

## **HSBC MUTUAL FUND**

### **Notice Cum Addendum to the Scheme Information Document (“SID”) and Key Information Memorandum (“KIM”) of the Scheme(s) of HSBC Mutual Fund (“the Fund”)**

#### **Reclassification of Real Estate Investment Trusts (“REITs”) as equity related instrument:**

NOTICE is hereby given that, pursuant to SEBI circular no. HO/24/13/12(1)2025-IMD-POD-2/I/157/2025 dated November 28, 2025 (“**SEBI Circular**”), any investment made by Mutual Funds in REITs shall be considered as investment in equity related instrument for the purposes of SEBI (Mutual Funds) Regulations, 1996 and guidelines issued thereunder with effect from **January 01, 2026**. Accordingly, investments made in the REITs will be considered as, and form part of the asset allocation towards equity and equity related instruments stated in the SID & KIM of the respective schemes from the effective date.

In this regard, the SID & KIM of the below mentioned schemes shall be amended as under:

1. In case of HSBC Aggressive Hybrid Fund, HSBC Business Cycles Fund, HSBC Conservative Hybrid Fund, HSBC Consumption Fund, HSBC Credit Risk Fund, HSBC Dynamic Bond Fund, HSBC ELSS Tax saver Fund, HSBC Equity Savings Fund, HSBC Financial Services Fund, HSBC Flexi Cap Fund, HSBC Focused Fund, HSBC India Export Opportunities Fund, HSBC Infrastructure Fund, HSBC Large & Mid Cap Fund, HSBC Large Cap Fund, HSBC Midcap Fund, HSBC Multi Asset Allocation Fund, HSBC Multi Cap Fund, HSBC Small Cap Fund and HSBC Value Fund, the SID & KIM shall be amended as under:

<b>SR. NO.</b>	<b>SECTION</b>	<b>EXISTING PROVISION</b>			<b>REVISED PROVISION</b>		
1.	<b>PART II. INFORMATION ABOUT THE SCHEME</b>  <b>HOW WILL THE SCHEME ALLOCATE ITS ASSETS? – Disclosure extracts pertaining to REITs and InvITs</b>	<b>Instruments</b>	<b>Indicative allocations (% of total assets)</b>		<b>Instruments</b>	<b>Indicative allocations (% of total assets)</b>	
			<b>Minimum</b>	<b>Maximum</b>		<b>Minimum</b>	<b>Maximum</b>
		Units of REITs and InvITs	0	10	Units of InvITs	0	10

2.	<b>PART II. INFORMATION ABOUT THE SCHEME</b>  <b>HOW WILL THE SCHEME ALLOCATE ITS ASSETS?</b>  <b>Extracts of INDICATIVE TABLE – Disclosure pertaining to REITs and InvITs</b>	Type of Instrument	Percentage of exposure (% of net assets)	Circular references / clause references of SEBI Master Circular on Mutual Funds dated June 27, 2024	Type of Instrument  REITs and InvITs	Percentage of exposure (% of net assets)  Permissible Up to 10% of its NAV in the units of REITs and InvITs	Circular references / clause references of SEBI Master Circular on Mutual Funds dated June 27, 2024  Clause 12.21
		Type of Instrument	Percentage of exposure (% of net assets)	Circular references / clause references of SEBI Master Circular on Mutual Funds dated June 27, 2024			
		InvITs	Permissible Up to 10% of its NAV in the units of InvITs	Clause 12.21			

2. In case of HSBC Balanced Advantage Fund, SID & KIM shall be amended as under:

SR. NO.	SECTION	EXISTING PROVISION			REVISED PROVISION		
1.	<b>PART II. INFORMATION ABOUT THE SCHEME</b>  <b>HOW WILL THE SCHEME ALLOCATE ITS ASSETS?</b>  <b>Extracts of INDICATIVE TABLE – Disclosure pertaining to REITs and InvITs</b>	Type of Instrument	Percentage of exposure (% of net assets)	Circular references / clause references of SEBI Master Circular on Mutual Funds dated June 27, 2024	Type of Instrument	Percentage of exposure (% of net assets)	Circular references / clause references of SEBI Master Circular on Mutual Funds dated June 27, 2024
		REITs and InvITs	Not Permissible	Clause 12.21	InvITs	Not Permissible	Clause 12.21

2.	<b>Risk factors related to REITs</b>		<b>Risks Factors associated with investments in REITs :</b> <p><b>Market Risk:</b> REITs Investments are volatile and subject to price fluctuations on a daily basis owing to the market conditions and factors impacting the underlying assets.</p> <p><b>Liquidity Risk:</b> As the liquidity of the investments made by the Scheme(s) could, at times, be restricted by trading volumes, settlement periods, dissolution of the trust, potential delisting of units on the exchange etc., the time taken by the Mutual Fund for liquidating the investments in the scheme may be long in the event of immediate redemption requirement. Investment in such securities may lead to increase in the scheme portfolio risk. As these products are new to the market, they are likely to be exposed to liquidity risk.</p> <p><b>Reinvestment Risk:</b> Investments in REITs may carry reinvestment risk as there could be repatriation of funds by the Trusts in form of buyback of units or dividend pay-outs, interest payments etc. Depending upon the market conditions and prevailing interest rates, the proceeds may get invested at a lower rate.</p> <p><b>Credit Risk:</b> REITs are likely to have volatile cash flows as the repayment dates would not necessarily be pre-scheduled. The amount of cash available for distribution principally depends upon the amount of cash that the REIT receives as dividends or the interest and principal payments from portfolio assets.</p> <p><b>Regulatory / Legal Risk:</b> REITs being new asset classes, regulatory guidelines may be evolving in nature which may impact the investments in this asset class.</p>
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In view of the above, relevant consequential changes along with necessary changes in the risk factors shall be carried out in respective SID and KIM of the above schemes of the Fund. In terms of the SEBI Circular the aforesaid change shall not be considered as fundamental attribute change of the above Scheme(s) of the Fund.

All other terms and conditions of the respective SID and KIM of the aforesaid Schemes will remain unchanged.

This notice-cum-addendum forms an integral part of the respective SID & KIM issued for the aforesaid Schemes of the Fund.

**For and on behalf of HSBC Asset Management (India) Private Limited  
(Investment Manager to HSBC Mutual Fund)**

Sd/-

**Authorized Signatory**

**Place: Mumbai**

**Date: December 26, 2025**

**Mutual Fund investments are subject to market risks, read all scheme related documents carefully.**

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Issued by HSBC Asset Management (India) Private Limited  
CIN-U74140MH2001PTC134220