

HSBC MUTUAL FUND
NOTICE-CUM-ADDENDUM

NOTICE is hereby given that in terms of the provisions of Regulation 24(b) of the SEBI (Mutual Funds) Regulations, 1996, HSBC Asset Management (India) Private Limited (“the AMC”) will be providing non-binding investment advisory services to HSBC Group’s offshore funds, which are appropriately regulated foreign portfolio investors investing in India, by the fund managers of the schemes of HSBC Mutual Fund (“the Fund”). SEBI vide its email dated November 26, 2020 has accorded its no-objection to the AMC for the said activity.

Accordingly, certain existing disclosures made in this regard in all Scheme Information Documents (SIDs) of the schemes of the Fund and Statement of Additional Information (SAI) of the Fund shall stand modified as under:

(A) Changes to SAI

1. Disclosure made under the section ‘D. Asset Management Company’ of SAI related to other activities of the AMC shall stand replaced with the following

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 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 is also providing non-binding advisory services to HSBC Group’s offshore funds, which are appropriately regulated foreign portfolio investors investing in India, through the fund managers managing the schemes of the Fund, as permitted under Regulation 24(b) of the Regulations. SEBI vide its email dated November 26, 2020, accorded its no objection to the AMC for providing such non-binding investment advisory services to HSBC Group’s 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 and other activities of the AMC; and (b) interest of the unit holders of the schemes of the Fund 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.

2. The following para, mentioned under the section ‘E. Key Employees of the AMC and relevant experience’ of SAI shall stand deleted:

Mr. Nikunj Mehta is providing non-discretionary, non-binding advice to broad based offshore funds and have no fund management responsibilities for the domestic mutual fund schemes of HSBC Mutual Fund.

(B) Changes to SIDs

Following disclosure made under the section ‘C. SPECIAL CONSIDERATION’ of SIDs shall stand replaced as under:

Existing Disclosure	Revised disclosure
<p>In accordance with the SEBI Regulations, an AMC subject to certain conditions, is permitted to undertake activities in the nature of portfolio management services and management and advisory services to pooled assets including offshore funds, insurance funds, pension funds, provident funds, if any of such activities are not in conflict with the activities of the mutual fund. Subject to these activities being assessed as desirable and economically viable, the AMC may undertake any or all of these activities after satisfying itself that there is no potential conflict of interest.</p> <p>With regard to the above provision, the AMC confirms that there is no conflict of interest between its Mutual Fund and Portfolio Management Services business.</p>	<p>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 and the activity of Portfolio Management Services and there exist systems to prohibit access to insider information.</p> <p>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 is also providing non-binding advisory services to HSBC Group’s offshore funds, which are appropriately regulated foreign portfolio investors investing in India, through the fund managers managing the schemes of the Fund, as permitted under Regulation 24(b) of the Regulations. SEBI vide its email dated November 26, 2020, accorded its no objection to the AMC for providing such non-binding investment advisory services to HSBC Group’s 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 and other activities of the AMC; and (b) interest of the unit holders of the schemes of the Fund 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.</p>

This Notice-cum-Addendum forms an integral part of the SIDs and SAI the Fund. All other terms and conditions except as mentioned above, of the schemes of the Fund remain unchanged.

For any queries or clarifications in this regard, please contact our Customer Service Number - 1800 200 2434 / 1800 258 2434 or write to us at hsbcmf@camsonline.com. Investors calling from abroad may call on +91 44 39923900 to connect to our customer care center. You may also visit any of the Investor Service centers (ISC) of the Fund, details of which are available on our website www.assetmanagement.hsbc.co.in.

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

Sd/-
Authorised Signatory
Mumbai, December 11, 2020



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