(ies).
3	**ADR's/GDR's**	
3.1	**Conversion rate - Forex**	On valuation date, all assets and liabilities in foreign currency shall be valued in Indian Rupees at the RBI reference rate. In case the RBI reference rate is not available, on a particular Valuation Day, the exchange rate available on Bloomberg/Reuters will be used for conversion.

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Snapshot of Valuation Policy		
Sr. No	**Type of Instrument**	**Basis of Valuation**
3.2	**ADR / GDR Security Price - Traded**	Foreign securities shall be valued based on the last quoted closing prices at the Overseas Stock Exchange on which the respective securities are listed. However, the AMC shall select the Primary stock exchange prior to transacting in any scheme in case a security is listed on more than one stock exchange and the reasons for the selection will be recorded in writing. Any subsequent change in the reference stock exchange used for valuation will be necessarily backed by reasons for such change being recorded in writing by the AMC and approved by the Valuation Committee. However, in case of extra ordinary event in other markets post the closure of the relevant markets, the AMC shall value the security at suitable fair value as determined by the Valuation Committee. When on a particular valuation day, a security has not been traded on the selected stock exchange; the value at which it is traded on another stock exchange or last quoted closing price on the selected stock exchange shall be used provided such date is not more than thirty days prior to the valuation date. Due to difference in time zones of different markets, in case the closing prices of securities are not available within a given time frame to enable the AMC to upload the NAV for a Valuation Day, the AMC may use the last available traded price / previous day's price for the purpose of valuation. The use of the closing price / last available traded price for the purpose of valuation will also be based on the practice followed in a particular market. Closing Quote on T-1 of the security sourced from NYSE / Bloomberg or other recognized international stock exchange.
3.3	**ADR / GDR Security Price – Non-Traded**	Non-traded ADR / GDRs shall be valued after considering prices / issue terms of underlying security. Valuation Committee shall decide the appropriate discount for illiquidity. Non traded foreign security shall be valued by AMC at fair value after considering relevant factors on case to case basis.
4	**WARRANTS**	
4.1	**Traded warrants**	At quoted price
4.2	**Non-traded warrants**	
4.2.1	Exercise price is lower than the value of the underlying share	Value of the underlying share less exercise price with illiquidity discount as may be deemed appropriate by the valuation committee with an appropriate illiquidity discount
4.2.2	Exercise price is higher than the value of the share	At Zero
5	**RIGHTS ENTITLEMENTS / PARTLY PAID UP RIGHTS SHARES**	
5.1	**Traded Rights**	At quoted price
5.2	**Non-traded Rights**	
5.2.1	Exercise price is lower than the value of the underlying share	Value of the underlying share less exercise price with illiquidity discount as may be deemed appropriate by the valuation committee. Illiquidity discount if any to be applied post 30 days from the Rights Issue Closure date if it is not listed within 30 days
5.2.2	Exercise price is higher than the value of the share	At Zero
6	**FUTURES AND OPTIONS (F&O)**	
6.1	**Futures**	To be valued at the settlement price as released by NSE
6.2	**Options**	To be valued at the settlement price as released by NSE
7	**DEBT & MONEY MARKET SECURITIES**	
7.1	**All debt and money market securities (including Central and State government securities, treasury bills and cash management bills)**	a) To be valued at average of security level prices provided by AMFI appointed agencies (currently CRISIL and ICRA). b) In case security level prices given by valuation agencies are not available for a new security (which is currently not held by any Mutual Fund), then such security may be valued at weighted average purchase yield on the date of allotment / purchase and till the day preceding the next business day.

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Snapshot of Valuation Policy		
Sr. No	**Type of Instrument**	**Basis of Valuation**
7.2	**Securities with Put/Call Options**	Only securities with both put and call options on the same day and having the same put and call option price, shall be deemed to mature on such put/call date and shall be valued accordingly. In all other cases, the cash flow of each put/call option shall be evaluated and the security shall be valued on the following basis: i. Identify a 'Put Trigger Date', a date on which 'price to put option' is the highest when compared with price to other put options and maturity price. ii. Identify a 'Call Trigger Date', a date on which 'price to call option' is the lowest when compared with price to other call options and maturity price. iii. In case no Put Trigger Date or Call Trigger Date ("Trigger Date") is available, then valuation would be done to maturity price. In case one Trigger Date is available, then valuation would be done as to the said Trigger Date. In case both Trigger Dates are available, then valuation would be done to the earliest date. If a put option is not exercised by a Mutual Fund when exercising such put option would have been in favour of the scheme, in such cases the justification for not exercising the put option shall be provided to the Board of AMC and Trustees.
7.3	**Securities with multiple Put Options present ab-initio:**	If a put option is not exercised when exercising such put option would have been in favor of the scheme, in such cases the justification for not exercising the put option shall be provided to the Valuation Agencies, Board of AMC and Trustees on or before the last date of the notice period. The Valuation Agencies shall not take into account the remaining put options for the purpose of valuation of the security. The put option shall be considered as 'in favour of the scheme' if the yield of the valuation price ignoring the put option under evaluation is more than the contractual yield/coupon rate by 30 basis points.
7.4	**Impact of any Changes to terms of an investment:**	While making any change to terms of an investment, AMC shall adhere to the following conditions: • Any changes to the terms of investment, including extension in the maturity of a money market or debt security, shall be reported to valuation agencies and SEBI registered Credit Rating Agencies (CRAs) immediately, along-with reasons for such changes • Any extension in the maturity of a money market or debt security shall result in the security being treated as "Default", for the purpose of valuation. • If the maturity date of a money market or debt security is shortened and then subsequently extended, the security shall be treated as "Default" for the purpose of valuation. • Any put option inserted subsequent to the issuance of the security shall not be considered for the purpose of valuation and original terms of the issue will be considered for valuation.
7.5	**Reverse Repo/Repo/Corporate Debt Repo/TREPS (Tri Party Repo Dealing System)**	
	Reverse Repo/Repo/Corporate Debt Repo/TREPS with short term (Overnight) ***(Overnight: Maturing overnight or maturing on next business day post Saturday/Sunday or any Holiday)***	To be Valued at cost plus accruals.
	Reverse Repo/Repo/Corporate Debt Repo/TREPS with Long term (Non- overnight)	To be valued at average of security level prices provided by AMFI appointed agencies (currently CRISIL and ICRA). In case security level prices given by valuation agencies are not available for a new security (which is currently not held by any Mutual Fund), then such security may be valued at weighted average purchase yield on the date of purchase and till the day preceding the next business day.

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Snapshot of Valuation Policy		
Sr. No	**Type of Instrument**	**Basis of Valuation**
7.6	**Fixed Deposits**	At cost plus accruals
7.7	**CONVERTIBLE DEBENTURES**	
	Non-convertible components	Refer point 7.1,7.2 & 7.3 above
	Convertible components	The convertible component shall be valued on same basis as underlying equity instrument after providing for appropriate illiquidity discount in accordance with investment valuation norms prescribed by SEBI in the Seventh Schedule.
7.8	**OTC Derivatives (including Interest Rate Swaps) and Market Linked Debentures**	
	Prices for all OTC derivatives (including Interest Rate Swaps) and market linked debentures shall be obtained from valuation agencies.	
7.9	**Interest Rate Futures**	
	Interest Rate Futures will be valued at the settlement price as released by NSE.	
7.10	**Securities Rated Below Investment Grade and Default**	
	Definition of below investment grade and default: A money market or debt security shall be classified as "below investment grade" if the long term rating of the security issued by a SEBI registered Credit Rating Agency (CRA) is below BBB- or if the short term rating of the security is below A3. A money market or debt security shall be classified as "Default" if the interest and/or principal amount has not been received, on the day such amount was due or when such security has been downgraded to "Default" grade by a CRA. In this respect, AMC shall promptly inform to the valuation agencies and the CRAs, any instance of non- receipt of payment of interest and/or principal amount (part or full) in any security. a) To be valued on the basis of valuation price for such securities provided by CRISIL and ICRA/or any other AMFI appointed agency (ies) b) Till such time the valuation agencies compute the valuation of money market and debt securities classified as below investment grade or default, such securities shall be valued on the basis of indicative haircuts provided by these agencies. These indicative haircuts shall be applied on the date of credit event i.e. migration of the security to sub-investment grade or default and shall continue till the valuation agencies compute the valuation price of such securities. Further, these haircuts shall be updated and refined, as and when there is availability of material information which impacts the haircuts. c) **Consideration of traded price for valuation:** • In case of trades during the interim period between date of credit event and receipt of valuation price from valuation agencies, AMC shall consider such traded price for valuation if it is lower than the price post standard haircut. The said traded price shall be considered for valuation till the valuation price is determined by the valuation agencies. • In case of trades after the valuation price is computed by the valuation agencies as referred above and where the traded price is lower than such computed price, such traded price shall be considered for the purpose of valuation and the valuation price may be revised accordingly. d) The trades referred above shall be of a minimum size as determined by valuation agencies/AMFI.AMC may deviate from the indicative haircuts and/or the valuation price for money market and debt securities rated below investment grade/default provided by the valuation agencies and consider a fair valuation approach for valuation of principal and interest subject to the following: • The detailed rationale for deviation from the price post haircuts or the price provided by the valuation agencies shall be recorded by the Valuation Committee/AMC. • The rationale for deviation along-with details such as information about the security (ISIN, issuer name, rating etc.), price at which the security was valued vis-a-vis the price post haircuts or the average of the price provided by the valuation agencies (as applicable) and the impact of such deviation on scheme NAV (in amount and percentage terms) shall be reported to the Board of AMC and Trustees. The rationale for deviation along-with details as mentioned above shall also be disclosed to investors. In this regard, the AMC shall disclose instances of deviations on our website. Further, the total number of such instances shall also be disclosed in the monthly and half-yearly portfolio statements for the relevant period along-with an exact link to the website wherein the details of all such instances of deviation are available e) Treatment of accrued interest, future interest accrual and future recovery: - a) The indicative haircut that has been applied to the principal should be applied to any accrued interest. b) In case of securities classified as below investment grade but not default, interest accrual may continue with the same haircut applied to the principal. In case of securities classified as default, no further interest accrual shall be made. c) Any recovery shall first be adjusted against the outstanding interest recognized in the NAV and any balance shall be adjusted against the value of principal recognized in the NAV. d) Any recovery in excess of the carried value (i.e. the value recognized in NAV) should then be applied first towards amount of interest written off and then towards amount of principal written off.	

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Snapshot of Valuation Policy		
Sr. No	**Type of Instrument**	**Basis of Valuation**
7.11	**Valuation of any upfront fee on trades:** In line with AMFI Best Practice guidelines circular no. 83/2019-20, following guidelines shall be adhered to for valuation of any upfront fees on trades: 1. Upfront fees on all trades (including primary market trades), by whatever name and manner called, shall be considered by the valuation agencies for the purpose of valuation of the security. 2. Details of such upfront fees shall be shared by the AMC on the trade date to the valuation agencies as part of the trade reporting to enable valuation agencies to arrive at the fair valuation for that date. 3. For the purpose of accounting, such upfront fees shall be reduced from the cost of the investment in the scheme that made the investment. In case upfront fees are received across multiple schemes, then such upfront fees shall be shared on a pro-rata basis across such schemes.	
7.12	**Corporate Debt Market Development Fund (CDMDF) an Alternative Investment Fund (AIF)** To be valued at NAV of the AIF units: NAV of CDMDF (AIF) Units will be disclosed by 9:30 p.m. on all business days on website of its Investment Manager and that of AMFI. For times when CDMDF would have exposure to corporate debt, such NAV shall be disclosed by 11 p.m. on all business days.	
8	**INVESTMENT IN MF UNITS**	
8.1	**Units of Domestic Mutual fund**	i) Mutual Fund units listed and traded on exchange (NSE or BSE) on valuation date would be valued at closing traded price as on the valuation date. If units are not traded on the principal stock exchange on a particular valuation day, the quoted closing price on any other stock exchange where units are traded will be used. If units are not trade on any exchange on a day the same shall be considered as non-traded units. If units are not traded on a day the same shall be considered as non-traded units. Non-traded units shall be valued based on latest declared NAV per unit of respective underlying schemes. ii) Unlisted Mutual Fund units would be valued at the last available NAV as per AMFI website or any other appropriate source.
8.2	**Units of Overseas Mutual fund**	Overseas Mutual Fund units would be valued at the NAV as on the valuation day.
9	**INVESTMENT IN GOLD**	
	Gold	**Value of Gold** (1) Physical Gold with purity 995.00 shall be valued by using the polled spot prices for 995 purity published by the recognized stock exchange (currently by MCX Exchange) (2) Physical Gold with purity 999.00 shall be valued by using the polled spot prices for contract with 999 purity or by adjusting the polled spot prices of contract with 995 purity published by the recognized stock exchange (currently by MCX Exchange)
10	**GUIDELINES FOR INTER-SCHEME TRANSFERS**	
	i. IST of any money market or debt security (irrespective of maturity) will be done at an average of the prices provided by the valuation agencies, if prices from the valuation agencies are received within the pre-agreed turn-around-time (TAT). ii. If price from only one valuation agency is received within the agreed TAT, that price may be used for IST pricing. If prices are not received from any of the valuation agencies within the agreed TAT, AMC may determine the price for the IST, in accordance with Clause 3 (a) of Seventh Schedule of SEBI (Mutual Funds) Regulations, 2026 i.e., prevailing Market Price for quoted instrument on spot basis. Such price would be obtained from the public platform.	
11	**GUIDELINES FOR VALUATION OF UNITS OF INFRASTRUCTURE INVESTMENT TRUST (InvITs) & REAL ESTATE INVESTMENT TRUST (REITs)**	
	REITS & InvITs Allotted but Listing awaited: (i) Valuation of units of InvIT and REIT post allotment but awaiting listing – at allotment price. **Listed and Traded/Non-Traded :** • To be valued at the last quoted closing price on NSE (primary exchange for HSBC) else BSE or other recognized stock exchange where the units of InvITs and REITs are listed.	

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Snapshot of Valuation Policy		
Sr. No	**Type of Instrument**	**Basis of Valuation**
	• When units of InvITs and REITs is not traded on any stock exchange on a particular valuation day, the value at which it was traded on the recognised stock exchange or any other recognized stock exchange, as the case may be, on any day immediately prior to valuation day or latest NAV declared by the investment manager of the trust, whichever is later, shall be considered for valuation provided that such date is not more than thirty days prior to the valuation date. • Further, in absence of any trade or declared NAV in the thirty days prior to valuation, the last declared NAV by the investment manager of REITs/InvITs shall be used for valuation purposes (provided that the date of NAV declaration does not exceed six months prior to the valuation date)	
12	**SECURITY LENDING & BORROWING (SLB)**	
	The valuation of security lent shall be done as per the valuation methodology stated for respective security in Annexure A of this valuation policy. The lending fee received for the security lent would be amortized proportionately, until expiry of the contract / till the recall of lent securities.	

Notes :

1) In case the valuation committee is of the opinion that the price feeds provided by AMFI appointed agencies are not reflective of fair value/ realizable value of the security, the same shall be valued on the basis of guidelines provided by the valuation committee. In approving such valuations, the valuation committee shall follow the principles of fair valuation and provide suitable justification for the same.

The rationale for deviation along-with details such as information about the security (ISIN, issuer name, rating etc.), price at which the security was valued vis-a-vis the price as per the valuation agencies and the impact of such deviation on scheme NAV (in amount and percentage terms) shall be reported to the Board of AMC and Trustees. The rationale shall also be disclosed immediately and prominently, under a separate head on the website of AMC, Monthly portfolio and Half-Yearly portfolio.

2) Use of Own Trade for Valuation:

- AMC shall not use own/self-trades for valuation of debt and money market securities. However, in case security level prices given by valuation agencies are not available for a new security (which is currently not held by any Mutual Fund), then such security may be valued at weighted average purchase yield on the date of allotment / purchase.
- Own/self-trades will not be used for valuation of inter-scheme transfers.

Disclaimer :

By using the valuation contained in this document, the user acknowledges and accepts that the valuations are provided severally (and not jointly) by the service providers and that valuations are subject to the disclaimers and exclusion of liability provided on the relevant service providers' web sites. The user must visit the relevant service providers' web sites and understand the disclaimers and conditions to which the use of these valuations is subject.

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ANNEXURE B:

WATERFALL APPROACH FOR VALUATION OF TRADED AND NON-TRADED MONEY MARKET AND DEBT SECURITIES

AMFI, vide its best practice circular no. 83/2019-20 dated November 18, 2019 had issued the standard guidelines for waterfall valuation approach for money market and debt securities to be followed and documented by Valuation agencies. The following are the areas identified for the said guidelines:

1. Waterfall mechanism for valuation of money market and debt securities
2. Definition of tenure buckets for similar maturity
3. Process for determination of similar issuer
4. Recognition of trades and outlier criteria
5. Process for construction of spread matrix

Part A: Valuation of Money Market and Debt Securities other than G-Secs

1. Waterfall Mechanism for valuation of money market and debt securities:

The following shall be the broad sequence of the waterfall for valuation of money market and debt securities:

i. Volume Weighted Average Yield (VWAY) of primary reissuances of the same ISIN (whether through book building or fixed price) and secondary trades in the same ISIN

ii. VWAY of primary issuances through book building of same issuer, similar maturity (Refer Note 1 below)

iii. VWAY of secondary trades of same issuer, similar maturity

iv. VWAY of primary issuances through fixed price auction of same issuer, similar maturity

v. VWAY of primary issuances through book building of similar issuer, similar maturity (Refer Note 1 below)

vi. VWAY of secondary trades of similar issuer, similar maturity.

vii. VWAY of primary issuance through fixed price auction of similar issuer, similar maturity

viii. Construction of matrix (polling may also be used for matrix construction)

ix. In case of exceptional circumstances, polling for security level valuation (Refer Note 2 below)

Notes:

1. Polling shall be conducted to identify outlier trades for any booking building issuance of less than INR 100 Cr and also for those primary issuances that are not done through book building.
2. Polling shall be conducted for exceptional circumstances like stale spreads, any event/news in particular sector/issuer, rating changes, high volatility, corporate action or such other event as may be considered by valuation agencies. Here stale spreads are defined as spreads of issuer which were not reviewed/updated through trades/primary/polls in same or similar security/issuers of same/similar maturities in waterfall approach in last 6 months.

   Further, the exact details and reasons for the exceptional circumstances which led to polling shall be documented and reported to AMC. Further, a record of all such instances shall be maintained by AMC and shall be subject to verification during SEBI inspections.
3. All trades on stock exchanges and trades reported on trade reporting platforms till end of trade reporting time (excluding Interscheme transfers) should be considered for valuation on that day.
4. In case of exceptional events, for the purpose of calculation of VWAY of trades and identification of outliers, on the day of such exceptional events, rather than considering whole day trades, only those trades shall be considered which have occurred post the event (on the same day).

The following events would be considered exceptional events:

i. Monetary/Credit Policy

ii. Union Budget

iii. Government Borrowing/Auction Days

iv. Material Statements on Sovereign Rating

v. Issuer or Sector Specific events which have a material impact on yields

vi. Central Government Election Days

vii. Quarter end day

In addition to the above, valuation agencies may determine any other event as an exceptional event. All exceptional events along-with valuation carried out on such dates shall be documented with adequate justification.

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2. Definition of tenure buckets for Similar Maturity:

When a trade in the same ISIN has not taken place, reference should be taken to trades of either the same issuer or a similar issuer, where the residual tenure matches the tenure of the bond to be priced. For identifying similar maturity trades, the tenure buckets are to be created and trades failing within such similar maturity shall be used as per table below:

Residual Tenure of Bond to be priced	Criteria for similar maturity
Upto 1 month	Calendar Weekly Bucket
Greater than 1 month to 3 months	Calendar Fortnightly Bucket
Greater than 3 months to 1 year	Calendar Monthly Bucket
Greater than 1 year to 3 years	Calendar Quarterly Bucket
Greater than 3 years	Calendar Half Yearly or Greater Bucket

In addition to the above:

a. In case of market events, or to account for specific market nuances, valuation agencies may be permitted to vary the bucket in which the trade is matched or to split buckets to finer time periods as necessary. Such changes shall be auditable. Below is the example for such events/nuances:

   i. Traded yields for securities with residual tenure of less than 90 days and more than 90 days are markedly different even though both may fall within the same maturity bucket

   ii. Similarly, for less than 30 days and more than 30 days or cases where yields for the last week v/s second last week of certain months such as calendar quarter ends can differ.

b. In the case of illiquid/semi liquid bonds, traded spreads shall be permitted to be used for longer maturity buckets (1 year and above). However, the yield should be adjusted to account for steepness of the yield curve across maturities.

c. The changes/deviations mentioned in clauses a and b above, should be documented, along with the detailed rationale for the same. Process for making any such deviations shall also be recorded. Such records shall be preserved for verification.

3. Process for determination of similar issuer:

Valuation agencies shall determine similar issuers using one or a combination of the following criteria. Similar issuer does not always refer to issuers which trade at same yields, but may carry spreads amongst themselves & move in tandem or they are sensitive to specific market factor/s hence warrant review of spreads when such factors are triggered.

i. Issuers within same sector/industry and/or

ii. Issuers within same rating band and/or

iii. Issuers with same parent/within same group and/or

iv. Issuers with debt securities having same guarantors and/or

v. Issuers with securities having similar terms like Loan Against Shares (LAS)/Loan Against Property (LAP)

The above criteria are stated as principles and final determination on criteria, and whether in combination or isolation shall be determined by the valuation agencies. The criteria used for such determination should be documented along with the detailed rationale for the same in each instance. Such records shall be preserved for verification. Similar issuers which trade at same level or replicate each other's movements are used in waterfall approach for valuations. However, similar issuer may also be used just to trigger the review of spreads for other securities in the similar issuer category basis the trade/news/action in any security/ies within the similar issuer group.

4. Recognition of trades and outlier criteria:

i. Volume criteria for recognition of trades (marketable lot)

AMFI, in consultation with SEBI has defined the marketable lot as under. The following volume criteria shall be used for recognition of trades by valuation agencies:

Parameter	Minimum Volume Criteria for marketable lot
Primary	INR 25 cr for both Bonds/NCD/CP/CD and other money market instruments
Secondary	INR 25 cr for CP/CD, T-Bills and other money market instruments
Secondary	INR 5 Cr for Bonds/NCD/G-secs

Trades not meeting the minimum volume criteria i.e. the marketable lot criteria as stated above shall be ignored.

ii. Outlier criteria

It is critical to identify and disregard trades which are aberrations, do not reflect market levels and may potentially lead to mispricing of a security or group of securities. Hence, the following broad principles would be followed by valuation agencies for determining outlier criteria.

- Outlier trades shall be classified on the basis of liquidity buckets (Liquid, Semi-liquid, Illiquid). Price discovery for liquid issuers is generally easier than that of illiquid issuers and hence a tighter pricing band as compared to illiquid issuers would be appropriate.

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- The outlier trades shall be determined basis the yield movement of the trade, over and above the yield movement of the matrix. Relative movement ensures that general market movements are accounted for in determining trades that are outliers. Hence, relative movement over and above benchmark movement shall be used to identify outlier trades.
- Potential outlier trades which are identified through objective criteria defined above will have to be validated through polling from market participants. Potential outlier trades that are not validated through polling shall be ignored for the purpose of valuation.
- The following criteria shall be used by valuation agencies in determining Outlier Trades

Liquidity Classification	Bps Criteria (Yield movement over Previous Day yield after accounting for yield movement of matrix)		
	Upto 15 days	15-30 days	Greater than 30 days
Liquid	30 bps	20 bps	10 bps
Semi-liquid	45 bps	35 bps	20 bps
Illiquid	70 bps	50 bps	35 bps

The above criteria shall be followed consistently and would be subject to review on a periodic basis by valuation agencies and any change would be carried in consultation with AMFI

- In order to ensure uniform process in determination of outlier trades the criteria for liquidity classification shall be as detailed below.

Liquidity classification criteria — Liquid, semi-liquid and Illiquid definition

Valuation agencies shall use standard criteria for classifying trades as Liquid, Semi-Liquid and illiquid basis the following two criteria

a. Trading Volume

b. Spread over reference yield

Such criteria shall be reviewed on periodic basis in consultation with AMFI.

Trading Volume (Traded days) based criteria:

Number of unique days an issuer trades in the secondary market or issues a new security in the primary market in a calendar quarter

Liquid	>=50% of trade days
Semi	>=10% to 50% trade days
Illiquid	<10 % of trade days

Spread based criteria:

Spread over the matrix shall be computed and based on thresholds defined, issuers shall be classified as liquid, semi liquid and illiquid. For bonds thresholds are defined as:

	Bonds	CP/CD
Liquid	upto 15 bps	upto 25 bps
Semi	>15-75 bps	>25-50
Illiquid	> 75 bps	> 50 bps

In case of bonds, spread is computed as average spread of issuer over AAA Public Sector Undertakings/Financial Institutions/Banks matrix. For CP/CD, spread is computed as average spread of issuer over A1+/AAA CD Bank matrix).

The above thresholds shall be periodically reviewed and updated having regard to the market.

The best classification (liquid being the best) from the above two criteria (trading volume and spread based) shall be considered as the final liquidity classification of the issuer. The above classification shall be carried out separately for money market instruments (CP/CDs) and bonds.

5. Process for construction of spread matrix:

Valuation agencies shall follow the below process in terms of calculating spreads and constructing the matrix:

Steps	Detailed Process
Step 1	**Segmentation of corporates:** The entire corporate sector is first categorised across following four sectors i.e. all the corporates will be catalogued under one of the below mentioned bucket: 1. Public Sector Undertakings/Financial Institutions/Banks; 2. Non-Banking Finance Companies -except Housing Finance Companies; 3. Housing Finance Companies; 4. Other Corporates

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Steps	Detailed Process
Step 2	**Representative issuers:** For the aforesaid 4 sectors, representative issuers (Benchmark Issuers) shall be chosen by the valuation agencies for only higher rating (I.e. "AAA" or AA+). Benchmark/Representative Issuers will be identified basis high liquidity, availability across tenure in AAA/AA+ category and having lower credit/liquidity premium. Benchmark Issuers can be single or multiple for each sector. It may not be possible to find representative issuers in the lower rated segments, however in case of any change in spread in a particular rating segment, the spreads in lower rated segments should be suitably adjusted to reflect the market conditions. In this respect, in case spreads over benchmark are widening at a better rated segment, then adjustments should be made across lower rated segments, such that compression of spreads is not seen at any step. For instance, if there is widening of spread of AA segment over the AAA benchmark, then there should not be any compression in spreads between AA and A rated segment and so on.
Step 3	**Calculation of benchmark curve and calculation of spread :** 1. Yield curve to be calculated for representative issuers for each sector for maturities ranging from 1 month till 20 years and above. 2. Waterfall approach as defined in Part A (1) above will be used for construction of yield curve of each sector. 3. In the event of no data related to trades/primary issuances in the securities of the representative issuer is available, polling shall be conducted from market participants. 4. Yield curve for Representative Issuers will be created on daily basis for all 4 sectors. All other issuers will be pegged to the respective benchmark issuers depending on the sector, parentage and characteristics. Spread over the benchmark curve for each security is computed using latest available trades/primaries/polls for respective maturity bucket over the Benchmark Issuer. 5. Spreads will be carried forward in case no data points in terms of trades/primaries/polls are available for any issuer and respective benchmark movement will be given.
Step 4	1. The principles of VWAY, outlier trades and exceptional events shall be applicable while constructing the benchmark curve on the basis of trades/primary issuances. 2. In case of rating downgrade/credit event/change in liquidity or any other material event in Representative Issuers, new Representative Issuers will be identified. Also, in case there are two credit ratings, the lower rating to be considered. 3. Residual tenure of the securities of representative issuers shall be used for construction of yield curve.

Part B: Valuation of G-Secs (T-Bill, Cash management bills, G-Sec and SDL)

The following is the waterfall mechanism for valuation of Government securities:

- VWAY of last one hour, subject to outlier validation
- VWAY for the day (including a two quote, not wider than 5 bps on NDSOM), subject to outlier validation
- Two quote, not wider than 5 bps on NDSOM, subject to outlier validation
- Carry forward of spreads over the benchmark
- Polling etc.

Note:

1. VWAY shall be computed from trades which meet the marketable lot criteria stated in Part A of these Guidelines.
2. Outlier criteria: Any trade deviating by more than +/- 5 bps post factoring the movement of benchmark security shall be identified as outlier. Such outlier shall be validated through polling for inclusion in valuations. If the trades are not validated, such trade shall be ignored.

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IX. COMPUTATION OF NAV

A. Policy of computation of NAV

Net asset value is calculated as market value of the securities of the Investment Strategy divided by the total number of outstanding units. Net assets of the Investment Strategy are estimated as the market value of the investments, receivable, other accrued income and other assets (current assets), the value must then be deducted from the total with the sum of the accumulated costs, other payables, and other liabilities (current liabilities).

The NAV of Units under the Investment Strategy shall be calculated as shown below:

$$\text{NAV (Rs.)} = \frac{\text{Market or Fair Value of Scheme's investments (+) Current Assets (-) Current Liabilities and Provisions}}{\text{No. of Units outstanding under Investment Strategy}}$$

The NAVs of the Investment Strategy of HSBC Mutual Fund (including Direct Plans) will be calculated and disclosed as of the close of every Business Day. The NAVs of the Scheme shall be disclosed up to 4 decimal places. The valuation of the Investment Strategy assets and calculation of the Investment Strategy NAV shall be subject to audit on an annual basis and such regulations as may be prescribed by SEBI from time to time. The AMC shall declare a separate NAV for the Direct Plan. The NAV of the Segregated Portfolio shall be declared on daily basis (if applicable).

B. Policy for computation of NAV in Foreign Securities

In case of investments in Foreign Securities, on the Valuation Day, the securities issued outside India and listed on the stock exchanges outside India shall be valued at the closing price on the stock exchange at which it is listed or at the last available traded price as per the valuation policy defined by the AMC. Further foreign securities are converted in INR as per the exchange rates with regards to computation of NAV as per the details provided above. If a significant event has occurred after security prices were established for the computation of NAV of the Investment Strategy, the AMC reserves the right to value the said securities on fair value basis. When on a particular valuation day, a security has not been traded on the selected stock exchange; the security will be valued in accordance with SEBI guidelines applicable for security listed in India. Foreign securities shall be valued based on the same day closing price. On the valuation day, all assets and liabilities denominated in foreign currency will be valued in Indian Rupees at the exchange rate available as per RBI reference rate.

C. Procedure in case of delay in disclosure of NAV

In case of any delay, the reasons for such delay would be explained to AMFI in writing. If the NAVs are not available before commencement of Business Hours on the following day due to any reason, the Fund shall issue a press release giving reasons and explaining settlement when the Fund would be able to publish the NAVs.

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X. TAX & LEGAL & GENERAL INFORMATION

A. TAXATION ON INVESTING IN SIF

The following tax implications are provided for general information purposes only, based on the law prevalent as on the date of this document. These implications will have to be determined taking into account the specific facts of each individual case. Further, in the event of amendments to legislation pertaining to taxation from time to time, the nature and/or quantum of such benefits/implications is/are subject to change. Therefore, it is recommended that investors should appropriately consult their tax consultant with respect to the specific tax implications arising out of their participation in the investment strategies of SIF.

I. To the mutual fund:

Income in the hands of the mutual fund

The entire income of the mutual fund registered under the Securities and Exchange Board of India Act, 1992 ("SEBI Act, 1992") or any Regulations made thereunder is exempt from income-tax in accordance with the provisions of Schedule VII(20) of the Income-tax Act, 2025 ("the Act").

Investment in the units of securitisation trusts. The key features of the taxation regime for securitisation trusts are as under:

a. Tax pass-through status is accorded to trusts set-up by Asset Reconstruction Companies and securitisation trusts.

b. Exemption in respect of income of investor from securitisation trust should not be available, and hence the same should be taxable in the hands of the investors. However, the income received by a mutual fund from a securitisation trust should still continue to remain exempt, as Schedule VII(20) of the Act provides exemption to the entire income earned by a mutual fund.

c. Tax should be deducted at source by the securitization trust at the rate of 10% in case the payments are made to resident investors and at the rate in force in case of non resident investors. However, income received by a mutual fund should not be liable to deduction of tax at source in accordance with the provisions of section 393(5)(d) of the Act. Even otherwise, no tax should be deducted at source by a securitization trust while making payments to a mutual fund, as any income received by a mutual fund is entirely exempt from tax under Schedule VII(20) of the Act.

Where the mutual fund receives any income from investments made in overseas jurisdiction, it may be subject to withholding in the relevant jurisdiction from which the income is received. As the income of the mutual fund is exempt from tax in India, credits/refunds in respect of such foreign taxes may not be available in India.

With-holding tax and GST on Management fees payable to investment manager

Fees paid by the fund to the investment manager will be subject to with-holding taxes at 10%. Further, the AMC should charge Goods and Service Tax (GST) @18% on such fees.

With-holding tax on other expense payments

Fund will be liable to withhold taxes at applicable rates on various expenses incurred by the fund (e.g.: custodian fees, Registrar fees, etc.)

II. To the Unit Holders:

Income distribution by Mutual Fund

Any person responsible for paying to a resident any income distributed in respect of units of a Mutual Fund specified under Schedule VII(20), or units from the Administrator of the specified undertaking or units from the specified company shall withhold tax at the rate of 10%.

No tax is required to be withheld if such dividend does not exceed Rs. 10,000 or not likely to exceed Rs. 10,000 in a financial year. Further, no tax is required to be withheld on capital gain. The distributed income would be taxable in the hands of resident unitholders at applicable tax rates.

In case of non-resident investors, the mutual fund is required to withhold taxes @20% plus applicable surcharge and cess at the time of credit/payment of distributed income to such investor.

Deduction from total income

Under Section 123, Schedule XV of the Act, an assessee, being an individual or HUF, is eligible to claim a deduction of upto an aggregate of Rs. 1,50,000 on account of sums paid as subscription to units of an Equity Linked Savings Scheme ("ELSS") under old tax regime. The expression, "ELSS" refers to a scheme issued in terms of the Equity Linked Savings Scheme, 2005, as notified by the Central Board of Direct Taxes ("CBDT"), Ministry of Finance, vide notification dated November 3, 2005 as amended vide notification dated December 13, 2005.

Securities Transaction Tax

Under Chapter VII of Finance (No. 2) Act, 2004, the Unit holder is liable to pay a Securities Transaction Tax ("STT") in respect of taxable securities transactions, at the applicable rates. Taxable securities transactions include purchase or sale of units of an equity oriented fund, entered into on the stock exchange or sale of units of an equity oriented fund to the mutual fund.

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The purchaser of the units of an equity oriented fund is not liable to pay STT, where the purchase is entered into on a recognized stock exchange and the contract for the purchase of such units is settled by the actual delivery or transfer of such units.

The seller of the units of an equity oriented fund is liable to pay STT at 0.001%, where the sale is entered into on a recognized stock exchange and the contract for sale of such units is settled by the actual delivery or transfer of such units.

At the time of the sale of units of an equity oriented fund to the mutual fund, the seller is required to pay STT @0.001%.

STT is not applicable on purchase/sale/redemption of units other than units of an equity oriented fund.

In case of investor who is engaged in the business, the STT paid during the year in respect of taxable securities transactions entered in the course of business shall be allowed as deduction under Section 32 of the Act, subject to the condition that such income from taxable securities transactions is included under the head, "profits and gains of business or profession".

However, STT is not deductible for the computation of capital gains, if the gains on sale of securities are considered to be in the nature of capital gains.

Capital Gains on transfer/redemption of units

Gains arising on transfer/redemption of units as well as switching between schemes will be chargeable to tax under the Act. The characterization of income from investment in securities as "business income" or "capital gains" should be examined on a case-to-case basis.

Business Income

Where units of the mutual fund are regarded as business asset, any gain arising from the transfer/redemption of units would be taxed under the head "Profits and Gains of Business or Profession", under Section 26 of the Act. The gain/loss is to be computed under the head, "Profits and Gains of Business or Profession", after allowing allowable business expenses (inclusive of the expenses incurred on transfer).

Business Income is chargeable to tax at the following rates:

Type of Investor	Rates
Individuals, HUF, Association of Persons	Applicable Slab Rates
Domestic companies exercising option u/s 200/Domestic company having turnover/gross receipts not exceeding Rs. 400 crores in financial year 2024-25	22%/25%
Partnership Firms [including Limited Liability Partnerships ("LLPs")] & Indian Corporates & Domestic Company (other than above)	30%
Foreign Company	35%

Unless specifically stated, the income-tax rates specified above and elsewhere in this document are exclusive of the applicable surcharge and health and education cess. The rates of surcharge applicable for Tax year 2026-27 are given below:

Type of Investor	Surcharge is applicable as % of income-tax					
	Total Income is less than Rs. 50 Lakhs	Total Income exceeds Rs. 50 Lakhs but does not exceed Rs. 1 crores	Total Income exceeds Rs. 1 crores but does not exceed Rs. 2 crores	Total Income exceeds Rs. 2 crores but does not exceed Rs. 5 crores	Total Income exceeds Rs. 5 crores but does not exceed Rs. 10 crores	Total Income exceeds Rs. 10 crores
Individual, HUF, AOP (Resident & Non resident)$@	Nil	10%	15%	25%	37%	37%
Partnership firm (Domestic & foreign)	Nil	Nil	12%	12%	12%	12%
Domestic Company	Nil	Nil	7%	7%	7%	12%
Foreign Company	Nil	Nil	2%	2%	2%	5%

@ In case total income includes income chargeable under section 196, 197 and 198 of the income tax Act, 2025, surcharge will not be more than 15%.

* Additionally, health and education cess is leviable @4% on the income-tax and surcharge as computed above. Surcharge on income chargeable under section 200 and 201 will be at the rate of 10% irrespective of the amount.

$ In case taxpayers opt for new tax regime, rate of surcharge would be capped at 25%.

Long term capital gains

In case of Equity Oriented Mutual Fund, including ELSS

Capital gains arising on transfer or redemption of units of an equity-oriented Mutual fund shall be regarded as long-term capital gains if such units are held for a period of more than 12 months, immediately preceding the date of transfer.

In case of ELSS, the units are subject to a lock-in of 3 years. Accordingly, gains from sale of units after such lock-in will be long-term capital gains.

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With effect from 1 April 2024, long term capital gains on transfer of units of equity-oriented mutual fund upto Rs. 1.25 lakh would be exempt from tax. Gains above Rs 1.25 Lakh will be taxable @10% upto 22 July 2024 and 12.5% thereafter. The rates will be further be increased by applicable surcharge and cess.

Benefit of the computation of gains in foreign currency shall not be available on such gains and the cost of acquisition of units of equity oriented mutual fund shall be higher of:

- Actual cost of acquisition; and
- Lower of:
  a. Fair market value as on 31 January 2018; and
  b. Value of consideration received upon transfer

For this purpose "fair market value" shall mean:

(i) in a case where the capital asset is listed on any recognized stock exchange as on the 31 January, 2018, the highest price of the capital asset quoted on such exchange on the said date. Provided that where there is no trading in such asset on such exchange on the 31 January, 2018, the highest price of such asset on such exchange on a date immediately preceding the 31st day of January, 2018 when such asset was traded on such exchange shall be the fair market value;

(ii) in a case where the capital asset is a unit which is not listed on a recognized stock exchange as on the 31 January, 2018, the net asset value of such unit as on the said date

In case of other than Equity Oriented Mutual Fund and specified mutual fund, including Money Market mutual fund or a Liquid Fund

Gains arising on transfer or redemption of units being securities listed on a recognised stock exchange in India (other than units of an Equity Oriented Mutual Fund and Specified Mutual Fund) on or after 23 July 2024 would be treated as long term capital gains if held for more than 12 months and would be subjected to tax @12.5% (plus applicable surcharge and cess) without any indexation benefit.

Capital gain arising on transfer or redemption of units not listed on recognised stock exchange in India on or after 23 July 2024 would be treated as long term capital gains if held for more than 24 months and would be subjected to tax @12.5% (plus applicable surcharge and cess) without any foreign currency fluctuation and indexation benefit.

The rates as mentioned above would be applicable to Offshore Fund and FPI as per section 208 and 210 of the Income Tax Act, 2025.

In cases where the taxable income as reduced by long-term capital gains of a resident individual or HUF is below the taxable limit, the long-term capital gain will be reduced to the extent of such shortfall and only the balance long-term capital gain will be chargeable to Income-tax.

The deductions are available from long-term capital gains arising on sale of mutual fund units, if the sale proceeds are invested as per section 82 of the Income Tax Act, 2025.

In case of Specified Mutual Fund

Any capital gain arising from sale of units of "specified mutual fund" acquired on or after 1 April 2023 are to be taxed as short-term capital gains irrespective of the period of holding of such units.

A specified mutual fund is a fund which invests more than 65% of its total proceeds in debt and money market instruments. Further, in case of fund of fund, a fund of fund which invests sixty-five per cent or more of its total proceeds in units of a first mentioned fund.

Debt and money market instruments shall include any securities classified or regulated as debt and money market instruments by the Securities and Exchange Board of India.

Short-term Capital Gains

In case of Equity Oriented Fund

Short-term capital gains arising from transfer of units of an equity oriented mutual fund (subjected to STT) on or after 23 July 2024 will be taxable at 20% (plus applicable surcharge and cess) The mutual fund will recover STT from the unit holder at the applicable rates when the units are repurchased by the mutual fund / redeemed by the investor.

In case of units other than units of Equity Oriented Mutual Fund and Specified Mutual Fund, including Money Market mutual fund or a Liquid Fund

Short term capital gains arising from the transfer of units of schemes listed on a recognised stock exchange other than equity-oriented scheme after holding for period upto 12 months will be taxed at the normal tax rates applicable to each unit holder.

Short term capital gains arising from the transfer of unlisted units of schemes other than equity-oriented scheme after holding for period upto 24 months will be taxed at the normal tax rates applicable to each unit holder.

In case where the taxable income as reduced by short-term capital gains of a resident individual or HUF is below the taxable limit, the Short-term Capital gain will be reduced to the extent of such shortfall and only the balance short-term capital gain is chargeable to Income-tax.

Capital losses

Losses under the head capital gains cannot be set off against income under any other head. Further, within the head capital gains, losses arising from the transfer of long term capital assets cannot be adjusted against gains arising from the transfer of a short term capital asset.

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However, losses arising from the transfer of short term capital assets can be adjusted against gains arising from the transfer of either a long term or a short term capital asset.

Unabsorbed long term capital losses can be carried forward and set off against the long term capital gains arising in any of the subsequent eight assessment years. Unabsorbed short term capital losses can be carried forward and set off against the income under the head capital gains in any of the subsequent eight assessment years.

Consolidation / Merger of schemes

In case of consolidation of mutual fund schemes, the investors generally receive units in the consolidated scheme in consideration of units held in the consolidating scheme.

The following provisions would apply in case of consolidation of mutual fund schemes.

a. As per section 70(1)(zj) of the Act, any transfer of units held by the investor in the consolidating scheme of the mutual fund in consideration of allotment of units in the consolidated scheme, shall not be regarded as a taxable transfer, provided that the consolidation is of two or more schemes of an equity-oriented fund or two or more schemes of a fund other than equity oriented fund.

b. Further, as per section 73(1) Table Sl. No. 8 of the Act, the cost of acquisition of units in the consolidated scheme shall be deemed to be the cost of acquisition of the units in the consolidating scheme.

   Also, as per section 2(101)(c)(B)(VII) of the Act, the period of holding of the units in the consolidated scheme shall include the period of holding of the units in the consolidating scheme."

c. “Consolidating scheme” has been defined under section 70(2) Table; Sl, No 10(zj) of the Act as the scheme of a mutual fund which merges under the process of consolidation of the schemes of mutual fund in accordance with the SEBI (Mutual Funds) Regulations, 1996. “Consolidated scheme” has been defined as the scheme with which the consolidating scheme merges or which is formed as a result of such merger.

Consolidation of plans within a scheme of a mutual fund

In case of consolidation of mutual fund plans within a scheme, the investors generally receive units in the consolidated plan in consideration of units held in the consolidating plan.

a. As per section 70(1)(zk) of the Act, any transfer of units (held by the investor as a capital asset) on account of a consolidation of a plan with other plans of the same scheme shall not be regarded as a taxable transfer.

b. Further as per section 73(1) Table: Sl. No. 10 of the Act, the cost of acquisition of units in a consolidated plan shall be deemed to be the cost of acquisition of units in the consolidating plan.

   Also, as per section 2(101)(c)(B)(IX) of the Act, the period of holding of the units in the consolidated plan shall include the period of holding of the units in the consolidating plan."

c. “Consolidating plan” has been defined under section 70(2) Table: Sl. No 11(zk) of the Act as the plan within a scheme of a mutual fund which merges under the process of consolidation of the plans within a scheme of mutual fund in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996. “Consolidated plan” has been defined as the plan with which the consolidating plan merges or which is formed as a result of such merger.

Minimum Alternate Tax / Alternate Minimum Tax

Where, the income tax payable on the total income as computed under the Act is less than the tax computed at 14% of its book profits, then such book profits shall be deemed to be the total income of the company and the tax payable should be at the rate of 14% (plus applicable surcharge and cess on such book profits).

As per Income Tax Act, 2025, effective from tax year 2026-27 companies will not be eligible to take new MAT credit. In case, companies opt for new tax regime under section 200 (corresponding to section 115BAA of the Income Tax Act, 1961 the company may utilise MAT credit available as on 1 April 2026 against tax lability under new tax regime during next 15 years with certain conditions.

Provisions of MAT would not be applicable, in case taxpayers opt for new tax regime.

Deduction of income-tax at source from Capital Gains

• Resident unit holders

No income-tax is required to be deducted at source from capital gains arising on transfer of units held by resident unit holders.

• Foreign Portfolio Investors (FPI)

As per the provisions of Section 393(4), Table: Sl. No. 16 of the Act, no deduction of tax shall be made from any income, by way of capital gains arising from the transfer of securities referred to in Section 210 of the Act, payable to a FPI.

• Non-Resident unit holders

Mutual fund will be liable to withhold taxes at applicable rates on the capital gains (long term or short term) earned by NRIs (Non-resident Indians) and non-domestic companies.

Beneficial tax rates under treaty may be available on furnishing of requisite documents.

• In case of Equity Oriented Mutual Fund

Income-tax is required to be deducted at source from the capital gains under section 393 of the Act at the applicable rates.

Under the Act, the following rates have been prescribed for deduction of tax at source from capital gains.

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a. long-term capital gains (in excess of Rs. 1.25 lakh), on transfer of units subject to STT will be subjected to withholding tax at the rate of 12.5% (plus applicable surcharge and cess) if the transfer takes place on or after 23 July 2024.

b. The above provisions of withholding tax would also be applicable to unitholders of Offshore Fund under section 393 of the Income Tax Act, 2025.

c. Short-term capital gains arising from transfer of units subject to STT on or after 23 July 2024 will be subjected to withholding tax at the rate of 20% (plus applicable surcharge and cess).

• In case of funds other than Equity Oriented Mutual Fund and Specified Mutual Fund

Income-tax is required to be deducted at source from the capital gains under section 393 of the Act at the applicable rates.

Under the Act, the following rates have been prescribed for deduction of tax at source from capital gains:

a. Long-term capital gains on transfer of units listed on recognised stock exchange in India (other than equity oriented mutual fund) on or after 23 July 2024 after holding for a period more than 12 months would be subjected to withholding tax @12.5% (plus applicable surcharge and cess).

b. Long-term capital gains on transfer of unit not listed on recognised stock exchange in India on or after 23 July 2024 after holding for period more than 24 months, tax shall be withheld at 12.5% (plus applicable surcharge and cess).

c. On income by way of short-term capital gains @30% (plus applicable surcharge and cess).

• In case of Specified Mutual Fund

Any capital gain arising from sale of units of "specified mutual fund" acquired on or after 1 April 2023 is taxable as short-term capital gains irrespective of the period of holding of such units. Income tax is required to be deducted at source from the capital gains under section 393 of the Act at @30% (plus applicable surcharge and cess).

Specified Mutual Fund means a mutual fund which invests more than 65% of its total proceeds in debt and money market instruments classified or regulated as debt and money market instruments by the Securities and Exchange Board of India. In case of fund of fund, a fund of fund which invests 65% or more of its total proceeds in units of a first mentioned fund.

Tax treaty benefit for a non-resident

A non-resident, eligible to claim treaty benefits, would be governed by the provisions of the Act to the extent that they are more beneficial. Accordingly, tax should be withheld as per the provisions of the Act or the provisions in the Double Tax Avoidance Agreement ("DTAA"), whichever is more beneficial to the assessee. However, the unit holder will be required to provide appropriate documents to the mutual fund, to be entitled to a beneficial rate under such DTAA.

As per section 159(8)(a) of the Act, a non-resident shall not be entitled to claim treaty benefits, unless the non-resident obtains a Tax Residency Certificate ("TRC") of being a resident of his home country. Furthermore, as per section 159(8)(b) of the Act, a non-resident is also required to furnish duly complied e-form 41 along with other supporting documents, as may called upon by the Income Tax Authorities.

Default in furnishing the PAN

Section 397(2) of the Act states that the deductee is required to mandatorily furnish his PAN to the deductor, failing which the deductor shall deduct tax at source at higher of the following rates:

a. The rate specified in the Act;

b. At the rate in force;

c. At the rate of 5% where tax is required to be deducted under section 393(1) [Table: Sl. No. 8(ii) or 8(v)]; or 20% in any other case.

However, as per rule 217 of the Income Tax Rules, 2026, the provisions of section 397(2)(b)(i) of the Act shall not apply in respect of payments in the nature of interest, royalty, fees for technical services, dividend and payments on transfer of any capital asset, if the deductee furnishes the following details and documents to the deductor:

a. Name, e-mail id, contact number of the deductee;

b. Address in the country or specified territory outside India of which the deductee is a resident;

c. A certificate of his being resident in any country or specified territory outside India from the Government of that country or specified territory if the law of that country or specified territory provides for issuance of such certificate;

d. Tax Identification Number of the deductee in the country or specified territory of his residence and in case no such number is available, then a unique number on the basis of which the deductee is identified by the Government of that country or the specified territory of which he claims to be a resident.

Dividend Stripping

As per Section 175(8) of the Act, loss arising on sale of units, which are bought within 3 months of the record date and sold within 9 months after the record date, shall be ignored for the purpose of computing income chargeable to tax to the extent of exempt income received or receivable on such units.

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Bonus Stripping

As per Section 175(9) of the Act, units purchased within a period of 3 months prior to record date of entitlement of bonus and sold within a period of 9 months after such date, the loss arising on transfer of original units shall be ignored for the purpose of computing the income chargeable to tax. The amount of loss so ignored shall be deemed to be the cost of purchase / acquisition of the bonus units.

III. Religious and Charitable Trust

Units of Mutual Fund Schemes referred to in Schedule VII, Table: Sl. No. 20 of the Act constitute an eligible avenue for investment by charitable or religious trusts per Schedule XVI of IT Act 2025.

IV. New Pension Scheme

Any income, including gains from redemption of units of scheme of mutual fund, received by any person for, or on behalf of, the New Pension System Trust (as established under the provisions of Indian Trust Act, 1882, on 27 February 2008), is exempt in the hands of such person under Schedule VII(41) of the Act.

STT is not leviable in respect of taxable securities transactions entered into by any person for, or on behalf of, the New Pension System Trust referred to in Schedule VII(41) of the Act

V. Gift-tax

Gift of units of mutual fund would be subject to income-tax in the hands of the donee. As per section 92(2)(m)(iii), where any person receives any securities without any consideration (whose fair market value exceeds Rs. 50,000) or for inadequate consideration (where the difference between consideration paid and fair market value is more than Rs. 50,000), the excess is taxable as income in the hands of recipients.

Further the above provision of Section 92(2)(m)(iii) shall not apply to any units received by the donee:

i. From any relative; or

ii. On the occasion of the marriage of the individual; or

iii. Under a will or by way of inheritance; or

iv. In contemplation of death of the payer or donor, as the case may be; or

v. From any local authority as defined in Schedule III (Note 6);

vi. From or by any registered non-profit organisation as defined in section 355(g), except when received by any person referred to in section 355(h); or

vii. By way of a transaction not regarded as transfer under section 70(1)(a), (c), (d), (e), (f), (g), (i), (j), (k), (l), (n), (o), (t), (u), (v) or (w); or

viii. From an individual by a trust created or established solely for the benefit of relative of the individual; or

ix. From such class of persons and subject to such conditions, as may be prescribed.

a) In the case of an Individual -

i. spouse

ii. brother or sister;

iii. brother or sister of the spouse;

iv. brother or sister of either of the parents;

v. any lineal ascendant (maternal as well as paternal) or descendant;

vi. any lineal ascendant (maternal as well as paternal) or descendant of the spouse;

vii. spouse of the person referred to in items (B) to (F).

b) In case of a HUF- any member thereof

VI. PAN Aadhaar Linking

It is mandatory for all individuals / HUF to link PAN number with Aadhaar. Non-linking will render the PAN inoperative. Under the provisions of the Act, an inoperative PAN would be deemed as not furnished and TDS is required to be deducted at the higher rate as per section 397(2)(b).

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B. LEGAL INFORMATION

1. Nomination Facility:

As per the requirement of clause no. 15.14 of SEBI Master Circular on Mutual Funds dated March 20, 2026 the unitholders shall submit either the nomination form or the declaration form for opting out of nomination in physical or online as per the choice of the unit holder(s). Further, in case of submission of nomination form, Unitholder shall nominate the persons in whom all the Units held by the Unitholder shall vest in the event of his death. Where the Units are held by more than one person jointly, at the time of initial investment all the joint Unitholders may together nominate a person by signing the nomination form/a request letter indicating the name of the person in whom all the rights in the Units shall vest in the event of death of all the joint Unitholders.

However, all new investors shall continue to be required to mandatorily provide the 'Choice of Nomination' for SIF Folios (except for jointly held SIF Folios). All existing investors are encouraged, in their own interest, to provide 'choice of nomination' for ensuring smooth transmission of securities held by them as well as to prevent accumulation of unclaimed assets in securities market. The formats for providing Nomination and Opting-out of Nomination are provided on the Fund's website i.e www.assetmanagement.hsbc.co.in/redhex-sif.

A minor may be nominated. In that event, the name and address of the Guardian of the minor nominee is to be provided optionally.

The Nominee shall not be a Company, PSU, AOP, BOI, Society, Trust (other than a religious or charitable trust), Body corporate, Partnership firm, Karta of Hindu Undivided Family, holder of Power of Attorney. A non-resident Indian can be a Nominee subject to the exchange controls in force from time to time. Nomination can also be made in favour of the Central Government, State Government, Local Authority, any person designated by virtue of his office or a religious or charitable trust. For nomination to a religious or charitable trust, the investor should attach a proof or certificate that the trust being nominated is religious or charitable trust.

The signatories for this nomination form in joint folios/account, shall be the same as that of your joint SIF folio/demat account. i.e.

a. 'Either or Survivor' Folios/Accounts - any one of the holders can sign.

b. 'First holder Folios/Accounts – only First Holder can sign.

c. 'Jointly' Folios/Accounts - both holders have to sign, even if the mode of holding is not "joint".

Nomination form cannot be signed by Power of Attorney (PoA) holders. Every new nomination for a folio/account will overwrite the existing nomination. Nomination will not be allowed in a folio held on behalf of a minor.

Nomination shall be mandatory for new folios/accounts opened by individual especially with sole holding and no new folios/accounts for individuals in single holding should be opened without nomination. Those investors who do not wish to nominate must sign separately on the application form, confirming their non-intention to nominate. Where Nominee details and Nomination Opt-Out both are mentioned, Nomination Opt-Out will be considered as "Default". Folio in such case will be updated without Nominee. Folio in such case will be updated without Nominee. You can make nomination or change nominee any number of times without any restriction. You are entitled to receive acknowledgement from the AMC/DP for each instance of providing or changing nomination.

Nomination can be made in favour of multiple nominees, subject to a maximum of three nominees. In case of multiple nominees, the percentage of the allocation/share should be in whole numbers without any decimals, adding upto a total of 100%. If the percentage of allocation/share for each of the nominee is not mentioned, the allocation/claim settlement shall be made equally amongst all the nominees. Any odd lot after division shall be assigned/transferred to the first nominee mentioned in the form.

In case of demise of the investor and any one of the nominees, the regulated entities shall distribute the assets pro-rata to the remaining nominees. Nomination in respect of the Units stands rescinded upon the transmission of Units. Transmission of Units in favour of a Nominee, shall be a valid discharge by the Mutual Fund/AMC/Board of Directors of Trustee Company against the legal heirs of the Unit holder(s). The cancellation of Nomination can be made only by those individuals who hold Units on their own behalf singly or jointly and who made the original nomination. On cancellation of the nomination, the nomination shall stand rescinded and the Mutual Fund/AMC/Board of Directors of Trustee Company shall not be under any obligation to transmit the Units in favour of the Nominee.

The nomination facility extended under the investment strategy is in accordance with SEBI regulations and subject to other applicable laws. The single/joint/surviving Unitholders can subsequently write to the ISC requesting for a Nomination Form in order to nominate any person to receive the Units upon his/her/their death, subject to completion of necessary formalities. Further, if either the SIF or the AMC incur any loss whatsoever arising out of any litigation or harm that it may suffer in relation to the nomination, they will be entitled to be indemnified absolutely from the deceased Unitholders' estate. Upon the demise of the Unitholder, the Units would be transmitted in favour of the Nominee subject to the Nominee executing suitable indemnities in favour of the SIF and the AMC and necessary documentation to the satisfaction of the Mutual Fund.

In respect of folios/accounts where the Nomination has been registered, the AMC will not entertain any request for transmission/claim settlement from any person other than the registered nominee(s), unless so directed by any competent court.

Transmission aspects

- Upon demise of the investor, the nominees shall have the option to either continue as joint holders with other nominees or for each nominee(s) to open separate single account/folio.
- In case all your nominees do not claim the assets from the AMC/DP, then the residual unclaimed asset shall continue to be with the AMC in case of SIF units and with the concerned Depository in case of Demat account.
- Nominee(s) shall extend all possible co-operation to transfer the assets to the legal heir(s) of the deceased investor. In this regard, no dispute shall lie against the AMC/DP.

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- Death of Nominee/s: In the event of the nominee(s) pre-deceasing the unitholder(s), the unitholder/s is/are advised to make a fresh nomination soon after the demise of the nominee. The nomination will automatically stand cancelled in the event of the nominee(s) predeceasing the unitholder(s). In case of multiple nominations, if any of the nominee is deceased at the time of death claim settlement, the said nominee's share will be distributed on pro-rata basis (as illustrated below) amongst the surviving nominees. Nominee's legal heir cannot claim the assets on behalf of deceased Nominee(s).

% share as specified by investor at the time of nomination		% assets to be apportioned to surviving nominees upon demise of investor and Nominee 'A'			
Nominee	**% share**	**Nominee**	**% initial share**	**% of A's share to be apportioned**	**Total % share**
A	60%	A	0	0	0
B	30%	B	30%	45%	75%
C	10%	C	10%	15%	25%
Total	**100%**		**40%**	**60%**	**100%**

- In case of joint accounts/holdings, upon demise of one or more joint holder(s), the regulated entity shall transmit the assets to the surviving holder(s) vide name deletion. However, surviving joint holder(s) shall have the option to transmit the assets held, into a new account/folio.
- The nominees(s) shall receive the assets of deceased sole account/sole holder(s) as trustee on behalf of legal heir(s) of deceased holder(s) thereby effecting due discharge of concerned regulated entity.
- Upon demise of one of the nominees prior to the demise of the investor and if no change is made in the nomination, then the assets shall be distributed to the surviving nominees on pro rata basis upon demise of the investor.
- In case of any subsisting credit facilities secured by a duly created pledge, the regulated entity shall obtain due discharge from the creditors prior to transmission of assets to the nominee(s) or legal heir/s/legal representative/s, as the case may be.
- **Physical/offline nomination:** AMC shall verify the signature(s) as per the mode of holding, while registering or changing nomination. Where an investor affixes his/her thumb impression on the nomination form, then the same shall be witnessed by two persons and details of such witnesses shall be duly captured in the nomination form. However, there shall be no such requirement of witnesses in case of nomination forms carrying wet/digital/e-sign signature of the investor.

2. Requirements of Know Your Customer (KYC) under Prevention of Money Laundering Act (PMLA)

The investors are requested to refer the section on "Prevention of Money Laundering and Know Your Customer (KYC)" stated earlier in this document, for details pertaining to requirements of KYC and PMLA.

Mandatory Updation of Know Your Customer (KYC) requirements for processing of transactions:

It is mandatory to complete the KYC requirements for all unit holders, including for all joint holders and the guardian in case of folio of a minor investor.

Accordingly, financial transactions (including redemptions, switches and all types of systematic plans) and non-financial requests will not be processed if the unit holders (including POA holder) have not completed KYC requirements.

Unit holders are advised to use the applicable KYC Form for completing the KYC requirements and submit the form at the point of acceptance. Further, upon updation of PAN details with the KRA (KRA-KYC)/CERSAI (CKYC), the unit holders are requested to intimate us/our Register and Transfer Agent their PAN information along with the folio details for updation in our records.

3. Transfer & Transmission of Units:

The Unit holders are given an option to hold the Units by way of an Account Statement (physical form) or in Dematerialized (demat form). As described below, units held in Demat mode as well as in physical form (account statement) are transferable.

Transfer or units held in Demat mode: Such units are transferable (subject to lock-in period, if any and subject to lien, if any marked on the units) in accordance with the provisions of SEBI (Depositories and Participants) Regulations, 2018, as may be amended from time to time. Transfer can be made only in favor of transferees who are capable of holding Units and having a Demat Account. The delivery instructions for transfer of Units will have to be lodged with the DP in requisite form as may be required from time to time and transfer will be effected in accordance with such rules/regulations as may be in force governing transfer of securities in dematerialized mode. Further, for the procedure of release of lien, the investors shall contact their respective DP.

Transfer of units held in Physical form: Units held in physical form are normally not certified. However, if an applicant so desires to transfer units, the AMC, upon submission of documents which will be prescribed from time to time, shall certify the units and issue a fresh statement/certificate to the extent of certified units to the investor within 5 business days of the receipt of request. If the investor intends to transfer units, it could be done to the extent of certified units mandatorily using the statement/certificate issued post certification of units. Certificate/statement issued post certifying of units must be duly discharged by the Unit holder(s) and surrendered along with the request for Transfer. AMC reserves the right to accept the request for certification of units The AMC reserves the right to reject the application for transfer, post acceptance of the same, if any of the requisite documents/declarations are unavailable or incomplete. Also, unitholders are required to surrender the certificate/statement in case they wish to carry out any other transactions (such as redemption, switch, etc.) post unit certification.

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A person becoming entitled to hold the Units in consequence of the death, insolvency, or winding up of the sole holder or the survivors of joint holders, upon producing evidence and documentation to the satisfaction of the SIF and upon executing suitable indemnities in favor of the SIF and the AMC, shall be registered as a Unit holder if the transferee is otherwise eligible to hold the Units.

Where the Units of the Plan(s) are issued in demat form in the Demat account of the investor, the nomination as registered with the DP will be applicable to the Units of the Plan(s). A Nominee / legal heir approaching the SIF for Transmission of Units must have beneficiary account with a DP of CDSL or NSDL, since the Units shall be in demat mode. It may be noted that the nominee / legal heir is required to provide a copy of his / her PAN card as well as fulfill the Know Your Customer (KYC) requirements which is a pre-requisite for the transmission process.

In the event of transmission of units to a Minor, documents submitted including KYC, bank attestation, indemnity etc. should be of the guardian of the minor. Investor(s) claiming transmission of Units in his / their name(s) are required to submit prescribed documents based on the kind of scenario for transmission. Kindly refer the Investment Strategy's website (www.assetmanagement.hsbc.co.in/redhex-sif) for a ready reckoner matrix of necessary documents under different transmission scenarios.

The SIF may also seek additional documents if the amount involved is above Rs. 5 lacs, on a case to case basis or depending upon the circumstances of each case.

Pursuant to AMFI Best Practice Guidelines Circular No.135/BP/116/2024-25 dated **August 14, 2024**, a facility for transfer of mutual fund units held in Non-Demat Statement of Accounts (SoA) mode.

- To enable the surviving joint holder to add name(s) in the folio upon demise of one or more joinholder(s);
- To facilitate transfer of units by the nominee of a deceased unitholder to the legal heirs post the transmission of units in the name of the nominee;
- To enable addition of the name of a parent / guardian, sibling, etc. as joint holder(s) in the folio, when a minor unitholder becomes a major and changed the status from a minor to a major.

Pursuant to AMFI Best Practice Guidelines Circular No.135/BP/119/2024-25 dated **May 08, 2025**, the above procedure has been extended to all investors under Resident/Non-Resident Individual categories for the reasons like (i) Transfer to siblings (ii) Gifting of Units (iii) Transfer of units to third party (iv) Addition/deletion of unit holder.

This facility shall be available only through online mode via the transaction portals of our Registrar and Transfer Agent (i.e. CAMS) and the MF Central (as and when enabled), i.e., the transfer of units held in SoA mode shall not be allowed through physical / paper based mode or via the stock exchange platforms, MFU, channel partners and EOPs etc. The Stamp duty for transfer of units, if/where applicable, shall be payable by the transferor.

Unitholders can refer https://digital.camsonline.com/transfer for more details and can follow the process available on website of our CAMS if intends to transfer of their units in aforesaid scenarios.

Processing of Transmission-cum-transaction requests:

If an investor submits either a financial or non-financial transaction request along with transmission request, then such transaction requests will be processed after the Units are transferred in the name of new unit holder and only upon subsequent submission of fresh request from the new unit holder post transmission. Under normal circumstances, the SIF will endeavor to process the transmission request within 10 business days, subject to receipt of complete documentation as applicable.

The AMC reserves the right to insist on transmission along with redemption request by the claimant at any point deemed necessary. Refer our website www.assetmanagement.hsbc.co.in for detailed description on transmission process and relevant forms. The documents required for processing transmission is as per the guidelines received from AMFI time to time.

4. Duration of the Investment Strategy / Winding Up

The duration of open-ended Investment Strategy / Interval Investment Strategy, will be perpetual and in case of close-ended investment strategies, the duration of the Investment Strategy will be for a fixed term as mentioned in the respective Offer Document / Investment Strategy Information Document unless it is rolled over for a further period under sub-regulation (4) of regulation 33.

An Investment Strategy of a SIF is to be wound up

a. on the happening of any event which, in the opinion of the trustees, requires the Investment Strategy to be wound up; or

b. if seventy-five per cent of the unit holders of a Investment Strategy pass a resolution that the Investment Strategy be wound up; or

c. if SEBI so directs in the interest of the unitholders.

Where an Investment Strategy is to be wound up, the trustees shall give notice within one day, disclosing the circumstances leading to the winding up of the Investment Strategy —

a. to the Board; and

b. in two daily newspapers having circulation all over India and a vernacular newspaper circulating at the place where the SIF is formed:

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Provided that where an Investment Strategy is to be wound up under clause (a) of sub-regulation (2), the trustees shall obtain consent of the unit holders participating in the voting by simple majority on the basis of one vote per unit and publish the results of voting within forty five days from the publication of notice under sub-regulation (3):

Provided further that in case the trustees fail to obtain the required consent of the unitholders under clause (a) of sub-regulation (2), the Investment Strategies shall be reopened for business activities from the second business day after publication of results of the voting.

Effect of Winding Up

On and from the date of the publication of the notice as stated above, the Trustee or the AMC as the case maybe, shall

a. Cease to carry on any business activities in respect of the Investment Strategy so wound up;

b. Cease to create or cancel Units in the Investment Strategy; (c) Cease to issue or redeem Units in the Investment Strategy.

5. Procedure and Manner of Winding up

The Board of Directors of Trustee Company shall call a meeting of the Unitholders of the relevant Investment Strategy to approve by simple majority of the Unitholders present and voting at the meeting, resolution for authorising the Board of Directors of Trustee Company or any other person to take steps for the winding up of the Investment Strategy. Provided that a meeting shall not be necessary if the Investment Strategy is wound up at the end of the maturity period.

The Board of Directors of Trustee Company or the person authorised as above, shall dispose of the assets of the Investment Strategy concerned in the best interest of the Unitholders of the Investment Strategy.

The proceeds of sale realised in pursuance of the above, shall be first utilised towards discharge of such liabilities as are due and payable under the Investment Strategy, and after meeting the expenses connected with such winding up, the balance shall be paid to the Unitholders in proportion to their respective interest in the assets of the Investment Strategy, as on the date the decision for winding up was taken.

On completion of the winding up, the Board of Directors of Trustee Company shall forward to SEBI and the Unitholders, a report on the winding up, detailing the circumstances leading to the winding up, the steps taken for disposal of the assets of the Investment Strategy before winding up, expenses of the Investment Strategy for winding up, net assets available for distribution to the Unitholders and a certificate from the auditors of the SIF.

Notwithstanding anything contained herein above, the provisions of the Regulations in respect of disclosures of half-yearly reports and annual reports shall continue to be applicable, until winding up is completed or the Investment Strategy ceases to exist.

After the receipt of the report referred to above, if SEBI is satisfied that all measures for winding up of the Investment Strategy have been complied with, the Investment Strategy shall cease to exist.

Delisting of units

The units of an Investment Strategy shall be delisted from a recognised stock exchange in accordance with the guidelines as may be specified by the Board.

6. Unclaimed Redemption / Dividend Amount

The unclaimed redemption amounts and dividend amounts may be deployed by the SIF in call money market or money market instruments and the investors who claim these amounts during a period of 3 years from the due date shall be paid at the prevailing net asset value. After a period of 3 years, this amount may be transferred to a pool account and the investors can claim the amount at the NAV prevailing at the end of the third year. The income earned on such funds will be used for the purpose of investor education. The AMC will make continuous efforts to remind the investors through letters to take their unclaimed amounts.

Further, pursuant to Clause no. 15.5 of SEBI Master Circular on Mutual Funds dated March 20, 2026 the unclaimed redemption and dividend amounts, are also allowed to be invested in a separate plan of Liquid scheme/Money Market Mutual Fund scheme floated by Mutual Funds specifically for deployment of the unclaimed amounts. Accordingly, HSBC Mutual Fund has introduced following separate plans in HSBC Overnight Fund:

- Unclaimed Dividend below three years Plan;
- Unclaimed Dividend above three years Plan;
- Unclaimed Redemption below three years Plan and
- Unclaimed Redemption above three years Plan

The investment objective, asset allocation pattern, investment strategy, risk factors and portfolio of these Plans are same as other existing plans of HSBC Overnight Fund. These Plans will only have a growth option. Further, the Total Expense Ratio of these four Plans will be capped at 50 bps and there will be no exit load charged, as required under the aforesaid circular.

These four Plans have been introduced for the limited purpose of deploying the unclaimed redemption and dividend amounts into HSBC Overnight Fund. Regular investments by investors / Unitholders or switches from existing plans are not permitted in these Plans.

Further, with respect to all open-ended investment strategy for folios where dividend warrants are returned undelivered and/or the dividend warrants remains unclaimed on 4 (four) consecutive occasions, the AMC reserve the right to compulsorily reinvest the future

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dividend amounts; wherein re- investment option is available under the respective investment strategy. The dividend option of the investment strategy in such cases will be changed to 'Reinvestment' accordingly.

The names and address of Unitholder s in whose folios there are unclaimed amounts can be checked on our website www.assetmanagement.hsbc.co.in/redhex-sif. The details may be obtained by Unitholders by providing proper credentials (like PAN, date of birth etc.). The information on unclaimed amount and its prevailing value will be separately disclosed in statement of accounts/Consolidated Account Statement. Detailed process of claiming the unclaimed amounts and the necessary forms/documents is available on our website www.assetmanagement.hsbc.co.in/redhex-sif.

7. Restriction on Redemption of units

- The AMC may, subject to specific approval of the Boards of AMC and Board of Directors of Trustee Company, impose restrictions on redemptions (including switch-out) in the Investment Strategy(s) if there are circumstances leading to a systemic crisis or event that severely constricts market liquidity or the efficient functioning of markets such as:
  a) Liquidity issues in the market at large.
  b) Market failures and/or exchange closures due to unexpected events relating to, but not limited to, political, economic, military, monetary or other emergencies.
  c) Operational issues due to exceptional circumstances like force majeure, unpredictable operational problems and technical failures.
- Restriction on redemption may be imposed for a specific period of time not exceeding 10 working days in any 90 days period.
- Any imposition of restrictions on redemption will be informed to SEBI.
- In the event that redemption restrictions are imposed by the AMC, in addition to above requirements, the AMC will ensure the following:
  a) Redemption requests up to Rs. 2 lakh shall not be subject to such restriction.
  b) For redemption request above Rs. 2 lakh, the AMC shall redeem the first Rs. 2 lakh without such restriction and the remaining part over and above Rs. 2 lakh, shall be subject to restriction, as may be imposed.

8. Uniform process to be followed for processing of redemption/switch-out for all the investment strategies of the SIF

Pursuant to Association of Mutual Funds in India (AMFI) Best Practice Guidelines Circular No. 28/2012-13 dated May 15, 2012, Unit holders are requested to note that application for redemption/switch- out for units for which funds are not realized via purchase or switch-in into the investment strategies of the SIF shall be liable to be rejected. In other words, redemption or switch-out of units will be processed only if the funds for such units are realized in the investment strategy by a way of payment instructions/transfer or switch-in funding process. Further, all switch funding shall be in line with redemption funding timelines adopted by the concerned investment strategy i.e. if a investment strategy follows T+3 payout for redemption, the switch-out funding should also be made on T+3 and not earlier or later than T+3, where T is the day of transaction.

9. Freezing/Seizure of Accounts

Investors may note that under the following circumstances the Board of Directors of Trustee Company/AMC may at its sole discretion (and without being responsible and/or liable in any manner whatsoever) freeze/seize a Unit holder's account or carry out such acts as mandated (or deal with the same in the manner the Board of Directors of Trustee Company/AMC is directed and/or ordered) under the investment strategy(s):

Under any requirement of any law or regulations for the time being in force.

Under the direction and/or order (including interim orders) of any regulatory/statutory authority or any judicial authority or any quasi-judicial authority or such other competent authority having the powers to give direction and/or order.

10. Rejection/Forceful redemption

HSBC AMC and its Group companies (in India and outside India) are required to and may take any action to meet their Compliance Obligations relating to or in connection with the detection, investigation and prevention of Financial Crime and act in accordance with the laws, regulations and requests of public and regulatory authorities operating in various jurisdictions which relate to Financial Crime. HSBC AMC may take and may instruct (or be instructed by) any of its Group Companies to take, any action which it or such other member, in its sole and absolute discretion, considers appropriate to take in accordance with all such laws, regulations and requests. Such action may include but is not limited to (a) combining investor Information with other related information in the possession of the HSBC Group, and/or (b) making further enquiries as to the status of a person or entity, whether they are subject to a sanctions regime, or confirming your identity and status (c) share information on a confidential basis with such Group offices whether located in India or overseas in relation to prevention of Financial Crime.

HSBC AMC cannot do business with investors who are subject to sanctions or have any of their addresses or residing in countries which are subject to sanctions. The Board of Directors of Trustee Company and/or AMC shall be entitled to reject any application from such investors and/or carry out force redemption of Units of a Unit Holder when it is discovered that the investor is subject to sanctions directly or indirectly.

For the purpose of the present clause: "Compliance Obligations" means obligations of HSBC AMC to comply with: (a) laws or international guidance and internal policies or procedures, (b) any demand or request from authorities or reporting, disclosure or

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other obligations under laws, and (c) laws requiring us to verify the identity of our customers. "Financial Crime" includes money laundering, terrorist financing, bribery, corruption, tax evasion, fraud, evasion of economic or trade sanctions, and/or any acts or attempts to circumvent or violate any laws relating to these matters.

11. Pledge/Lien of SIF Units

If in conformity with the guidelines and notifications issued by SEBI/Government of India/any other regulatory body from time to time, Units under the Investment Strategy may be offered as security by way of a pledge/charge in favour of scheduled banks, financial institutions, non-banking finance companies (NBFCs), or any other body.

The AMC and/or the ISC will note and record such pledged Units. A standard form for this purpose is available on request from any ISC.

Disbursement of such loans will be at the entire discretion of the bank/financial institution/NBFC or any other body concerned and the SIF assumes no responsibility thereof. The Pledger/Lender will not be able to redeem/switch Units that are pledged/lien marked until the entity to which the Units are pledged/lien marked provides written authorisation to the SIF that the pledge/lien/charge may be removed. As long as Units are pledged/lien marked, the Pledgee/Lender will have complete authority to redeem such Units.

The distributions in the nature of dividends which are paid out on pledged/lien marked units shall be made in favour of the investor, unless understood and accepted between the unit holder(s) and financier/lender.

In case of death/insolvency of any one or more of the persons named in the register of Unit holders as the joint holders of any Units, the AMC shall not be bound to recognize any person(s) other than the remaining holders. In all such cases, redemption proceeds shall be paid to the first named of such remaining Unit holders. Request for pledging of units is required to be signed by all holder(s), irrespective of mode of holding.

C. GENERAL INFORMATION

1. Inter- Investment Strategy transfer of investments:

Transfers of investments from one Investment Strategy to another Investment Strategy in the same SIF shall be allowed only if -

(a) such transfers are done at the prevailing market price for quoted instruments on spot basis.

Explanation: "spot basis" shall have same meaning as specified by stock exchange for spot transactions.

(b) the securities so transferred shall be in conformity with the investment objective of the Investment Strategy to which such transfer has been made.

2. Aggregate investment in the Investment Strategy under the following categories:

Presently, this disclosure is not applicable.

3. Dematerialisation and Rematerialisation procedures

Option to hold Units in Demat mode: clause no. 15.7.2 of SEBI Master Circular on Mutual Funds dated March 20, 2026 with effect from October 01, 2011, investors subscribing for the Units in any of the investment strategies of the SIF may opt to hold Units in dematerialized (demat) mode by filling and providing details of their demat account in the specified application form and furnish Bank Account details linked with their demat account. Units shall be allotted in physical form by default, unless the investors intimate their intention of holding Units in demat form by filling in the specified application form. This option shall be available in accordance with the provisions laid under the respective investment strategy(s) and in terms of guidelines/procedural requirements as laid by the depositories (NSDL/CDSL) from time to time.

Currently, the option to hold Units in demat form shall not be available to investors subscribing for Units into options where the dividend distribution frequency is less than one month.

Investors intending to hold the Units in Demat form are required to have a beneficiary account with the Depository Participant (DP) registered with NSDL/CDSL and will be required to indicate in the specified application form, the DP's name, DP ID number and the beneficiary account number of the Unit holder with the DP apart from other details. In case the Demat account details are not provided or the details are incomplete or the details do not match with the records as per Depository(ies), Units will be allotted in physical form.

The sequence of names/pattern of holding as mentioned in the application form must be same as that in the demat account. Units shall be credited to the investors' demat account only after the funds are credited into the Mutual Fund's investment strategy (s) account to the satisfaction of the AMC. In case of credit of Units to depository account, applicants' details like the mode of holding, bank account, correspondence address, payment bank, nomination etc. will be considered as appearing in the DP records. For any subsequent change in static information like address, bank details, nomination etc. investors should approach their respective depository.

If the demat account details do not match with applicants' name and order, Units will be allotted in physical form. Bank details in such cases shall be captured from the payment instrument provided by the investor. No further transactions shall be permitted in such folio in case Units have been allotted in physical form, till the time KYC related documents are provided, or until valid depository account details are provided for holding of units in demat mode.

In case, the Unit holder desires to convert the Units into Dematerialized/Rematerialized form at a later date, the request for conversion of Units held from non-demat form into Demat (electronic) form or vice-versa should be submitted along with a Demat/Remat Request

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Formto their Depository Participants. Rematerialization of Units will be in accordance with the provisions of SEBI (Depositories & Participants) Regulations, 2018 as may be amended from time. Units held in demat form will be transferable subject to the provisions laid under the respective investment strategy(s)/Plan(s) and in accordance with provisions of Depositories Act, 2018 and the SEBI (Depositories and Participants) Regulations, 2018 as may be amended from time to time. All expenses in connection with demat account/dematerialisation of units will have to be incurred by the investor.

4. ASBA disclosures

ASBA facility: An investor can subscribe to NFO through "Applications Supported by Blocked Amount (ASBA)" facility by applying for the Units offered under the investment strategy(s) in the ASBA Application Form and following the procedure as prescribed in the form.

- Any discrepancy in the application on account of address or residence status, the application will be rejected and the money will be refunded upon confirmation from KRA.
- Additional Mode of Payment through Applications Supported by Blocked Amount (Applicable during NFO period) As defined under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, "Application Supported by Blocked Amount (ASBA)" means an application for subscribing to a public issue or rights issue, along with an authorisation to Self-Certified Syndicate Bank ('SCSB') to block the application money in a bank account. The ASBA facility shall co-exist with the current process, wherein cheques/demand drafts are accepted by Mutual Funds as a mode of payment for subscription.

  Self-Certified Syndicate Bank (SCSB) means a banker to an issue registered with SEBI, which offers the facility of ASBA. The SCSB shall identify its Designated Branches (DBs) at which an ASBA investor shall submit the ASBA form. SCSB shall also identify the Controlling Branch (CB) which shall act as a co- coordinating Branch for the Registrars. The list of banks that have been notified by SEBI to act as SCSBs for the ASBA and their designated branches is available on the website of SEBI (www.sebi.gov.in).

Process to be followed

- Investor intending to subscribe to Units of NFO through ASBA, shall submit a duly completed ASBA form to an SCSB, with whom his/her bank account is maintained and will be provided an acknowledgement. The ASBA Application Form towards the subscription of Units can be submitted through one of the following modes –

  a) Submit the form physically with the Designated Branches (DBs) of the SCSB ("Physical ASBA"); or

  b) Submit the form electronically through the internet banking facility offered by the SCSB ("Electronic ASBA").
- In case the bank account specified in the ASBA form does not have sufficient credit balance to meet the application money towards the subscription of Units, the Bank shall reject the application.
- On acceptance of the form, the SCSB shall block funds available in the bank account specified to the extent of the application money specified in the ASBA form.
- The application money towards subscription of Units shall be blocked in the account until (i) allotment of Units is made or (ii) rejection of the application or (iii) winding up of the investment strategy, as the case may be.
- SCSBs shall unblock the bank accounts for (i) transfer of requisite money to the Mutual Fund/investment strategy bank account against each valid application on allotment or (ii) in case the application is rejected.

5. Portfolio Turnover Details

Portfolio turnover is defined as lesser of purchases and sales as a percentage of the average corpus of the investment strategy during a specified period of time. For all open ended investment strategies of RedHex Specialized Investment Fund, it is expected that there would be a number of subscriptions and redemptions on a daily basis. Consequently, it is difficult to estimate with any reasonable measure of accuracy, the likely turnover in the portfolio(s).

Active asset allocation would impact portfolio turnover.

6. Underwriting

Subject to SEBI Regulations, the Investment Strategy may enter into underwriting agreements after the Mutual Fund obtains the necessary registration in terms of the Securities and Exchange Board of India (Underwriters) Regulations, 1993 and the Securities and Exchange Board of India (Underwriters) Rules, 1993 authorising it to carry on activities as underwriters. The capital adequacy norms for the purpose of underwriting shall be the net assets of the Scheme and the underwriting obligation of the Scheme shall not at any time exceed the total Net Asset Value of the Scheme. For the purposes of the Regulations, the underwriting obligation will be deemed as if investments are made in such securities.

7. Borrowing by the SIF

Under the Regulations, the Fund is allowed to borrow to meet its temporary liquidity needs for the purpose of repurchase/redemption of Units or payment of interest or dividend to the Unitholders. Further, as per the Regulations, the Fund shall not borrow more than 20% of the Net Assets of the Investment Strategy and the duration of such borrowing shall not exceed a period of 6 months. The SIF may raise such borrowings after approval by the Board of Directors of Trustee Company from its Sponsor/associates/group companies/commercial banks in India or any other entity at market related rates prevailing at the time and applicable to similar borrowings. The security for such borrowings, if required, will be as determined by the Board of Directors of Trustee Company. Such borrowings, if raised, may result in a cost, which would be dealt with in consultation with the Board of Directors of Trustee Company.

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8. Master Account / Folio

As an investor friendly measure, unless otherwise requested by the Unitholder, one Master / Folio Number may be assigned for one investor investing in different Invesment Strategy(ies) of the SIF. In such a case, one consolidated Account Statement will be provided. The number of Units allotted to a Unitholder or repurchased by a Unitholder will be reflected in his / her account and a Statement to this effect will be issued to the Unitholder. The AMC reserves the right to assign the existing Master Account / Folio number against multiple applications and / or subsequent purchases under a new application form by an existing Unitholder, with identical mode of holding and address.

9. Fractional Units

Unit holders are requested to note that requests made for Units to be held in dematerialized form, which are or shall be listed on any recognized Stock Exchange(s), would be allotted in whole numbers and no fractional Units will be allotted. As the Units will not be allotted in fractions, any excess amount will be refunded to the investors.

10. Personal Identification Number (PIN)

The PIN facility may be made available to the Unitholders. Unitholders will be required to indicate their desire to avail of this facility and also indicate their bank account number, name of the bank and branch in the application for purchasing Units at a future date. A Form together with detailed terms and conditions will be mailed to such Unitholders subject to which usage of the PIN will be permitted. On receipt of the Form duly signed, the PIN will be mailed to each Unitholder. Unitholders may use the PIN to carry out one or more of the following types of transactions (as may be enabled by the Mutual Fund) by calling the ISCs / Call centre only:

- purchase
- redemption
- switch
- static data changes viz. address change, change of bank mandate etc.

The Unitholder will be asked for the PIN before the request is accepted. In the interest of the Unitholder, the ISC reserves the right to ask for a fax confirmation of the request and any other additional information about the account of the Unitholder. The PIN should never be disclosed to any person or written down where any other person may discover it. All transactions conducted with use of this PIN will be the responsibility of the Unitholder and the Unitholder will abide by the record of the transactions generated. The Mutual Fund and the ISC / Registrar shall not accept any responsibility for the unauthorised use of the PIN.

11. Policy on Offshore Investments by the Scheme and the Plans thereunder

SEBI Regulations permit mutual funds to invest in certain securities / instruments viz. ADRs / GDRs issued by Indian or Foreign companies, Equity of overseas companies listed on recognized stock exchanges overseas, Initial Public Offer (IPO) and follow on public offerings (FPO) for listing at recognized stock exchanges overseas, Foreign debt securities in the countries with fully convertible currencies, with rating not below investment grade by accredited / registered credit rating agencies, Money market instruments rated not below investment grade, Repos - only as pure investment avenues, where the counterparty is rated not below investment grade; however repos should not involve any borrowing of funds by mutual funds, Government securities where the countries are rated not below investment grade, Derivatives traded on recognized stock exchanges overseas only for hedging and portfolio balancing with underlying as securities, Short term deposits with banks overseas where the issuer is rated not below investment grade, Units / securities issued by overseas mutual funds registered with overseas regulators and investing in approved securities or Real Estate Investment Units/securities issued by overseas mutual funds registered with overseas regulators and investing in approved securities or Real Estate Investment Trusts (REITs) listed in recognized stock exchanges overseas or unlisted overseas securities (not exceeding 10% of their net assets) subject to the terms and conditions prescribed, subject to maximum of US $1 billion. This would be revised in terms of SEBI approvals / guidelines from time to time. All the provisions of clause no. 13.11 of SEBI Master Circular on Mutual Fund dated March 20, 2026 and all applicable regulations / guidelines / directives / notifications, as may be stipulated by SEBI and RBI, from time to time will be adhered to.

It is the Investment Manager's belief that foreign securities offer new investment and portfolio diversification opportunities into multi-market and multi-currency products. The Fund would look to invest in foreign securities in order to diversify the portfolio in terms of variety of instruments held and enhance returns by taking advantage of market movements in global markets, which may or may not be in sync with the Indian markets. Investment in foreign securities would only be looked at if they provide a return, liquidity, ease of settlement and valuation, transaction costs better than equivalent local investments. Further, if the Fund Manager becomes cautious or negative on the Indian markets for a reasonably long period of time, would he consider investing in such securities. The Fund will look to identify and capture profitable opportunities as and when they arise. However, such investments also entail additional risks. Such investment opportunities may be pursued by the Investment Manager provided they are considered appropriate in terms of the overall investment objectives of the Scheme. The Scheme may then, if necessary, seek permission from SEBI and RBI to invest abroad in accordance with the investment objectives of the Scheme and in accordance with any guidelines issued by SEBI / RBI from time to time.

Since the Investment Strategy would invest only partially in foreign securities, there may not be readily available and widely accepted benchmarks to measure performance of the Investment Strategy. To manage risks associated with foreign currency, the Fund may use derivatives for efficient portfolio management including hedging and in accordance with conditions as may be stipulated by SEBI / RBI from time to time.

Off shore investments will be made subject to any / all approvals and conditions thereof as may be stipulated by SEBI / RBI being fulfilled and provided such investments do not result in expenses to the SIF in excess of the ceiling, if any, on expenses prescribed by SEBI for off shore investment, and if no such ceiling is prescribed by SEBI, the expenses to the Investment Strategy(s) shall be limited to the level which, in the opinion of the Board of Directors of Trustee Company, is reasonable and consistent with costs and expenses attendant to international investing. The SIF may, where necessary, appoint other intermediaries of repute as advisors, sub-custodians, etc. for managing

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and administering such investments. The appointment of such intermediaries shall be in accordance with the applicable requirements of SEBI and within the permissible ceilings of expenses. The fees and expenses would illustratively include, besides the investment management fees, custody fees and costs, fees of appointed advisors and sub-managers, transaction costs and overseas regulatory costs.

12. Power to make Rules

Subject to the Regulations and other applicable laws, the Board of Directors of Trustee Company may from time to time, prescribe such terms and make such rules for the purpose of giving effect to the Investment Strategy and the Plans thereunder with power to the AMC to add to, alter or amend all or any of the terms and rules that may be framed from time to time.

13. Power to remove Difficulties

If any difficulty arises in giving effect to the provisions of the Investment Strategy and the Plans thereunder, the Board of Directors of Trustee Company may, subject to the Regulations and other applicable laws, take any action not inconsistent with such provisions, which appears to be necessary, desirable or expedient, for the purpose of removing such difficulty.

14. Scheme to be binding on the Unitholders

Subject to the Regulations, the Board of Directors of Trustee Company may from time to time, add or otherwise vary or alter all or any of the features of plans and terms of the Investment Strategy after obtaining the prior permission of SEBI and the Unitholders (where necessary), and the same shall be binding on all the Unitholders of the Investment Strategy and the Plans thereunder and any person or persons claiming through or under them, shall do so as if each Unitholder or such person expressly had agreed that such features and terms shall be so binding.

15. Unambiguous and Unconditional requests

Any application for redemption, purchase or exchange or any other instruction must be correct, complete, clear and unambiguous in all respects and should conform to the prescribed procedure / documentation requirements, failing which the Board of Directors of Trustee Company / AMC reserve the right to reject the same and in such a case the Board of Directors of Trustee Company / AMC will not be responsible for any consequence therefrom. The Investor shall ensure that any overwriting or correction shall be countersigned by the investor, failing which the Fund / Board of Directors of Trustee Company / AMC may at its sole discretion reject such transaction request.

Further, any requests for purchase / redemption / switch or other transactions must be unconditional. The SIF / Board of Directors of Trustee Company / AMC shall not be bound to take cognizance of any conditions placed on the transaction request and may at its sole discretion, reject such transaction request, or process the same as if the condition were not mentioned.

16. Acts done in good faith

Any act, thing or deed done in good faith in pursuance of or with reference to the information provided in the application or other communications received from the investor / unit holder will constitute good and full discharge of the obligation of the SIF, Board of Directors of Trustee Company and the AMC.

In cases of copies of the documents / other details such as list of authorized signatories, that are submitted by a limited company, body corporate, registered society, trust or partnership, if the same are not specifically authenticated to be certified true copies but are attached to the application form and / or submitted to the SIF, the onus for authentication of the documents so submitted shall be on such investors and the AMC / SIF will accept and act on these in good faith wherever the documents are not expressly authenticated. Submission of these documents / details by such investors shall be full and final proof of the corporate investor's authority to invest and the AMC / SIF shall not be liable under any circumstances for any defects in the documents so submitted.

In cases where there is a change in the name of such investor, such a change will be effected by the AMC / SIF only upon receiving the duly certified copy of the revised Certificate of Incorporation issued by the relevant Registrar of Companies / registering authority. In cases where the changed PAN Number reflecting the name change is not submitted, such transactions accompanied by duly certified copy of the revised Certificate of Incorporation with a copy of the Old PAN Card and confirmation of application made for new PAN Card will be required as a documentary proof.

17. Lien

The SIF will have a first and paramount right of lien / set-off with respect to every unit / dividend under any investment strategy of the SIF for any money that may be owed by the unit holder, to it.

18. Client Information and disclosure of client information to third parties

The AMC has the authority to share investors' personal information with HSBC group companies and / or third parties, being:

- Registrar, Banks and / or authorised external third parties who are involved in transaction processing, dispatches, etc. of investors' investment in any scheme; or
- Distributors through whom applications of investors are received for the Schemes; or
- Service providers who provide telecommunications, computer, information technology, information security, e-surveillance or other similar / related services in connection with the operation of the business.
- Entities involved in data analysis, data management, data storage etc., for various purposes including but not limited to Management Information and Reporting, Audit, Investigations, Record Keeping etc.

The AMC can also share investors' and their related parties' personal information with HSBC Group companies or any other Organisations / Authorities / Bodies for compliance with any group, legal or regulatory requirements, including, but not limited to, compliance with anti-money laundering, sanctions and / or any other financial crime control risk management requirements.

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19. Website

The information published on the website is not for distribution and does not constitute an offer to sell or the solicitation of an offer to buy securities in any jurisdiction where such activity is prohibited Any persons residing outside India who nevertheless intend to respond to this material must first satisfy themselves that they are not subject to any local requirements, which restrict or prohibit them from doing so.

Information other than that relating specifically to HSBC Asset Management (India) Private Limited, RedHex Specialized Investment Fund and its products, is for information purposes only and should not be relied upon as a basis for investment decisions. HSBC Asset Management (India) Private Limited shall not be responsible, nor be held liable, for any information contained in any website linked from the said website. a non-HSBC website does not mean that the AMC endorses or accepts any responsibility for the content, or the use, of such website. It is the responsibility of the user to take precautions to ensure that whatever is selected for use is free of such items as viruses and other items of a destructive nature.

The investors are requested to read the Terms and Conditions given on the said website carefully before using the Website. By using the said website, the investor will be deemed to have agreed that the Terms and Conditions specified apply to the use of the investor of the said Website, any information obtained from the site, and our products and services. If the investor does not agree to the specified Terms, the investor may not use the said website or download any content from it.

20. Compliance under FATCA/CRS

- **Foreign Account Tax Compliance Act (FATCA) –**

India has executed an Inter-Governmental Agreement (IGA) with the U.S. and the Fund intends to take any measures that may be required to ensure compliance under the terms of the IGA and local implementing regulations. In order to comply with its FATCA obligations, the Fund will be required to obtain certain information from its investors so as to ascertain their U.S. tax status. If the investor is a specified U.S. person, U.S. owned non-U.S. entity, non-participating FFI ("NPFFI") or does not provide the requisite documentation, the Fund may need to report information on these investors to the appropriate tax authority, as far as legally permitted. If an investor or an intermediary through which it holds its interest in the Fund either fails to provide the Fund its agents or authorised representatives with any correct, complete and accurate information that may be required for the Fund to comply with FATCA or is a NPFFI, Fund may be required to provide information about payment to NPFFI to upstream payor to enable them to make the appropriate FATCA withholding on NPFFIs. Further, we may be compelled to sell its interest in the Fund or, in certain situations, the investor's interest in the Fund may be sold involuntarily. The SIF may at its discretion enter into any supplemental agreement without the consent of investors to provide for any measures that the SIF deems appropriate or necessary to comply with FATCA, subject to this being legally permitted under the IGA or the Indian laws and regulations. FATCA is globally applicable from July 1, 2014 and in order to comply with FATCA obligations, the SIF will, seek additional information from investors while accepting applications, in order to ascertain their U.S. Person status. The SIF will not accept applications which are not accompanied with information/documentation required to establish the U.S. Person status of investors. Investors are therefore requested to ensure that the details provided under Section "Confirmation under Foreign Account Tax Compliance Act (FATCA) for determining US person status" of the application form are complete and accurate to avoid rejection of the application (updated forms are available with ISCs or on SIF's website – www.assetmanagement.hsbc.co.in/redhex-sif).

Investors should consult their own tax advisors regarding the FATCA requirements with respect to their own situation. In the event of any conflict or inconsistency between any of these Terms and Conditions and those in any other service, product, business relationship, account or agreement between investor and HSBC, these terms shall prevail, to the extent permissible by applicable local law. If all or any part of the provisions of these Terms and Conditions become illegal, invalid or unenforceable in any respect under the law of any jurisdiction, that shall not affect or impair the legality, validity or enforceability of such provision in any other jurisdictions or the remainder of these Terms and Conditions in that jurisdiction. These Terms and Conditions shall continue to apply notwithstanding the death, bankruptcy or incapacity of the investor, the closure of any investor account, the termination of HSBC's provision of the Services to the investor or the redemption of the investor's investment in the Fund.

- **Common Reporting Standards –**

India has joined the Multilateral Competent Authority Agreement (MCAA) on automatic exchange of financial information in Tax Matters, commonly known as Common Reporting Standards ('CRS'). All countries which are signatories to the MCAA are obliged to exchange a wide range of financial information after collecting the same from financial institutions in their jurisdiction. In accordance with Income Tax Act read with SEBI Circular nos. CIR/MIRSD/2/2015 dated August 26, 2015 and CIR/MIRSD/3/2015 dated September 10, 2015 regarding implementation of CRS requirements, it shall be mandatory for all new investors to provide details and declaration pertaining to CRS in the application form, failing which the AMC shall have authority to reject the application.

21. Transaction by Distributor

With a view to facilitate ease of transacting, the AMC has tied-up with certain existing distributors to report transactions on the web on behalf of their clients on the terms and conditions to be mutually agreed between the client and the distributor. This facility will not restrict the investor from approaching the AMC directly for any transaction(s) or request(s). Unit holder(s) to note that change to static information submitted directly will only be effected on the records of AMC. For accounts maintained with the distributor, the unit holder(s) will be required to contact the distributor directly.

22. Brokers

The SIF intends to utilize the services of select financial intermediaries for distribution and may pay brokerage depending upon the efficiency and other factors as may be decided by the AMC. The Investment manager is the sole authority to select such financial intermediary/intermediaries who would distribute the product. Further, the AMC may appoint one or more exclusive distributors, at its discretion, based on the parameters decided by the AMC. The Fund may use the services of associate brokers or take the sale of its units

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into account when allocating brokerage. However, the brokerage paid to Associate Brokers shall be at the same rate offered to any other broker who procures subscription.

The AMC may from time to time have various contests/loyalty programmes in order to motivate its distributors. This could be in the form of additional compensation to the distributors or could entail gifts/vouchers or various other privileges. The level of compensation in the above forms could vary from time to time and a number of factors could determine the same viz. qualifying distributor sales, assets and redemption rates, quality of the distributors' relationship with RedHex Specialized Investment Fund. The AMC may also publicise its various loyalty about the new developments in the securities market and facilitate educating distributors and unitholders about Investment Strategies of RedHex Specialized Investment Fund.

23. Disclosure of Soft Dollar Arrangements

Soft Dollar arrangement refers to an arrangement between AMCs and brokers in which the AMC executes trades through a particular broker and in turn the broker may provide benefits such as free research, hardware, software or even non-research-related services, etc., to the AMC. Clause no. 11.8 of SEBI Master Circular for Mutual Funds dated March 20, 2026 such arrangements between AMCs and Brokers should be limited to only benefits (like free research report, etc.) that are in the interest of investors.

In this regard, HSBC Asset Management (India) Private Limited would like to disclose that we do not have Soft Dollar Agreements/arrangements with any of our empanelled brokers. However, brokers (both empanelled and otherwise) may provide free research reports to us on a voluntary basis, which we consume in the interest of taking more well informed decisions in order to benefit our investors. We are under no obligation to use the services of any broker in lieu of these research reports.

24. Voluntary Lock-in/Debit freeze facility to Mutual Fund Folios

This is with reference to clause 15.20 of SEBI Master Circular for Mutual Funds dated March 20, 2026 read with AMFI Best Practices Guidelines Circular No. 124/2026-27 dated April 10, 2026, on Voluntary Lock-in/Debit freeze facility to Mutual Fund Folio.

In this regard, AMFI vide its aforesaid guidelines had prescribed the detailed process for locking and unlocking of folios, in consultation with SEBI, and also defined the list of financial and non-financial transactions permitted during the lock-in period.

The detailed procedure for availing this facility, along with its impact on various financial and non-financial transactions during the lock-in period, is available on website (www.assetmanagement.hsbc.co.in) and in the Statement of Additional Information (SAI) as follows:

In order to restrict the access for transaction by any entity other than the investor himself/herself, the facility/option to lock the folio is made available to the investors until revoked/unlocked by the investor. The details are:

1. The facility will be enabled through MF Central platform for the units held in non-demat mode.
2. **Applicability:** The facility will be available for the following:
   - Resident and non-resident Individual investors,.
   - The facility to lock/unlock will be available only to first/sole holder in the folio, held in single and Anyone or survivor basis.
   - The facility to lock for minor account will be exercised by guardian till age of maturity and after obtaining maturity lock/unlock will be exercised by the unit holder only
   - The folios shall be KYC complied (Registered/Validated) i.e KYC status of all holders in folio (Guardian in case of minor and POA holder) should be registered/validated
   - The folios **must** have both valid Email and Mobile no. registered in India.
3. **Options for locking/freezing:** investor will have option to lock any/all of the following transactions in the folios selected for locking:
   - Lock only debit transactions (investor initiated)
   - Lock debit + non-financial transactions (investor initiated)
4. **The process of locking/freezing the folio/s:**
   a) Investor(s) will log-in to MF central portal (https://www.mfcentral.com/) after completing all applicable log-in validation process which includes providing PAN + email/mobile, OTP based authentication to the email/mobile.
   b) On successful validation, investor will be provided with details of all his holdings viz., fund name, scheme, outstanding units and value of units (basis last available NAV) held in SOA form.
   c) Investors will select the option to lock the transactions.
   d) Investor will select the Fund Name and folios that he/she chooses to lock.
   e) Once selected, OTP would be sent to the registered mobile/email and upon successful validation of OTP, MF Central will send the requests to the respective RTA who would lock the folio and send confirmation to investor.
   f) Lock would be marked in the select folio(s) in RTA database instantly for holdings held in SoA form.
   g) The lock will be "until revoked" by the investor.
   h) Before triggering the OTP, the following disclaimer will be displayed and confirmation, in the form of checkbox, will be taken from the investor :-

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"I/We hereby understand that this facility is voluntary, and I/We am/are well aware of related consequences, and I will be solely responsible for any actions regarding transactions viz., transaction rejection, inability to place transactions etc., or communication. I/We acknowledge that the lock will be applied only for the chosen actions. I/We acknowledge that AMC/RTA is not liable for any financial impact due to inability to transact during the lock period."

5. **Process for unlocking the Folio/s**

   a) Investor(s) will log-in to MF central portal after completing all applicable log in validation process which includes providing PAN + email/mobile, OTP based authentication to the email/mobile.

   b) On successful validation, investor will be provided with details of all his holdings viz., fund name, scheme, outstanding units and value of units (basis last available NAV) held in SOA form.

   c) Investors will select the option to unlock the transactions.

   d) The investor will select the Fund Name and folios that he/she chooses to unlock.

   e) Two levels of authorization would be mandated

   - by sending different OTPs to the registered **mobile and email** and both should get validated or

   f) After successful validation, MF Central will send the request to the respective RTA who would unlock the folio(s) and send confirmation to investor.

6. Following transactions shall be allowed only after unlocking the folio :

Financial Transactions	Non-Financial transaction
Redemption	Change/addition of bank mandate
Registration of DTP	Change of broker code
Registration of SWP	Change of Email ID and/or Mobile number
Registration of STP	Nominee registration/cancellation
Switches	Change in IDCW option
	Lien marking
	Change in signature
	Consolidation of folios
	Transfer of units
	Change of tax status

All other transactions, other than the above, and existing registered SWP, DTP and STP (registered prior to locking of folios) will continue during the lock.

7. **Exclusions:** All non-investor-initiated transactions including updation of address as per KRA feed, IDCW payout/reinvestment etc. will continue during the lock period. Further, in case of request/orders received from Law Enforcement Authorities (LEAs) or Regulators, RTAs will take the action irrespective of locking of units.

8. Information on Folios locked/unlocked will be made available to the respective MFD/RIA/Source (Channel/exchange/MFU) for them to have corresponding updates done at their end and restrict further transactions on locked folios.

9. **Disclosure:** MF Central will disclose the following at the time of locking the folio to enable the investor to take informed decision:

   - Requirement of Indian Registered Mobile number
   - Disclosure of Availability of Demat lock through depositories (CDSL/NSDL) for all folios where Demat Holding feed is available.

     AMC Disclosure: Process for lock-in/freezing is available on the websites (www.assetmanagement.hsbc.co.in) - with respect to:

     a. Lock-in/freeze process of MF Central

     b. Lock-in/freeze process of Depositories (for Demat units)

   Further, the helpline details will also be made available to the investors in case of any assistance required.

10. **In case of demat mode,** MF Central will provide an option for the investor to lock holdings held in demat account by redirecting investors to online services offered by respective depositories.

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D. ASSOCIATE TRANSACTIONS

Dealing with Associate Companies

The AMC may utilise the services of its associate, The Hongkong and Shanghai Banking Corporation Limited as the Collecting Banker and for procuring Unit subscriptions for Investment Strategies of the RedHex SIF. The Collecting Banker's fees and commission payable are at similar rates offered to other collecting bankers and distributors by the investment strategy.

The Hongkong and Shanghai Banking Corporation Limited is on the panel of selected counterparties with which the SIF places money in fixed deposits and/or enters into transactions for purchase/sale of debt instruments.

The AMC has used the designated branches of The Hongkong and Shanghai Banking Corporation Limited as Collecting Centres / Investor Service Centres and Collecting / Distributing Agents. The percentage of brokerage paid to associate broker was in line with the norms relating to brokerage payment for transactions of the SIF.

The AMC may from time to time, for the purpose of conducting its normal business, use the services (including brokerage services and securities transactions) of the Sponsor, its subsidiaries, associates of the Sponsor and employees or relatives.

The AMC may utilise the services of the Sponsor, group companies and any other subsidiary or associate company of the Sponsor established or to be established at a later date, in case such a company (including employees or relatives) is in a position to provide the requisite services to the AMC. The AMC will conduct its business with the aforesaid companies (including employees or relatives) on commercial terms and on arm's length basis and at mutually agreed terms and conditions to the extent permitted under the SEBI Regulations, after evaluation of the competitiveness of the pricing offered by the Sponsor, associate companies (including employees or relatives) and the services to be provided by them.

Associate transactions, if carried out, will be as per the SEBI Regulations and the limits prescribed thereunder. The investment strategy shall not make any investment in:

- Any unlisted security of an associate or group company of the Sponsor
- Any security issued by way of private placement by an associate or group company of the Sponsor
- The listed securities of group companies of the Sponsor which is in excess of 25% of the net assets.

The AMC may avail the services of the Sponsor and / or its associates for usage of premises as Investor Service Centres and / or to act as collection and distribution agents. The Sponsor / associates shall be paid a fee based on the quality of services rendered. These fees shall be debited to the Investment Strategy, subject to SEBI Regulations.

E. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents will be available for inspection at the office of HSBC Mutual Fund at 9-11 Floors, NESCO IT Park, Building No. 3, Western Express Highway, Goregaon (East), Mumbai 400 063 during business hours on any day (excluding Saturdays, Sundays and public holidays):

- Memorandum and Articles of Association of the AMC
- Investment Management Agreement
- Trust Deed and amendments thereto, if any
- Mutual Fund Registration Certificate
- No objection from SEBI to establish SIF
- Agreement between the Mutual Fund and the Custodian
- Agreement with Registrar and Share Transfer Agents
- Consent of Auditors to act in the said capacity
- Consent of Legal Advisors to act in the said capacity
- Securities and Exchange Board of India (Mutual Funds) Regulations, 2026 and amendments from time to time thereto.
- Indian Trusts Act, 1882.

F. INVESTOR GRIEVANCES REDRESSAL MECHANISM

Investor grievances are normally received at the Corporate Office of the AMC or at the Investor Service Centres or directly by the Registrar. All grievances are generally forwarded to the Registrar for their necessary action. The complaints are closely followed up with the Registrar to ensure timely redressal and prompt investor service.

The details of investor complaints for the last 3 years are as follows: Not Applicable

Introduction of Online Resolution of Disputes

Pursuant to SEBI Circular no. SEBI/HO/OIAE/OIAE _IAD-1/P/CIR/2023/131 dated July 31, 2023 read with SEBI Circular no. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/135 dated August 04, 2023, common Online Dispute Resolution ('ODR') Portal has been established in order to harnesses online conciliation and online arbitration for resolution of disputes arising in the Indian Securities Market.

Investors can register complaints/disputes against all Market Participants for resolution on the Online Dispute Resolution ('ODR') Portal.

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HSBC Asset Management (India) Private Limited (HSBC AMC) is under the ambit of specified intermediaries/regulated entity of the securities market, referred to as "Market Participant" for the purpose of the aforesaid circular. HSBC AMC has enrolled on the ODR Portal.

Accordingly, investors are requested to note the following:

1. Disputes between Investors and HSBC AMC (including for any complaints/disputes arising on account of SIF Distributors of SIF/HSBC AMC) arising out of latter's activities in the securities market, will be resolved in accordance with the aforesaid circular and by harnessing online conciliation and/or online arbitration as specified in the aforesaid circular. HSBC AMC or the investors (or holders on account of nominations or transmission being given effect to) may also refer any unresolved issue of any service requests/service-related complaints for due resolution by harnessing online conciliation and/or online arbitration as specified in the aforesaid circular.
2. An investor shall first take up his/her/their grievance with HSBC AMC by lodging a complaint directly with HSBC AMC. If the grievance is not redressed satisfactorily, the investor may, in accordance with the SCORES guidelines, escalate the same through the SCORES Portal in accordance with the process laid out therein. After exhausting these options for resolution of the grievance, if the investor is still not satisfied with the outcome, he/she/they can initiate dispute resolution through the ODR Portal.
3. Alternatively, the investor can initiate dispute resolution through the ODR Portal if the grievance lodged with HSBC AMC was not satisfactorily resolved or at any stage of the subsequent escalations mentioned in the paragraph 2 above (prior to or at the end of such escalation/s). HSBC AMC may also initiate dispute resolution through the ODR Portal after having given due notice of at least 15 calendar days to the investor for resolution of the dispute which has not been satisfactorily resolved between them.
4. The dispute resolution through the ODR Portal can be initiated when the complaint/dispute is not under consideration in terms of the paragraph 2 above or SCOREs guidelines as applicable or not pending before any arbitral process, court, tribunal or consumer forum or are non-arbitrable in terms of Indian law. The dispute resolution through the ODR Portal can be initiated when within the applicable law of limitation (reckoned from the date when the issue arose/occurred that has resulted in the complaint/date of the last transaction or the date of disputed transaction, whichever is later).

   The ODR Portal has necessary features and facilities to, inter alia, enroll the investors and HSBC AMC, to file the complaint/dispute and to upload any documents or papers pertaining thereto. The ODR Institution that receives the reference of the complaint/dispute shall appoint a sole independent and neutral conciliator from its panel of conciliators. Investors are requested to refer to SEBI Circular no. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/131 dated July 31, 2023 and SEBI Circular no. SEBI/HO/OIAE/OIAE_IAD 1/P/CIR/2023/135 dated August 04, 2023 for details on conciliation and arbitration proceedings. Investors are also requested to refer the said SEBI circular for details on fees for conciliation process/arbitration process. The said circulars along with the link to ODR portal viz. https://smartodr.in are also made available on our website for your ready reference and complete understanding.

Problem Resolution

The SIF will follow-up with the Investor Service Centres and the Registrar on complaints and enquiries received from investors with an endeavor to resolve them promptly.

For this purpose, Mr. Ankur Banthiya is currently designated as the Investor Relations Officer of the SIF. His contact details are as follows :

HSBC Asset Management (India) Private Limited,
Unit No. 62, 1st Floor, Parade View, Rukmani Lakshmipathi Salai,
Egmore, Chennai, Tamil Nadu - 600 008.
Tel. : 1800-200-2434/1800-4190-200
E-mail : sifinvestor.line@mutualfunds.hsbc.co.in / iromf@mutualfunds.hsbc.co.in

G. INFORMATION PERTAINING TO INVESTMENTS BY THE INVESTMENT STRATEGIES OF SIF

1. Derivative strategies

The SIF's trading in derivatives would be in accordance with SEBI Regulations, as amended from time to time. The SIF may use any hedging techniques in line with investment objectives of each Investment Strategy, including investment in derivatives such as futures (index and stock), options (index and stocks) and interest rate swaps among others. Derivatives can be either exchange traded or Over The Counter (OTC). Exchange traded derivatives are traded through Stock Exchanges, whereas OTC derivative transactions are agreed upon and traded off the exchanges between two or more counterparties.

Vide paragraph 21.6 of the SEBI Master Circular for Mutual Funds dated March 20, 2026, SEBI permitted Mutual Funds to participate in derivatives market.

a. Position limits

i. Position limit for the SIF in index options contracts:

The position limit for SIF in index options contracts shall be:

- Rs. 500 Crores or 15% of the total open interest of the market in index options, whichever is higher.
- This limit would be applicable on open positions in all options contracts on a particular underlying index.

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ii. Position limit for the SIF in index futures contracts:

The position limit for SIF in index futures contracts shall be:

- Rs. 500 Crores or 15% of the total open interest of the market in index futures, whichever is higher.
- This limit would be applicable on open positions in all futures contracts on a particular underlying index.

iii. Additional position limit in index derivatives for hedging:

In addition to the position limits above, the SIF may take exposure in equity index derivatives subject to the following limits:.

- Short positions in index derivatives (short futures, short calls and long puts) shall not exceed (in notional value) the SIF's holding of stocks.
- Long positions in index derivatives (long futures, long calls and short puts) shall not exceed (in notional value) the SIF's holding of cash, government securities, T-Bills and similar instruments.

iv. Position limit for the SIF for stock based derivative contracts:

The combined futures and options position limit shall be 20% of the applicable Market Wide Position Limit (MWPL) as per paragraph 7.5.1.4 of the SEBI Master Circular for Mutual Funds dated June 27, 2024.

v. Position limit for each Investment Strategy of the SIF:

The position limit/disclosure requirements for the Investment Strategy shall be as follows:

- For stock option and stock futures contracts, the gross open position across all derivative contracts on a particular underlying stock of the Investment Strategy shall not exceed the higher of:

  a. 1% of the free float market capitalisation (in terms of number of shares) OR

  b. 5% of the open interest in the derivative contracts on a particular underlying stock (in terms of number of contracts.
- For index-based contracts, the SIF shall disclose the total open interest held by its Investment Strategies or all Investment Strategies put together in a particular underlying index, if such open interest equals to or exceeds 15% of the open interest of all derivative contracts on that underlying index.

These position limits shall be applicable on the combined position in all derivative contracts on an underlying stock at a stock exchange.

b. Exposure limits

i. The cumulative gross exposure through equity, debt, derivative positions (including commodity and fixed income derivatives), repo transactions and credit default swaps in corporate debt securities, Infrastructure Investment Trusts (InvITs), other permitted securities/assets and such other securities/assets as may be permitted by SEBI from time to time should not exceed 100% of the net assets of the investment strategy.

ii. SIF shall not write options or purchase instruments with embedded written options except for the covered call strategy.

iii. The total exposure related to option premium paid must not exceed 20% of the net assets of the investment strategy.

iv. Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure.

v. Exposure due to hedging positions may not be included in the above mentioned limits subject to the following:

a. Hedging positions are the derivative positions that reduce possible losses on an existing position in securities and till the existing position remains.

b. Hedging positions cannot be taken for existing derivative positions. Exposure due to such positions shall have to be added and treated under limits mentioned in point (i).

c. Any derivative instrument used to hedge has the same underlying security as the existing position being hedged.

d. The quantity of underlying associated with the derivative position taken for hedging purposes does not exceed the quantity of the existing position against which hedge has been taken.

vi. SIF may enter into plain vanilla Interest Rate Swaps (IRS) for hedging purposes. The value of the notional principal in such cases must not exceed the value of respective existing assets being hedged by the investment strategy. In case of participation in IRS through over the counter transactions, the counter party has to be an entity recognized as a market maker by RBI and exposure to a single counterparty investment strategy in such transactions should not exceed 10% of the net assets of the investment strategy. However, if mutual funds are transacting in IRS through an electronic trading platform offered by the Clearing Corporation of India Ltd (CCIL) and CCIL is the central counterparty for such transactions guaranteeing settlement, the single counterparty limit of 10% shall not be applicable.

vii. Exposure due to derivative positions taken for hedging purposes in excess of the underlying position against which the hedging position has been taken, shall be treated under the limits mentioned in point (i).

viii. Each position taken in derivatives shall have an associated exposure as defined under. Exposure is the maximum possible loss that may occur on a position. However, certain derivative positions may theoretically have unlimited possible loss. Exposure in derivative positions shall be computed as follows:

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Position	Exposure
Long Future	Futures Price * Lot Size * Number of Contracts
Short Future	Futures Price * Lot Size * Number of Contracts
Option bought	Option Premium Paid * Lot Size * Number of Contracts
Option sold	Market price of the underlying * Lot size * Number of contracts

Illustration of Equity Derivatives

i. Futures:

A futures contract is an agreement between the buyer and the seller for the purchase and sale of a particular underlying asset at a specific price on a specific date. A futures contract places an obligation on both the buyer and the seller to fulfil the terms of the contract.

Purpose/benefit:

- Buying Stock/Index Futures can give exposure to the underlying stock/index without directly buying the individual stock(s). Appreciation in an Index/stock can be effectively captured through investment in corresponding Stock/Index Futures.
- Selling Stock/Index futures allows SIF to hedge against market movements without actually selling the stock(s) it holds.

Example:

Consider a futures contract for Nifty 50 Index.

On Day 1 of the series, Futures price is 25,000. The Investment Strategy buys 100 Nifty 50 Futures contracts (Lot size: 1 contract = 75 units of Nifty 50 Index).

Scenario 1: On expiry day, the futures price/closing spot price of the index is 25,500

Profit for the Investment Strategy = (25,500-25,000) * 100 * 75 = 37,50,000

Scenario 2: On expiry day, the futures price/closing spot price of the index is 24,800

Loss for the Investment Strategy = (25,000-24,800) * 100 * 75 = -15,00,000

ii. Buying options

Purpose/benefit of buying a call option: Buying a call option on a stock/index gives the buyer a right, but not the obligation, to buy the underlying stock/index at the specified strike price. The downside risk is limited to the premium paid to buy the option.

Example:

Consider a Call Option for Nifty 50 Index.

On Day 1 of the series, Nifty 50 is trading at 25,000. The Investment Strategy buys 100 lots of Call Option of Nifty 50 with a strike price of 25,100 by paying a premium of Rs. 20 = 20 * 75 * 100 = 1,50,000

Scenario 1: Nifty 50 rises to 25,200 before the contract expiry and the premium rises to Rs. 100. The Investment Strategy decides to reverse its position.

Profit for the Investment Strategy = (100-20) * 75 * 100 = 6,00,000

Scenario 2: Nifty 50 declines to 24,900 on expiry and the call option expires worthless. Here, the loss is limited to the premium paid, i.e. 1,50,000.

Purpose/benefit of buying a put option: Buying a put option on a stock/index gives the buyer a right, but not the obligation, to sell the underlying stock/index at the specified strike price. The downside risk is limited to the premium paid to buy the option.

Example:

Consider a Put Option for Nifty 50 Index.

On Day 1 of the series, Nifty 50 is trading at 25,000. The Investment Strategy buys 100 lots of Put Option of Nifty 50 with a strike price of 24,800 by paying a premium of Rs. 20 = 20 * 75 * 100 = 1,50,000

Scenario 1: Nifty 50 declines to 24,700 before the contract expiry and the premium rises to Rs. 100. The Investment Strategy decides to reverse its position.

Profit for the Investment Strategy = (100-20) * 75 * 100 = 6,00,000

Scenario 2: Nifty 50 rises to 25,100 on expiry and the call option expires worthless. Here, the loss is limited to the premium paid, i.e. 1,50,000.

iii. Writing (selling) options

Purpose/benefit of writing a call option: Writing a call option on a stock/index places an obligation on the Call writer to sell the underlying stock/index at the specified strike price. This strategy may be used to profit when the market is sideways to marginally bearish. Here, the downside risk is unlimited, while the profit is limited to the premium received.

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Example:

Consider a Call Option for Nifty 50 Index.

On Day 1 of the series, Nifty 50 is trading at 25,000. The Investment Strategy sells 100 lots of Call Option of Nifty 50 with a strike price of 25,200 at a premium of Rs. 20 = 20 * 75 * 100 = 1,50,000

Scenario 1: Nifty 50 declines to 24,900 on contract expiry and the option expires worthless.

Profit for the Investment Strategy = Premium received = 1,50,000

Scenario 2: Nifty 50 rises to 25,250 on expiry and the call option premium rises to 50.

Loss of the Investment Strategy = (50 – 20) * 75 * 100 = 2,25,000.

Purpose/benefit of writing a put option: Writing a put option on a stock/index places an obligation on the Put writer to buy the underlying stock/index at the specified strike price. This strategy may be used to profit when the market is sideways to marginally bullish. Here, the downside risk is unlimited, while the profit is limited to the premium received.

Example:

Consider a Put Option for Nifty 50 Index.

On Day 1 of the series, Nifty 50 is trading at 25,000. The Investment Strategy sells 100 lots of Put Option of Nifty 50 with a strike price of 24,800 by paying a premium of Rs. 20 = 20 * 75 * 100 = 1,50,000

Scenario 1: Nifty 50 rises to 25,100 on contract expiry and the option expires worthless.

Profit for the Investment Strategy = Premium received = 1,50,000

Scenario 2: Nifty 50 declines to 24,750 on expiry and the Put option premium rises to 50.

Loss of the Investment Strategy = (50 – 20) * 75 * 100 = 2,25,000.

Indicative list of equity derivatives strategies:

Derivatives Strategy	Explanation
Plain Arbitrage (Hedged)	Cash-future arbitrage/reverse arbitrage
Covered Calls	Calls written against equity
Protective Puts	Hedges downside price movement for equity
Long Futures	Buy Futures to profit from increase in the underlying asset's price
Short Futures	Short Futures to profit from decline in the underlying asset's price
Long Call Option	Buy a Call option to profit from increase in the underlying asset's price
Short Call Option	Sell a call option to profit if the underlying asset's price stays below strike price during the duration of the contract
Long Put Option	Buy a put option to profit from decline in the underlying asset's price
Short Put Option	Sell a put option to profit if the underlying asset's price stays above strike price during the duration of the contract
Long Straddle/Strangle	Buy call and put options of the same underlying to profit from strong moves in the underlying asset's price.
Short Straddle/Strangle	Sell call and put options of the same underlying to profit from high market volatility and range-bound move in the underlying asset's price.
Long Butterfly	Uses call or put options to profit during range-bound movement in the underlying asset's price

As per the SEBI guidelines, the investment strategy is allowed to offset exposure to certain derivative transactions. Below are some of the illustrative scenarios for offsetting of positions on the same underlying security.

Sr. No.	Position 1	Position 2	Offsetting allowed/not?	Net exposure to be considered
1	Equity Long	Futures Short	Yes	Equity Long only
2	Equity/Futures Long	Call option Short	Yes	Equity/Futures Long only
3	Equity/Futures Long	Put option Long	Yes	Equity/Futures Long only
4	Futures Short	Call option Long	Yes	Futures Short only
5	Futures Short	Put option Short	Yes	Futures Short only
6	Call option Long	Call option Short	Yes	Call option Short only
7	Put option Long	Put option Short	Yes	Put option short only
8	Equity Long	Futures Long	No	Equity Long + Futures Long
9	Equity/Futures Long	Call option Long	No	Equity/Futures Long + Call option Long
10	Equity/Futures Long	Put option Short	No	Equity/Futures Long + Put option Short
11	Futures Short	Call option Short	No	Futures short + Call option short
12	Futures Short	Put option Long	No	Futures short + Put option Long

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Sr. No.	Position 1	Position 2	Offsetting allowed/not?	Net exposure to be considered
13	Call option Long	Put option Short	No	Call option Long + Put option Short
14	Call option Short	Put option Long	No	Call option Short + Put option Long

Illustration of Debt Derivatives

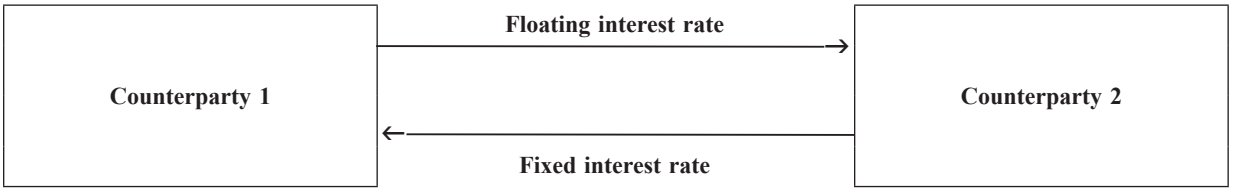
The Investment Strategy may use derivatives instruments like Interest Rate Swaps, Forward Rate Agreements or such other derivative instruments as may be introduced from time to time for the purpose of hedging and portfolio balancing and as may be permitted under the Regulations.

i. Interest Rate Swaps

Interest rate swap is a financial contract in which one party exchanges a stream of interest for another party's stream. Interest rate swaps are usually 'fixed against floating', but can also be 'fixed against fixed' or 'floating against floating' rate swaps.

Purpose/benefit: Interest rate swaps can be used to take advantage of interest rate fluctuations, by swapping fixed-rate obligations for floating rate obligations, or swapping floating rate obligations to fixed-rate obligations.

Example:



Consider the above fixed to floating rate swap, where

Notional principal amount = Rs. 10 crores

Tenor = 3 months (91 days)

Fixed interest rate = 9% p.a.

Floating Interest Rate Benchmark = NSE Over-Night MIBOR reset daily and compounded daily

At the end of three months, suppose the daily compounded NSE Over-Night MIBOR is 8.5% p.a., then the fixed and floating rate payment would be as follows:

Floating rate payment by Counterparty 1 = 10,00,00,000 * 8.5% * (91 Days/365 Days) = Rs. 21,19,178

Fixed rate payment by Counterparty 2 = 10,00,00,000 * 9% * (91 Days/365 Days) = Rs. 22,43,836

Practically, the difference of the two amounts is settled. Hence, Counterparty 2 will pay: 10,00,00,000 * 0.50% * (91 Days/365 Days) = Rs. 1,24,658

ii. Forward Rate Agreement (FRA)

An FRA is basically a forward starting IRS. It is an agreement between two counterparties to pay or receive the difference between an agreed fixed rate (the FRA rate) and the interest rate (reference rate) prevailing on a stipulated future date, based on a notional principal amount for an agreed period. The contract is cash settled with the difference between the FRA rate and the reference rate being the only cash flow.

C. The risks involved in derivatives are:

1. Exposure to derivatives in excess of the hedging requirements may lead to losses.
2. Exposure to derivatives may cap the gains of an investment transaction.
3. There is a possibility that a loss may be sustained by the portfolio as a result of the failure of another party (usually referred to as the "counterparty") to comply with the terms of the derivatives contract.
4. There may be mispricing or improper valuation of derivatives and the derivatives may be unable to correlate perfectly with underlying assets, rates, and indices.
5. Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Execution of such strategies depends upon the ability of the fund manager(s) to identify such opportunities. Identification and execution of the strategies to be pursued by the fund manager(s) involve uncertainty and decision of fund manager(s) may not always be profitable. No assurance can be given that the fund manager(s) will be able to identify or execute such strategies.

D. Risk mitigation measures:

1. Use of hedging will be based on views regarding interest rates, economy and expected adverse impact. Such strategies will be implemented only when spreads are favorable or to protect downside.
2. Derivative exposure will be backed by assets in the form of cash or securities adequate to meet cost of derivative trading as well as loss (if any) due to unfavorable market movements.

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3. Unhedged derivative trades will be in adherence to defined risk structures, with appropriate margin and exposure controls in place.

2. Swing Pricing - Not Applicable

3. Provisions on creation of Segregated Portfolio/Side pocketing

In order to ensure fair treatment to all investors in case of a Credit Event and to deal with liquidity risk, para 5.5 of SEBI Master Circular on Mutual Funds dated March 20, 2026 has allowed creation of Segregated Portfolio of debt and money market instruments by investment strategies of SIF.

The salient features of creation of Segregated Portfolio is given as below:

Creation of Segregated Portfolio Creation of Segregated Portfolio shall be subject to guidelines specified by SEBI from time to time and includes the following:

1) Segregated Portfolio may be created, in case of a Credit Event at issuer level i.e. downgrade in credit rating by a SEBI registered Credit Rating Agency (CRA), as under:

   a. Downgrade of a debt or money market instrument to 'below investment grade', or

   b. Subsequent downgrades of the said instruments from 'below investment grade', or

   c. Similar such downgrades of a loan rating.

2) Trigger of a pre-specified event for loss absorption in case of debt instruments with special features such as subordination to equity (absorption of losses before equity capital) and/or conversion to equity upon trigger of a pre-specified event for loss absorption. In case of debt instruments with special features mentioned above, if the instrument is to be written off or converted to equity pursuant to any proposal, the date of said proposal may be treated as the Trigger Date. However, if the said instruments are written off or converted to equity without proposal, the date of write off or conversion of debt instrument to equity may be treated as the Trigger Date.

3) In case of difference in rating by multiple CRAs, the most conservative rating shall be considered. Creation of Segregated Portfolio shall be based on issuer level Credit Events as mentioned above and implemented at the ISIN level.

4) In case of unrated debt or money market instruments of an issuer that does not have any outstanding rated debt or money market instruments, actual default of either the interest or principal amount by the issuer of such instruments shall be considered as a Credit Event for creation of Segregated Portfolio.

5) Creation of Segregated Portfolio is optional and is at the discretion of the AMC.

Definitions

1) The term 'Segregated Portfolio' means a portfolio, comprising of debt or money market instrument affected by a Credit Event that has been segregated in investment strategy of SIF.

2) The term 'Main Portfolio' means the investment strategy's portfolio excluding the Segregated Portfolio.

3) The term 'Total Portfolio' means the investment strategy's portfolio including the securities affected by the Credit Event.

Process for Creation of Segregated Portfolio

1) On the date of Credit Event, the AMC shall decide on creation of Segregated Portfolio. Once the AMC decides to Segregate Portfolio, it shall :

   a. seek approval of Board of Trustees prior to creation of the Segregated Portfolio;

   b. immediately issue a press release disclosing its intention to segregate such debt and money market instrument and its impact on the investors. The Fund will also disclose that the segregation shall be subject to the Trustee approval. Additionally, the said press release will be prominently disclosed on the website of the AMC; and

   c. ensure that till the time the Trustee approval is received, which in no case shall exceed 1 business day from the day of Credit Event, the subscription and redemption in the investment strategy will be suspended for processing with respect to creation of units and payment on redemptions.

2) Once the Trustee approval is received by the AMC:

   a. Segregated Portfolio will be effective from the day of Credit Event

   b. The AMC shall issue a press release immediately with all relevant information pertaining to the Segregated Portfolio. The said information will also be submitted to SEBI.

   c. An e-mail or SMS will be sent to all unit holders of the concerned investment strategy.

   d. The Net Asset Value (NAV) of both Segregated and Main Portfolios will be disclosed from the day of the Credit Event.

   e. All existing investors in the investment strategy as on the day of the Credit Event will be allotted equal number of units in the Segregated Portfolio as held in the Main Portfolio.

   f. No redemption and subscription will be allowed in the Segregated Portfolio. However, upon recovery of any money from Segregated Portfolio, it will be immediately distributed to the investors in proportion to their holding in the Segregated Portfolio.

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g. The AMC shall enable listing of units of Segregated Portfolio on the recognized stock exchange within 10 working days of creation of Segregated Portfolio and also enable transfer of such units on receipt of valid transfer requests.

3) If the Trustee do not approve the proposal to segregate portfolio, the AMC will issue a press release immediately informing investors of the same.

Processing of Subscription and Redemption Proceeds

1) All subscription and redemption requests for which NAV of the day of Credit Event or subsequent day is applicable will be processed as under:

   i. Upon trustees' approval to create a Segregated Portfolio –

      • Investors redeeming their units will get redemption proceeds based on the NAV of Main Portfolio and will continue to hold the units of Segregated Portfolio.

      • Investors subscribing to the investment strategy will be allotted units only in the Main Portfolio based on its NAV.

   ii. In case trustees do not approve the proposal of Segregated Portfolio, subscription and redemption applications will be processed based on the NAV of Total Portfolio.

Disclosure:

The AMC shall make necessary disclosures as mandated by SEBI, in statement of account, monthly/half yearly portfolio statements, KIM, ISID, investment strategy Advertisements, investment strategy Performance data, AMC's website and at other places as may be specified.

The information regarding number of Segregated Portfolio(s) created in a investment strategy shall appear prominently under the name of the investment strategy at all relevant places such as ISID, KIM-cum-Application Form, advertisement, AMC and AMFI websites, etc.

The NAV of the Segregated Portfolio shall be declared on daily basis.

Further, the investors of the Segregated Portfolio shall be duly informed of the recovery proceedings of the investments of the Segregated Portfolio. Status update may be provided to the investors at the time of recovery and also at the time of writing-off of the segregated securities.

Total Expense Ratio (TER) for the Segregated Portfolio

1) The AMC will not charge investment and advisory fees on the Segregated Portfolio. However, TER (excluding the investment and advisory fees) can be charged, on a pro-rata basis only upon recovery of the investments in Segregated Portfolio.

2) The TER so levied shall not exceed the simple average of such expenses (excluding the investment and advisory fees) charged on daily basis on the Main Portfolio (in % terms) during the period for which the Segregated Portfolio was in existence.

3) The legal charges related to recovery of the investments of the Segregated Portfolio may be charged to the Segregated Portfolio in proportion to the amount of recovery. However, the same shall be within the maximum TER limit as applicable to the Main Portfolio. The legal charges in excess of the TER limits, if any, shall be borne by the AMC.

4) The costs related to Segregated Portfolio shall in no case be charged to the Main Portfolio.

Monitoring by Trustees

The Trustee will monitor the compliance of the SEBI Circular in respect of creation of Segregated Portfolio and disclosure in this respect shall be made in Half-Yearly Trustee reports filed with SEBI.

In order to avoid misuse of Segregated Portfolio, Trustees shall have a mechanism in place to negatively impact the performance incentives of fund managers, Chief Investment Officers, etc. involved in the investment process of securities under the Segregated Portfolio, mirroring the existing mechanism for performance incentives of the AMC, including transfer of such impacted amount to the Segregated Portfolio.

Risks associated with Segregated Portfolio

Liquidity risk - Segregated Portfolio is created to separate debt and money market instruments affected by a Credit Event from the Main Portfolio of the investment strategy. The SIF will not permit redemption of the Segregated Portfolio units, but the units will be listed on a recognized stock exchange. The Fund is not assuring any liquidity of such units on the stock exchange. Further, trading price of units on the stock exchange may be significantly lower than the prevailing NAV. Investors can continue to transact (subscribe/redeem) from the Main Portfolio.

Credit risk - While the AMC will put in sincere efforts to recover the securities in the Segregated Portfolio and distribute the same to unit holders, it is likely that such securities may not realise any value leading to losses to investors.

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Illustration of Segregated Portfolio

Below mentioned is sample Portfolio of a investment strategy, net assets of which amount to Rs. 558.41 lacs.

(1) Portfolio Before Downgrade Event (As on 29 June, 2019)

Security	Rating	Type of Security	Quantity	Price Per Unit (Rs.)	Market Value (Rs. in lacs)	% of Net Assets
7.14% A Finance Corporation Ltd	AAA	NCD	50000	102.625	51.31245	9.19%
7.70 % B Industries Ltd.	AAA	NCD	60000	98.3588	59.01528	10.57%
8.29% C Services Ltd.	AA+	NCD	70000	98.9125	69.23875	12.40%
D Ltd.	A1+	CD	30000	98.199	29.4597	5.28%
7.37% GoI Sep 16 2019	Sovereign	Gilt	50000	98.7623	49.38115	8.84%
Cash/Cash Equivalents	–	–	–	–	300.00142	53.72%
		Net Assets			**558.41**	
		No. of units (in Lacs)			**10**	
		NAV (Rs. per unit)			**55.8409**	

(2) Rating downgrade of security

Downgrade event date	30-Jun-2019
Downgraded security	8.29% C Services Ltd from AA+ to B
Valuation marked down by	25%*

*Mark down in valuation of downgraded securities shall be based on the haircut matrices specified by Association of Mutual Funds in India (AMFI) which takes into account downgraded rating, sector to which security belongs and secured/unsecured nature of the security.

Portfolio after Downgrade (As on 30 June, 2019)

Security	Rating	Type of Security	Quantity	Price Per Unit (Rs.)	Market Value (Rs. in lacs)	% of Net Assets
7.14% A Finance Corporation Ltd	AAA	NCD	50000	102.625	51.31245	9.47%
7.70 % B Industries Ltd	AAA	NCD	60000	98.3588	59.01528	10.90%
8.29% C Services Ltd*	B*	NCD	70000	75	52.5	9.69%
D Ltd	A1+	CD	30000	98.199	29.4597	5.44%
7.37% GoI Sep 16 2019	Sovereign	Gilt	50000	98.7623	49.38115	9.12%
Cash/Cash Equivalents					300.00142	55.38%
		Net Assets			**541.67**	
		No. of units (in Lacs)			**10**	
		NAV (Rs. per unit)			**54.1670**	

* Mark down of 25% is on the face value (Rs. 100/-) of security on the date of Credit Event. Before marked down, the security was valued at Rs. 98.9125 per unit on 30 June, 2019 which is the date of Credit Event, NCD of C Services Ltd will be segregated into a separate portfolio

Main Portfolio (As on 30 June, 2019)

Security	Rating	Type of Security	Quantity	Price Per Unit (Rs.)	Market Value (Rs. in lacs)	% of Net Assets
7.14% A Finance Corporation Ltd	AAA	NCD	50000	102.625	51.31245	10.49%
7.70 % B Industries Ltd	AAA	NCD	60000	98.3588	59.01528	12.06%
D Ltd	A1+	CD	30000	98.199	29.4597	6.02%
7.37% GoI Sep 16 2019	Sovereign	Gilt	50000	98.7623	49.38115	10.09%
Cash/Cash Equivalents					300.00142	61.33%
		Net Assets			**489.17**	
		No. of units (in Lacs)			**10**	
		NAV (Rs. per unit)			**48.9170**	

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Segregated Portfolio (As on 30 June, 2019)

Security	Rating	Type of Security	Quantity	Price Per Unit (Rs.)	Market Value (Rs. in lacs)	% of Net Assets
8.29% C Services Ltd*	B*	NCD	70000	75	52.5	100.00%
		Net Assets			**52.50**	
		No. of units (in Lacs)			**10**	
		NAV (Rs. per unit)			**5.2500**	

(3) Holding after creation of Segregated Portfolio

Particulars	Segregated Portfolio	Main Portfolio	Total Value
No. of units (in Lacs)	10	10	
NAV (Rs. per unit)	5.2500	48.9170	
Total value	**52.50**	**489.17**	**541.67**

4. Short selling / stock lending

Subject to the Regulations and the applicable guidelines, the investment strategy may engage in securities/stock lending. Securities/stock lending means the lending of securities/stocks to another person or entity for a fixed period of time, at a negotiated compensation. The borrower will return the securities/stock lent, on expiry of the stipulated period. Please refer to risks attached with securities lending mentioned in Investment Strategy Information Document(s) of respective Investment Strategies of RedHex Specialized Investment Fund. Securities/Stock Lending could be considered for the purpose of generating additional income to unit holders of the investment strategy. The AMC shall report to the Trustees on a quarterly basis as to the level of lending in terms of value, volume and the names of the intermediaries and the earnings/losses arising out of the transactions, the value of collateral security offered etc. The Investment Strategy may engage in short selling in accordance with framework relating to Short Selling as specified by SEBI from time to time.

H. TRANSACTION CHARGES AND STAMP DUTY

Transaction Charges:

Not applicable

Stamp Duty:

Pursuant to Notification No. S.O. 4419(E) dated December 10, 2019 read with Notification No. S.O. 115(E) dated January 08, 2020 issued by Department of Revenue, Ministry of Finance, Government of India, read with Part I of Chapter IV of Notification dated February 21, 2019 issued by Legislative Department, Ministry of Law and Justice, Government of India on the Finance Act, 2019, a stamp duty @0.005% of the transaction value would be levied on mutual fund transactions (including transactions carried through stock exchanges and depositories for units in demat mode).

Accordingly, pursuant to levy of stamp duty, the number of units allotted on purchase transactions (including Reinvestment of IDCW and transfers of IDCW) to the unitholders would be reduced to that extent.

Stamp duty shall be applicable at the rate of 0.015% on the consideration amount stated in the transfer instrument for off market transfer of units held is demat mode as well units held in physical mode.

Capital Gains on transfer / redemption of units

Gains arising on transfer / redemption of units as well as switching between investment strategy's will be chargeable to tax under the Act. The characterization of income from investment in securities as "business income" or "capital gains" should be examined on a case-to-case basis.

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XI. DISCLOSURES AND REPORTS BY THE FUND

1. Account Statement/Consolidated Account Statement

The CAS shall be dispatched by email to all the investors whose email addresses are registered with the Depositories and AMC/MF-RTA. However, where an investor does not wish to receive CAS through email, option shall be given to the investor to receive the CAS in physical form at the address registered with the Depositories and the AMC/MF-RTA.

The default mode for dispatch of Consolidated Account Statement will be email.

For the purpose of sending CAS, common Unitholders' across mutual funds shall be identified by their PAN. In the event that the folio has more than one registered Unitholder, the first named holder will receive the CAS. The CAS shall not be received by those Unitholders whose folio(s) are not updated with PAN details. Unitholders are therefore requested to ensure that each of their folio(s) are updated with their PAN details. In case a specific request is received from the Unitholder, the AMC/Investment Strategy will provide the account statement to the unit holder(s) within 5 Business Days from the receipt of such request. The CAS issued to investors shall also reflect the total purchase value/cost of investment in each investment strategy's.

The AMC shall send an allotment confirmation specifying the units allotted by way of email and/or SMS within 5 working days of receipt of valid application/transaction to the Unit holders registered e-mail address and/or mobile number.

A Consolidated Account Statement (CAS) detailing all the transactions across all mutual funds and holding at the end of the month shall be sent to the Unit holders in whose folio(s) transaction(s) have taken place during the month. Investor those who have opted for delivery via electronic mode, e-CAS will be sent by the twelfth (12th) day from the month end and to investors who have opted for delivery via physical mode, physical CAS will be despatched by the fifteenth (15th) day from the month end. If there is any transaction in any of the demat accounts of the investor or in any of his mutual fund folios, then CAS will be sent to that investor through email on monthly basis.

In case there is no transaction in any of the mutual fund and demat accounts then CAS with holding details will be sent to the investors by email on half yearly basis.

In respect of half-yearly CAS, the AMCs/MF-RTAs shall provide the data with respect to the common PANs to the depositories on or before eighth(8th) day of April and October every year. The depositories shall then consolidate and dispatch the CAS to investors that have opted for delivery via electronic mode, on or before the eighteenth (18th) day of April and October and to investors that have opted for delivery via physical mode, on or before the twenty-first (21st) day of April and October. However, where an investor does not wish to receive CAS through email, option will be given to the investor to receive the CAS in physical form at the address registered with the Depositories and the AMCs/MF-RTAs.

As per regulatory guidelines, if there is any transaction in any of the demat accounts of the investor or in any of his SIF folios, then CAS shall be sent to that investor through email on monthly basis. In case there is no transaction in any of the Investment Strategy and demat accounts then CAS with holding details shall be sent to the investors by email on half yearly basis. Further, CAS issued for the half year (September/March) shall also provide:

a) The amount of actual commission paid by AMCs/Specialized Investment Fund (SIFs) to distributors (in absolute terms) during the half-year period against the concerned investor's total investments in each SIF Investment strategy. The term "commission" here refers to all direct monetary payments and other payments made in the form of gifts/rewards, trips, event sponsorships etc. by AMCs/SIFs to distributors. Further, a mention may be made in such CAS indicating that the commission disclosed is gross commission and does not exclude costs incurred by distributors such as GST (wherever applicable, as per existing rates), operating expenses, etc.

b) The investment strategy's average Total Expense Ratio (in percentage terms) for the half-year period for each investment strategy's applicable plan, where the concerned investor has actually invested in.

Such half-yearly CAS shall be issued to all MF investors, excluding those investors who do not have any holdings in investment strategies of SIF and where no commission against their investment has been paid to distributors, during the concerned half-year period. * The word 'transaction' includes purchase, redemption, switch, payout of IDCW, reinvestment of IDCW, SIP, STP, SWP, and bonus transactions.

Allotment Advice (for investors holding units in dematerialised mode)

An Allotment advice will be sent upon allotment of Units stating the number of Units allotted to each of the Unit holder(s) who have opted for allotment in dematerialized mode within 5 working days from the date of allotment. The Units allotted will be credited to the DP account of the Unit holder as per the details provided in the application form.

Units in dematerialized form shall be issued to a unit holder in a investment strategy within two working days of the receipt of request from the unit holder.

For SIP transactions, Units will be credited to the investors demat account on a weekly basis upon realization of funds. Units will be allotted as per Applicable NAV for subscriptions/purchases as mentioned in the SID.

Units in dematerialized form shall be issued to a unit holder in a investment strategy within two working days of the receipt of request from the unit holder.

Dematerialisation/Rematerialization of Units, if any will be in accordance with the provisions of SEBI (Depositories & Participants) Regulations, 2018 as may be amended from time to time.

All Units will rank pari passu among Units within the same Option/Sub-Option, i.e. either the Income Distribution cum capital withdrawal Sub-Option or the Growth Sub-Option, as to assets, earnings and the receipt of dividend distributions, if any, as may

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be declared by the Trustees. Allotment of Units and despatch of Account Statements to NRIs/FPIs will be subject to RBI's general permission dated 30 March, 1999 to mutual funds, in terms of Notification no. FERA.195/99-RB or such other notifications, guidelines issued by RBI from time to time.

Receiving Account Statement/Correspondence by e-mail

The Mutual Fund will encourage the investors to provide their e-mail addresses for all correspondence. The Mutual Fund's website may facilitate request for Account Statement by Unitholders. The Mutual Fund will endeavour to send Account Statements and any other correspondence including Annual Reports using e-mail as the mode for communication as may be decided from time to time.

The Unitholder will be required to download and print the Account Statement after receiving the e-mail from the Mutual Fund. Should the Unitholder experience any difficulty in accessing the electronically delivered Account Statement, the Unitholder shall promptly advise the Mutual Fund to enable the Mutual Fund to make the delivery through alternate means. Failure to advise the Mutual Fund of such difficulty within 24 hours after receiving the e-mail will serve as an affirmation regarding the acceptance by the Unitholder of the Account Statement.

In case an investor who has provided an e-mail address and opted for electronic mode of receipt of account statements and other updates wishes to change over to the physical mode, he would need to provide a written request to any of our official points of acceptance. Please note that such a request will be treated as a non-financial transaction and processed within 3 - 5 business days from the date of submission.

It is deemed that the Unitholder is aware of all security risks including possible third party interception of the Account Statements and content of the Account Statements becoming known to third parties.

Under no circumstances, including negligence, shall the SIF or anyone involved in creating, producing, delivering or managing the Account Statements of the Unitholders, be liable for any direct, indirect, incidental, special or consequential damages that may result from the use of or inability to use the service or out of the breach of any warranty. The use and storage of any information including, without limitation, the password, account information, transaction activity, account balances and any other information available on the Unitholder's personal computer is at the risk and sole responsibility of the Unitholder.

2. Half Yearly Disclosures/Portfolio Disclosures/Financial Results

A) Half Yearly disclosure of Un-Audited Financials:

The Fund/SIF shall, before the expiry of one month from the close of each half year, (i.e. March 31 and September 30) shall display the unaudited financial results on www.assetmanagement.hsbc.co.in/redhex-sif, containing details as specified in Regulation 70(2) of the SEBI (Mutual Funds) Regulations, 2026 and such other details as are necessary for the purpose of providing a true and fair view of the operations of the SIF. Written communication (including digital modes such as email/SMS etc.) shall be sent to unitholders by the AMC about the availability of financial results.

B) Portfolio Disclosure

The SIF shall disclose portfolio (along with ISIN), including derivative instruments, as on the last day of every alternate month (i.e. as on the end of May, July, September, November, January and March) for all its investment strategies (including debt based investment strategies) on the AMC website and on the website of AMFI within 10 days from the close of such month in a user friendly and downloadable spreadsheet format.

3. Half Yearly Results

The Fund/SIF shall within one month from the close of each half year, that is as on 31st March and on 30th September, host a soft copy of its unaudited financial results on AMC's website, containing details as specified in Regulation 70(2) of the Regulations and such other details as are necessary for the purpose of providing a true and fair view of the operations of the SIF. Written communication (including digital modes such as email/SMS etc.) shall be sent to unitholders by the AMC about the availability of financial results.

4. Annual Report

A digital Investment strategy wise Annual Report/abridged summary thereof shall be provided to all Unitholders as soon as may be but not later than 4 months from 31 March of each year. The abridged/full Investment strategy wise Annual Report shall contain such details as are required under the Regulations/Circulars issued thereafter. The SIF shall provide the Investment strategy wise annual report/abridged summary thereof as under:

(i) By hosting functional link on the websites of the AMC (www.assetmanagement.hsbc.co.in) and AMFI (www.amfiindia.com);

(ii) The physical copy of the investment strategy wise annual report/abridged summary thereof shall be made available to the investors at the registered office of the AMC. A link of the investment strategy annual report or abridged summary shall be displayed prominently on the website of the SIF.

(iii) By e-mailing the same to those Unit holders' whose e-mail address is registered with the SIF (www.assetmanagement.hsbc.co.in/redhex-sif).

Unit holders are therefore requested to update their email address with the Fund to receive annual reports through email.

Notwithstanding anything contained in this Statement of Additional Information, the provisions of the SEBI (Mutual Funds) Regulations, 2026 and the guidelines thereunder shall be applicable.

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Investments in Specialized Investment Fund involves relatively higher risk including potential loss of capital, liquidity risk and market volatility. Please read all investment strategy related documents carefully before making the investment decision.

HSBC Asset Management (India) Private Limited

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RedHex SIF

By HSBC Mutual Fund

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VSTS Corporation Oct. '26

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