

HSBC MUTUAL FUND

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

Change in Base Expense Ratio Limits:

Investors are requested to note that pursuant to the SEBI (Mutual Funds) Regulations, 2026 (“MF Regulations, 2026”) notified on January 14, 2026, following changes will be made to the SIDs/KIMs of all the existing Schemes of the Fund with effect from April 01, 2026 or such other date as may be notified by SEBI (“Effective Date”):

Annual Scheme Recurring Expenses

The base expense ratio of the schemes shall be sum of the following expenses: (i) investment and advisory fees; (ii) recurring expenses provided in Regulation 66(5) of the MF Regulations, 2026; (iii) charges or commission or fees related to distribution of mutual fund schemes, excluding statutory levies.

The existing slab-wise ceiling on the basis of daily net assets appearing below the table on recurring expenses under sub-section ‘Annual Scheme Recurring Expenses’ under section “Other Details” in the SIDs of open-ended Schemes of HSBC Mutual Fund is hereby replaced with the following slab-wise ceiling, as applicable:

- A. Base Expense Ratio applicable to HSBC Large & Mid Cap Fund, HSBC Focused Fund, HSBC India Export Opportunities Fund, HSBC Multi Cap Fund, HSBC Midcap Fund, HSBC Flexi Cap Fund, HSBC Value Fund, HSBC Business Cycles Fund, HSBC Consumption Fund, HSBC ELSS Tax Saver Fund, HSBC Large Cap Fund, HSBC Financial Services Fund, HSBC Infrastructure Fund, HSBC Small Cap Fund, HSBC Multi Asset Allocation Fund, HSBC Aggressive Hybrid Fund, HSBC Arbitrage Fund, HSBC Equity Savings Fund and HSBC Balanced Advantage Fund:

Existing Provisions (Extracts)	Corresponding Revised Provisions
<p>As per Regulation 52(6)(c), the maximum recurring expenses that can be charged to the scheme shall be subject to a percentage limit of daily net assets as below:</p> <ul style="list-style-type: none"> i) On the first Rs.500 crores – 2.25%; ii) On the next Rs.250 crores – 2.00%; iii) On the next Rs.1,250 crores – 1.75%; iv) On the next Rs.3,000 crores – 1.60%; v) On the next Rs.5,000 crores – 1.50%; vi) On the next Rs.40,000 crores - Total expense ratio reduction of 0.05% for every increase of Rs.5,000 crores of daily net assets or part thereof; vii) On balance of the assets – 1.05%. 	<p>As per Regulation 66(7)(c), the maximum base expense ratio that can be charged to the scheme shall be subject to a percentage limit of daily net assets as below:</p> <ul style="list-style-type: none"> i) On the first Rs.500 crores – 2.10%; ii) On the next Rs.250 crores – 1.90%; iii) On the next Rs.1,250 crores – 1.60%; iv) On the next Rs.3,000 crores – 1.50%; v) On the next Rs.5,000 crores – 1.40%; vi) On the next Rs.40,000 crores - expense ratio reduction of 0.05% for every increase of Rs.5,000 crores of daily net assets or part thereof; vii) On balance of the assets – 0.95%.

- B.** Base Expense Ratio applicable to HSBC Medium to Long Duration Fund, HSBC Credit Risk Fund, HSBC Low Duration Fund, HSBC Ultra Short Duration Fund, HSBC Dynamic Bond Fund, HSBC Medium Duration Fund, HSBC Corporate Bond Fund, HSBC Gilt Fund, HSBC Money Market Fund, HSBC Liquid Fund, HSBC Overnight Fund, HSBC Short Duration Fund, HSBC Banking and PSU Debt Fund and HSBC Conservative Hybrid Fund:

Existing Provisions (Extracts)	Corresponding Revised Provisions
<p>As per the Regulation 52(6)(c), the maximum recurring expenses that can be charged to the scheme shall be subject to a percentage limit of daily net assets as below:</p> <p>i) On the first Rs.500 crores – 2.00%; ii) On the next Rs.250 crores – 1.75%; iii) On the next Rs.1,250 crores – 1.50%; iv) On the next Rs.3,000 crores – 1.35%; v) On the next Rs.5,000 crores – 1.25%; vi) On the next Rs.40,000 crores - Total expense ratio reduction of 0.05% for every increase of Rs.5,000 crores of daily net assets or part thereof; vii) On balance of the assets – 0.80%.</p>	<p>As per Regulation 66(7)(c), the maximum base expense ratio that can be charged to the scheme shall be subject to a percentage limit of daily net assets as below:</p> <p>i) On the first Rs.500 crores – 1.85%; ii) On the next Rs.250 crores – 1.65%; iii) On the next Rs.1,250 crores – 1.40%; iv) On the next Rs.3,000 crores – 1.25%; v) On the next Rs.5,000 crores – 1.15%; vi) On the next Rs.40,000 crores - expense ratio reduction of 0.05% for every increase of Rs.5,000 crores of daily net assets or part thereof; vii) On balance of the assets – 0.70%.</p>

- C.** Base Expense Ratio applicable to HSBC Brazil Fund, HSBC Asia Pacific (Ex Japan) Dividend Yield Fund, HSBC Multi Asset Active FOF, HSBC Global Emerging Markets Fund and HSBC Aggressive Hybrid Active FOF:

Existing Provisions (Extracts)	Corresponding Revised Provisions
<p>The AMC has estimated that as per the Regulation 52(6)(a)(ii), the total expense ratio that can be charged to the scheme including weighted average of the total expense ratio of underlying scheme(s) shall not exceed 2.25% of daily net assets of the Scheme.</p> <p>Provided that the total expense ratio to be charged over and above the weighted average of the total expense ratio of the underlying scheme(s) shall not exceed two times the weighted average of the total expense ratio levied by the underlying scheme(s), subject to the overall ceilings stated above.</p>	<p>The AMC has estimated that as per the Regulation 66(7)(b)(iii), the maximum base expense ratio that can be charged to the scheme including weighted average expense ratio levied by the underlying scheme(s) shall not exceed 2.10% of daily net assets of the Scheme.</p> <p>Provided that the base expense ratio to be charged over and above the weighted average of the base expense ratio of the underlying scheme(s) shall not exceed two times the weighted average of the base expense ratio levied by the underlying scheme(s), subject to the overall ceilings stated above.</p>

- D.** Base Expense Ratio Applicable to HSBC Income Plus Arbitrage Active FOF:

Existing Provisions (Extracts)	Corresponding Revised Provisions
<p>The AMC has estimated that as per the Regulation 52(6)(a)(iii), the total expense ratio that can be charged to the scheme including</p>	<p>The AMC has estimated that as per the Regulation 66(7)(b)(iv), the maximum base expense ratio that can be charged to the scheme</p>

<p>weighted average of the total expense ratio of underlying scheme(s) shall not exceed 2% of daily net assets of the Scheme.</p> <p>Provided that the total expense ratio to be charged over and above the weighted average of the total expense ratio of the underlying scheme(s) shall not exceed two times the weighted average of the total expense ratio levied by the underlying scheme(s), subject to the overall ceilings stated above.</p>	<p>including weighted average expense ratio levied by the underlying scheme(s) shall not exceed 1.85% of daily net assets of the Scheme.</p> <p>Provided that the base expense ratio to be charged over and above the weighted average of the base expense ratio of the underlying scheme(s) shall not exceed two times the weighted average of the base expense ratio levied by the underlying scheme(s), subject to the overall ceilings stated above.</p>
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- E.** Base Expense Ratio applicable to HSBC Nifty 50 Index Fund, HSBC Nifty Next Index Fund, HSBC Crisil IBX Gilt June 2027 Index Fund, HSBC Crisil IBX 50:50 Gilt Plus SDL Apr 2028 Index Fund, HSBC Gold ETF and HSBC GOLD ETF Fund of Fund:

Existing Provisions (Extracts)	Corresponding Revised Provisions
The AMC has estimated that upto 1% of the daily net assets of the scheme will be charged to the scheme as expenses.	The AMC has estimated that the maximum base expense ratio that can be charged to the scheme shall not exceed 0.90% of the daily net assets of the scheme.

The AMC may charge the following costs and expenses over and above base expense ratio limits as prescribed in the table above:

- (a) Expense incurred towards brokerage, for the purpose of execution of trade, shall be charged to the schemes as per regulation 66 (9) of SEBI (Mutual Funds) Regulations, 2026, subject to a maximum of 0.06 per cent of trade value in case of cash market transactions and 0.02 per cent of trade value in case of derivatives transactions. Expenses charged towards brokerage, over and above the said limit shall be part of the base expense ratio limit as prescribed under regulation 66 (7) of the SEBI (Mutual Funds) Regulations, 2026.
- (b) Transaction cost incurred for the purpose of execution of a trades, shall be charged to the schemes as per regulation 66 (10) of SEBI (Mutual Funds) Regulations, 2026, which shall mean regulatory levies and any other expenses charged by the stock exchanges, clearing corporation, and clearing house, as applicable.
- (c) Statutory levies (including GST), which are as imposed by the state government and central government.

Accordingly, the ‘Total expense ratio’, of the schemes shall be total of expense charged within the base limit specified under regulation 66(7), brokerage cost permitted under regulation 66 (9), transaction cost incurred for the purpose of execution of trade as referred under regulation 66 (10), and statutory levies (including GST).

On account of the aforesaid changes in the slab-wise ceiling, the Expense Ratio Limits mentioned in the table on recurring expenses under part ‘III’, ‘Other Details’, under sub-section ‘C’, ‘Annual Scheme Recurring Expenses’ in the SIDs and under section “Recurring expenses” in the KIMs of the Schemes (as applicable) are hereby consequently changed.



In view of the above, relevant changes will be carried out in the SIDs and KIMs of the Schemes.

All the other terms and conditions of the SIDs and KIMs of the Schemes will remain unchanged.

This notice-cum-addendum forms an integral part of the SIDs and KIMs issued for the Schemes.

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

**Sd/-
Authorised Signatory**

**Place: Mumbai
Date: March 26, 2026**

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