HSBC Mutual Fund

HSBC MUTUAL FUND

Notice-cum-Addendum to the Scheme Information Document ("SID") and Key Information Memorandum ("KIM") of HSBC Balanced Advantage Fund, HSBC Arbitrage Fund, HSBC Equity Savings Fund, HSBC Aggressive Hybrid Fund and HSBC Conservative Hybrid Fund of HSBC Mutual Fund ("the Fund")

CATEGORIZATION AND RATIONALIZATION OF THE AFORESAID SCHEMES OF HSBC MUTUAL FUND

NOTICE is hereby given that pursuant to Part IV of Chapter 3 of SEBI Master Circular on Mutual Funds dated March 20, 2026 (SEBI circular), on Categorization and Rationalization of Mutual Fund Scheme, following modifications in certain features of the aforesaid schemes are applicable with effect from **August 26, 2026 (Effective Date).** Further, Investors are requested to note that the said changes will not be considered as change in fundamental attribute of the aforesaid schemes in accordance with the above SEBI circular.

Investors are requested to note the following changes to the provisions of the respective schemes of the Fund:

1. HSBC Balanced Advantage Fund

Sr. No.	Particulars	Existing provisions	Revised provision
1.	Type of Scheme	An open ended dynamic asset allocation fund	An open ended dynamic asset allocation fund investing in debt and equity instruments only

2. HSBC Arbitrage Fund

<table>
<tr><th>Sr. No.</th><th>Particulars</th><th colspan="3">Existing provisions</th><th colspan="3">Revised provision</th></tr>
<tr><td>1.</td><td>Type of Scheme</td><td colspan="3">An open ended scheme investing in arbitrage opportunities</td><td colspan="3">An open ended scheme investing in arbitrage opportunities. No investment in InvITs is permitted.</td></tr>
<tr><td colspan="8"></td></tr>
<tr><td rowspan="4">2.</td><td rowspan="3">How will the scheme allocate its assets?</td><td colspan="6">Under normal circumstances, it is anticipated that the asset allocation of the Scheme will be as follows:</td></tr>
<tr><td colspan="3">Existing Asset Allocation</td><td colspan="3">Revised Asset Allocation</td></tr>
<tr><td>Instruments</td><td colspan="2">Indicative allocations (% of total assets)</td><td>Instruments</td><td colspan="2">Indicative allocations (% of total assets)</td></tr>
<tr><td></td><td>Minimum</td><td>Maximum</td><td></td><td>Minimum</td><td>Maximum</td></tr>
<tr><td></td><td>Equity and equity related securities and equity derivatives</td><td>65</td><td>90</td><td>Equity and equity related securities and equity derivatives</td><td>65</td><td>90</td></tr>
<tr><td></td><td>Debt and money market instruments</td><td>10</td><td>35</td><td>Debt instruments in CDs, government securities with maturities upto 1 year, mutual fund units of liquid, money market or schemes having Macaulay duration less than 1 year for meeting liquidity and margin requirements</td><td>10</td><td>35</td></tr>
<tr><td colspan="7"></td></tr>
<tr><td></td><td>In continuation of the asset allocation</td><td colspan="3">Further, in the event of adequate arbitrage opportunities not being available in the equity and derivative markets, 100% of the portfolio may be invested in short term debt and money market instruments (including units of mutual fund schemes). The Scheme retains the flexibility to invest across all the securities in the debt and money markets as permitted by SEBI / RBI from time to time, including schemes of mutual funds.

Pending deployment of funds, the Scheme may invest them into deposits of scheduled commercial banks as permitted under the extant Regulations.</td><td colspan="3">The scheme may invest in overnight debt securities.

Further, in the event of defensive circumstances (adequate arbitrage opportunities not being available in the equity and derivative markets), 100% of the portfolio may be invested in short term debt and money market instruments (including mutual fund units of liquid, money market or schemes having Macaulay duration less than 1 year)

Pending deployment of funds, the Scheme may invest them into deposits of scheduled commercial banks as permitted under the extant Regulations.</td></tr>
</table>

PUBLIC

Document remediated as per WCAG 2.2 Level AA standards

Sr. No.	Particulars	Existing provisions	Revised provision
		The Scheme may also take exposure to stock lending up to 20% of net assets of the Scheme and not more than 5% of the net assets of the Scheme shall be deployed in stock/securities lending to any single counterparty / intermediary. The Scheme can take covered-call positions for stock derivatives, as permitted by SEBI. The Scheme may invest in repos of corporate bonds up to 10% of its total assets, subject to applicable SEBI regulations. The Scheme may invest in another scheme managed by the same AMC or by the asset management company of any other mutual fund without charging any fees, provided that aggregate inter scheme investment made by all schemes under the same management or in schemes under the management of any other asset management company shall not exceed 5% of the net asset value of the Mutual Fund. If the Scheme decides to invest in securitized debt, it is the intention of the Investment Manager that such investments will not normally exceed 20% of the net assets of the Scheme. Derivative positions in equity instruments for other than hedging purposes shall not exceed 50% of total equity assets of the Scheme. The Scheme shall have derivative exposure as per the SEBI regulations issued from time to time. The Scheme may take positions in fixed income derivatives up to 50% of the total fixed income assets of the Scheme for the purpose of hedging and portfolio balancing purposes. Further, in line with para 12.25.9 of SEBI Master Circular on Mutual Funds dated June 27, 2024, the Scheme is permitted to imperfectly hedge their portfolio or a part of their portfolio by using Interest Rate Futures. These may include instruments such as interest rate swaps, interest rate futures, credit default swaps, forward rate agreements, etc. The Scheme may participate in Credit Default Swap (CDS) transactions in line with the guidelines issued by SEBI / RBI from time to time. As per the extant regulatory guidelines, the exposure to a single counterparty in CDS transactions shall not exceed 10% of the net assets of the Scheme. The total exposure related to premium paid for all derivative positions, including CDS, shall not exceed 20% of the net assets of the Scheme. The Scheme may participate in instruments with special features including Additional Tier 1 bonds and Additional Tier 2 bonds as prescribed under para 12.2 of SEBI Master Circular on Mutual Funds dated June 27, 2024 and any other guidelines issues by SEBI from time to time. As per the extant regulatory guidelines, the Scheme shall not invest – i. more than 10% of its NAV of the debt portfolio of the scheme in such instruments; and ii. more than 5% of its NAV of the debt portfolio of the scheme in such instruments issued by a single issuer. The cumulative gross exposure through equity, debt, derivative positions including fixed income derivatives, repo transactions and credit default swaps in corporate debt securities, and such other securities/assets as may be permitted by SEBI from time to time, subject to approval, if any, shall not exceed 100% of the net assets of the Scheme. All investments shall be subject to compliance with 'Restrictions on Investment in debt instruments having	The Scheme may also take exposure to stock lending up to 20% of net assets of the Scheme and not more than 5% of the net assets of the Scheme shall be deployed in stock/securities lending to any single counterparty / intermediary. The Scheme can take covered-call positions for stock derivatives, as permitted by SEBI. Derivative positions in equity instruments for other than hedging purposes shall not exceed 50% of total equity assets of the Scheme. The Scheme shall have derivative exposure as per the SEBI regulations issued from time to time. The Scheme may invest in other Scheme(s) managed by the AMC or in the schemes of any other mutual fund not exceeding 5% of the Net Asset Value of the Fund, provided it is in conformity with the investment objectives of the Scheme and in terms of the prevailing Regulations. As per the Regulations, no investment management fees will be charged for such investments. The cumulative gross exposure through equity, derivative positions~~,~~ exposure in debt instruments in CDs, government securities with maturities upto 1 year, mutual fund units of liquid funds, money market mutual funds or schemes having Macaulay duration less than 1 year, overnight debt securities and such other securities/assets as may be permitted by SEBI from time to time, subject to approval, if any, shall not exceed 100% of the net assets of the Scheme. Investments will be made in line with the asset allocation of the Scheme and the applicable SEBI guidelines as specified from time to time. The Scheme may review the above pattern of investments based on views on the equity and debt markets and asset liability management needs and the portfolio shall be reviewed and rebalanced on a regular basis. However, at all times the portfolio will adhere to the overall investment objective of the Scheme. Investors may note that securities which provide higher returns typically display higher volatility. Accordingly, the investment portfolio of the Scheme would reflect moderate to high volatility in its equity and equity related investments and low to moderate volatility in its debt and money market instruments. Further, in case the portfolio is not rebalanced within the aforementioned mandated plus extended timelines the AMC shall comply with the prescribed restrictions, the reporting and disclosure requirements as specified in para 3.11 of SEBI Master Circular on Mutual Funds dated March 20, 2026.

Sr. No.	Particulars	Existing provisions	Revised provision
		Structured Obligations / Credit Enhancements' as prescribed under para 12.3 of SEBI Master Circular on Mutual Funds dated June 27, 2024 and any other guidelines issued by SEBI from time to time. As per extant regulatory guidelines, the Scheme shall not invest more than 10% of its net assets in following instruments: a. Unsupported rating of debt instruments (i.e. without factoring-in credit enhancements) is below investment grade and b. Supported rating of debt instruments (i.e. after factoring-in credit enhancement) is above investment grade. Investments will be made in line with the asset allocation of the Scheme and the applicable SEBI guidelines as specified from time to time. The Scheme may review the above pattern of investments based on views on the equity and debt markets and asset liability management needs and the portfolio shall be reviewed and rebalanced on a regular basis. However, at all times the portfolio will adhere to the overall investment objective of the Scheme. Investors may note that securities which provide higher returns typically display higher volatility. Accordingly, the investment portfolio of the Scheme would reflect moderate to high volatility in its equity and equity related investments and low to moderate volatility in its debt and money market investments. Further, in case the portfolio is not rebalanced within the aforementioned mandated plus extended timelines the AMC shall comply with the prescribed restrictions, the reporting and disclosure requirements as specified in para 2.9 of SEBI Master Circular on Mutual Funds dated June 27, 2024.	
3.	**Indicative Table (Actual instrument/percentages may vary subject to applicable SEBI circulars) – (Extract of the section, wherever changes applicable):**		

Sr. No.	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 March 20, 2026
2.	Equity and/or Debt Derivatives for non-hedging purposes	Permissible Upto 50% of total equity / total debt assets	Clause 12.25	Equity Derivatives for non- hedging purposes	Permissible Upto 50% of total equity assets	Clause 13.15 read with Clause 3.8.3
3.	Securitized Debt	Permissible Upto 20%	Clause 12.15	Securitized Debt	Not Permissible	Clause 13.1.2
6.	AT1 (Additional Tier 1) and AT2 (Additional Tier 2) Bonds	Permissible Upto 10% of the NAV of the debt portfolio	Clause 12.2	AT1 (Additional Tier 1) and AT2 (Additional Tier 2) Bonds	Not Permissible	Clause 13.1.9 read with Clause 3.8.3
7.	Any other instrument -			Any other instrument -		

PUBLIC

Document remediated as per WCAG 2.2 Level AA standards

Sr. No.	Particulars	Existing provisions			Revised provision		
	a.	Structured Obligations / Credit Enhancements'	Permissible Upto 10%	Clause 12.3	Structured Obligations / Credit Enhancements'	Not Permissible	Clause 13.1.10 read with Clause 3.8.3
	b.	Repo transactions in Corporate Debt Securities	Permissible Upto 10%	Clause 12.18	Repo transactions in Corporate Debt Securities	Not Permissible	Clause 13.8 read with Clause 3.8.3
	d.	Interest Rate Swaps	Permissible	Clause 12.25.5	Interest Rate Swaps	Not Permissible	Clause 13.15.2 (f) read with Clause 3.8.3
	e.	Interest Rate Futures	Permissible	Clause 12.25.9	Interest Rate Futures	Not Permissible	Clause 13.15.2 read with Clause 3.8.3
	f.	Credit default Swap	Permissible upto 10%	Clause 12.28 read with SEBI Circular dated September 20, 2024 as amended from time to time	Credit default Swap	Not Permissible	Clause 13.10 read with Clause 3.8.3
	g.	Forward rate agreement	Permissible	Clause 7.6.1.	Forward rate agreement	Not Permissible	Clause 8.5.2 read with Clause 3.8.3

3. HSBC Equity Savings Fund

<table>
<tr><th>Sr. No.</th><th>Particulars</th><th colspan="3">Existing provisions</th><th colspan="3">Revised provision</th></tr>
<tr><td rowspan="11">1.</td><td rowspan="11">How will the scheme allocate its assets?</td><td colspan="6">Under normal circumstances, it is anticipated that the asset allocation of the Scheme will be as follows:</td></tr>
<tr><td colspan="3">Existing Asset Allocation</td><td colspan="3">Revised Asset Allocation</td></tr>
<tr><td rowspan="2">Instruments</td><td colspan="2">Indicative allocations (% of total assets)</td><td rowspan="2">Instruments</td><td colspan="2">Indicative allocations (% of total assets)</td></tr>
<tr><td>Minimum</td><td>Maximum</td><td>Minimum</td><td>Maximum</td></tr>
<tr><td>A. Equities & Equity related securities</td><td>65</td><td>90</td><td>A. Equities & Equity related securities</td><td>65</td><td>90</td></tr>
<tr><td>A1. Hedged ^</td><td>20</td><td>50</td><td>A1. Hedged ^</td><td>25</td><td>50</td></tr>
<tr><td>A2. Unhedged^^</td><td>15</td><td>45</td><td>A2. Unhedged^^</td><td>15</td><td>40</td></tr>
<tr><td>B. Debt, Money Market Instruments and Government Securities*</td><td>10</td><td>35</td><td>B. Debt, Money Market Instruments and Government Securities*</td><td>10</td><td>35</td></tr>
<tr><td>Units issued by InvITs</td><td>0</td><td>10</td><td>Units issued by InvITs</td><td>0</td><td>10</td></tr>
<tr><td colspan="3" rowspan="3"></td><td>Units of Gold and Silver ETFs</td><td>0</td><td>25</td></tr>
<tr><td>Exchange Traded Commodity Derivatives (ETCDs)</td><td>0</td><td>10</td></tr>
<tr><td colspan="6">* including TREPS / reverse repos, Credit default swaps, equity linked debentures margin money and securitized debt, ^ Equity and equity derivatives (arbitrage opportunities) – Hedged, ^^ Net long equity - Unhedged
In situations when adequate arbitrage opportunities are not available in the derivative / equity markets or on defensive considerations, the asset allocation of the Scheme would be as given below, at the discretion of the fund manager:</td></tr>
</table>

PUBLIC

Document remediated as per WCAG 2.2 Level AA standards

Sr. No.	Particulars	Existing provisions			Revised provision		
		A. Equities & Equity related securities	15	90	A. Equities & Equity related securities	15	90
		A1. Hedged ^	0	50	A1. Hedged ^	0	50
		A2. Unhedged^^	15	45	A2. Unhedged^^	15	40
		B. Debt, Money Market Instruments and Government Securities*	10	35	B. Debt, Money Market Instruments and Government Securities*	10	35
		Units issued by InvITs	0	10	Units issued by InvITs	0	10
					Units of Gold and Silver ETFs	0	50
					Exchange Traded Commodity Derivatives (ETCDs)	0	10
		* including TREPS / reverse repos, Credit default swaps, equity linked debentures margin money and securitized debt. ^ Equity and equity derivatives (arbitrage opportunities) – Hedged, ^^ Net long equity - Unhedged					
	In continuation of the Asset Allocation (Extract of the section, where changes are made)	--			The scheme shall participate in ETCDs of particular goods (single), not exceeding 10% of net asset value of the scheme. As per SEBI regulations, before investing in ETCDs, mutual funds shall put in place a written policy with regard to such investments with due approval from the Board of Asset Management and the Trustees. The Scheme may invest in other Scheme(s) managed by the AMC or in the schemes of any other mutual fund not exceeding 5% of the Net Asset Value of the Fund, provided it is in conformity with the investment objectives of the Scheme and in terms of the prevailing Regulations. As per the Regulations, no investment management fees will be charged for such investments.		
		The cumulative gross exposure through, debt, equity, InvITs units and derivative positions including fixed income derivatives, repo transactions and credit default swaps in corporate debt securities, and such other securities/assets as may be permitted by SEBI from time to time, subject to requisite approvals, if any, shall not exceed 100% of the net assets of the Scheme.			The cumulative gross exposure through, debt, equity, InvITs units, units of Gold and Silver ETFs, Exchange Traded Commodity Derivatives (ETCDs) and derivative positions including fixed income derivatives, repo transactions and credit default swaps in corporate debt securities, and such other securities/assets as may be permitted by SEBI from time to time, subject to requisite approvals, if any, shall not exceed 100% of the net assets of the Scheme. Short position in Exchange Traded Commodity Derivatives (ETCDs) not exceeding the holding of the underlying goods received in physical settlement of ETCD contracts shall be exempted from gross exposure limit provided scheme shall not write options, or purchase instruments with embedded written options in goods or on commodity futures. Further, Short positions in ETCDs not exceeding the long position in ETCDs on the same goods shall be exempted from gross exposure limit.		

2.	**Indicative Table (Actual instrument/percentages may vary subject to applicable SEBI circulars) – (Extract of the section, wherever changes applicable):**						
	Sr. No.	**Type of Instrument**	**Percentage of exposure (% of net assets)**	**Circular references / clause references of**	**Type of Instrument**	**Percentage of exposure (% of net assets)**	**Circular references / clause references**

Sr. No.	Particulars	Existing provisions			Revised provision		
				SEBI Master Circular on Mutual Funds dated June 27, 2024			**of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	7.	Any other instruments			Any other instruments		
	h.	N.A			Units of Gold and Silver ETFs	Permissible upto 25%	Clause 3.7.2 and 3.8.3
	I	N.A.			Units of Gold and Silver ETFs	Permissible upto 50%[$]	Clause 3.7.2 and 3.8.3
	j.	N.A.			Exchange Traded Commodity Derivatives (ETCDs)	Permissible upto 10%	Clause 13.16
					[$] In the event of defensive consideration.		

4. HSBC Aggressive Hybrid Fund

Sr. No.	Particulars	Existing provisions			Revised provision		
1.	**How will the scheme allocate its assets?**	Under normal circumstances, it is anticipated that the asset allocation of the Scheme will be as follows:					
		Existing Asset Allocation			**Revised Asset Allocation**		
		Instruments	**Indicative allocations (% of total assets)**		**Instruments**	**Indicative allocations (% of total assets)**	
			Minimum	**Maximum**		**Minimum**	**Maximum**
		Equities and Equity related instruments	65	80	Equities and Equity related instruments	65	80
		Debt Instruments and Money Market Securities (including cash and cash equivalents)	20	35	Debt Instruments and Money Market Securities (including cash and cash equivalents)	20	35
		Units issued by InvITs	0	10	Units issued by InvITs	0	10
					Units of Gold and Silver ETFs	0	15
					Exchange Traded Commodity Derivatives (ETCDs)	0	10
	In continuation of the asset allocation (Extract of the section, where changes are made)	--			The scheme shall participate in ETCDs of particular goods (single), not exceeding 10% of net asset value of the scheme. As per SEBI regulations, before investing in ETCDs, mutual funds shall put in place a written policy with regard to such investments with due approval from the Board of Asset Management and the Trustees. The Scheme may invest in other Scheme(s) managed by the AMC or in the schemes of any other mutual fund not exceeding 5% of the Net Asset Value of the Fund, provided it is in conformity with the investment objectives of the Scheme and in terms of the prevailing Regulations. As per the Regulations, no investment management fees will be charged for such investments.		

PUBLIC

Document remediated as per WCAG 2.2 Level AA standards

Sr. No.	Particulars	Existing provisions	Revised provision
		The cumulative gross exposure through, debt, equity, InvITs units and derivative positions including fixed income derivatives, repo transactions and credit default swaps in corporate debt securities, and such other securities/assets as may be permitted by SEBI from time to time, subject to requisite approvals, if any, shall not exceed 100% of the net assets of the Scheme.	The cumulative gross exposure through, debt, equity, InvITs units, units of Gold and Silver ETFs, Exchange Traded Commodity Derivatives (ETCDs) and derivative positions including fixed income derivatives, repo transactions and credit default swaps in corporate debt securities, and such other securities/assets as may be permitted by SEBI from time to time, subject to requisite approvals, if any, shall not exceed 100% of the net assets of the Scheme. Short position in Exchange Traded Commodity Derivatives (ETCDs) not exceeding the holding of the underlying goods received in physical settlement of ETCD contracts shall be exempted from gross exposure limit provided scheme shall not write options, or purchase instruments with embedded written options in goods or on commodity futures. Further, Short positions in ETCDs not exceeding the long position in ETCDs on the same goods shall be exempted from gross exposure limit.

3. Indicative Table (Actual instrument/percentages may vary subject to applicable SEBI circulars) – (Extract of the section, wherever changes applicable):

Sr. No.	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 March 20, 2026
7.	Any other instruments			Any other instruments		
e.	N.A			Units of Gold and Silver ETFs	Permissible upto 15%	Clause 3.7.2 and 3.8.3
f.	N.A.			Exchange Traded Commodity Derivatives (ETCDs)	Permissible upto 10%	Clause 13.16

5. HSBC Conservative Hybrid Fund

Sr. No.	Particulars	Existing provisions			Revised provision		
1.	How will the scheme allocate its assets?	Under normal circumstances, it is anticipated that the asset allocation of the Scheme will be as follows:					
		Existing Asset Allocation			Revised Asset Allocation		
		Instruments	Indicative allocations (% of total assets)		Instruments	Indicative allocations (% of total assets)	
			Minimum	Maximum		Minimum	Maximum
		Debt Instruments and Money Market Instruments (including cash, money at call and reverse repos)	75	90	Debt Instruments and Money Market Instruments (including cash, money at call and reverse repos)	75	90
		Equities and Equity related instruments	10	25	Equities and Equity related instruments	10	25

PUBLIC

Document remediated as per WCAG 2.2 Level AA standards

Sr. No.	Particulars	Existing provisions			Revised provision		
		Units issued by InvITs	0	10	Units issued by InvITs	0	10
					Units of Gold and Silver ETFs	0	15
					Exchange Traded Commodity Derivatives (ETCDs)	0	10
	In continuation of the asset allocation (Extract of the section, where changes are made)	--			The scheme shall participate in ETCDs of particular goods (single), not exceeding 10% of net asset value of the scheme. As per SEBI regulations, before investing in ETCDs, mutual funds shall put in place a written policy with regard to such investments with due approval from the Board of Asset Management and the Trustees. The Scheme may invest in other Scheme(s) managed by the AMC or in the schemes of any other mutual fund not exceeding 5% of the Net Asset Value of the Fund, provided it is in conformity with the investment objectives of the Scheme and in terms of the prevailing Regulations. As per the Regulations, no investment management fees will be charged for such investments.		
		The cumulative gross exposure through, debt, equity, InvITs units and derivative positions including fixed income derivatives, repo transactions and credit default swaps in corporate debt securities, and such other securities/assets as may be permitted by SEBI from time to time, subject to requisite approvals, if any, shall not exceed 100% of the net assets of the Scheme.			The cumulative gross exposure through, debt, equity, InvITs units, units of Gold and Silver ETFs, Exchange Traded Commodity Derivatives (ETCDs) and derivative positions including fixed income derivatives, repo transactions and credit default swaps in corporate debt securities, and such other securities/assets as may be permitted by SEBI from time to time, subject to requisite approvals, if any, shall not exceed 100% of the net assets of the Scheme. Short position in Exchange Traded Commodity Derivatives (ETCDs) not exceeding the holding of the underlying goods received in physical settlement of ETCD contracts shall be exempted from gross exposure limit provided scheme shall not write options, or purchase instruments with embedded written options in goods or on commodity futures. Further, Short positions in ETCDs not exceeding the long position in ETCDs on the same goods shall be exempted from gross exposure limit.		
3.	**Indicative Table (Actual instrument/percentages may vary subject to applicable SEBI circulars) – (Extract of the section, wherever changes applicable):**						
	Sr. No.	**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 March 20, 2026**
	7.	Any other instruments			Any other instruments		

PUBLIC

Document remediated as per WCAG 2.2 Level AA standards

Sr. No.	Particulars	Existing provisions	Revised provision		
	i.	N.A	Units of Gold and Silver ETFs	Permissible upto 15%	Clause 3.7.2 and 3.8.3
	j.	N.A	Exchange Traded Commodity Derivatives (ETCDs)	Permissible upto 10%	Clause 13.16

Following provisions shall be added in the relevant sections of SID/ KIM of HSBC Equity Savings Fund, HSBC Aggressive Hybrid Fund and HSBC Conservative Hybrid Fund:

1. Who Manages the Fund?

Fund Manager for managing investments in Gold / Silver ETFs	**Fund Manager for managing investments in ETCDs under**	
	HSBC Aggressive Hybrid Fund	**HSBC Equity Savings Fund and HSBC Conservative Hybrid Fund**
Dipan S. Parikh **Age – 52 Years,** **Qualification – B'com** **Experience –** Over 29 years of experience of Dealing in Equity markets. **HSBC Asset Management (India) Private Limited,** Senior Vice President, Dealing from September 2006 to present; **Karvy Stock Broking Private Limited,** Institutional Dealer from July 2001 to September 2006	**Gautam Bhupal** **Age –** 49 Years **Qualifications** - PGDBM, CA, CS, B.Com **Experience:** **HSBC Asset Management (India) Pvt. Ltd.** **SVP & Fund Manager – Equities, since March 2022 till date** Vice President and 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.	**Cheenu Gupta** **Age –** 44 Years**,** **Qualification -** CFA Charter (USA), PGDBM (Finance) - SPJIMR, B.E. (I.T) **Experience -** **HSBC Asset Management (India) Pvt. Ltd.** As SVP & Fund Manager – 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** As Equity – Fund Manager (from August 2009 to February 2018)

2. Risk Factors (associated with investments in Gold /Silver ETFs)

- To the extent the Scheme's assets are invested in Gold/Silver ETFs, the risks associated with the underlying Gold / Silver ETFs, will also be applicable.
- Generally, the investments in ETFs are exposed to tracking error risk, passive management risk and price volatility risk. The Scheme would invest in Gold/Silver ETFs and thus the NAV of the scheme will react to Gold/Silver price movements. Several factors that may affect the price of gold/silver are as follows: - Global gold / silver supplies and demand, which is influenced by factors such as forward selling by gold/silver producers, purchases made by gold/ silver producers to unwind gold/silver hedge positions, central bank purchases and sales, productions and cost levels in major gold/silver producing countries
  - Investors' expectations with respect to the rate of inflation
  - Currency exchange rates
  - Interest rates - Investment and trading activities of hedge funds and commodity funds

PUBLIC

Document remediated as per WCAG 2.2 Level AA standards

- Global or regional political, economic or financial events and situations
- Changes in indirect taxes or any other levies

- Investors should be aware that there is no assurance that gold/silver will maintain its long-term value in terms of purchasing power in the future. In the event that the price of gold/silver declines, the value of investment is expected to decline proportionately.
- The returns from physical gold/silver in which the underlying Gold/Silver ETFs invest may underperform returns from the various general securities markets or different asset classes other than gold/silver. Different types of securities tend to go through cycles of outperformance and under-performance in comparison to the general securities markets.
- The units of Gold/Silver ETFs may trade above or below their NAV. The NAV of the Scheme will fluctuate with changes in the market value of the holdings. The trading prices will fluctuate in accordance with changes in their NAV as well as market supply and demand. However, given that units can be created and redeemed in Creation Units, it is expected that large discounts or premiums to the NAV will not sustain due to arbitrage opportunity available.
- The scheme will subscribe to the units of Gold/Silver ETFs according to the value equivalent to unit creation size as applicable. When subscriptions received are not adequate enough to invest in creation unit size, the Scheme may also purchase units of Gold/Silver ETFs from the secondary market in stock exchange. Since the price of Gold/ Silver ETF units traded on stock exchange may be different from the NAV of Gold/Silver ETF due to liquidity, the Scheme may at times purchase units which are higher in price than the value of gold/silver represented by them or indicative NAV (iNAV) of the Gold/Silver ETF. However, the Fund Manager would make best efforts to purchase units at a price which may be closer or equivalent to representative value of the gold/silver or indicative NAV (iNAV) of the Gold/Silver ETF.
- The units issued under the Scheme, when invested in Gold/Silver ETFs, will derive liquidity from the underlying Gold/Silver ETF having creation / redemption process in creation unit size of predefined quantity of physical gold/silver or units traded on exchanges. At times prevailing market conditions may affect the ability of the underlying Gold/silver ETFs to sell gold/silver against the redemption request received.
- Furthermore, the endeavor would always be to get cash on redemptions from the underlying Gold/silver ETFs. However, in case the underlying Gold/Silver ETF is unable to sell for any reason, and delivers physical gold/silver, there could be delay in payment of redemption proceeds pending such realization.
- Additionally, the Scheme will seek to derive liquidity from trading units of underlying Gold/Silver ETFs on the exchange(s) in the secondary market which may be inherently restricted by trading volumes, settlement periods and transfer procedures. As there is no active secondary market for Gold/Silver ETFs, the processing of redemption requests at times may be delayed. In the event of an inordinately large number of redemption requests, or restructuring of the Scheme's investment portfolio, the processing of redemption requests may be delayed.
- Gold/Silver ETFs would ordinarily repurchase Units in Creation Unit Size. Thus Unit holding less than Creation Unit Size can only be sold through the secondary market on the Exchange. Further, the price received upon the redemption of Units of Gold/Silver ETFs may be less than the value of the gold/silver represented by them.
- Risks associated with handling, storing and safekeeping of physical gold/silver by underlying scheme would always be applicable to the scheme to the extent of its investment in gold/silver ETF. All physical gold/silver procured must follow the LBMA guidelines as per prescribed SEBI guidelines. Risk arises when part or all of the gold/silver held by the Fund could be lost, stolen or damaged and access to gold/silver may be restricted due to natural calamities or human actions. Loss or damage directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power. Loss due to aridity, humidity, exposure to light or extremes of temperature. Hence, the Custodian of the Gold/silver ETF is required to maintain insurance in regard to the business on terms and conditions and the custodian is also responsible for all costs arising from the insurance policies. The custodian taking delivery on behalf of the underlying schemes needs to ensure the weight, purity, and the source of gold/silver as specified under the LBMA guidelines. Since this is paramount to the SEBI guidelines the risk arises in violation of same. Safekeeping of physical gold/silver requires appropriate vaulting space, confirming to the best global standards. The vaulting agents engaged by the custodian need to ensure the same.

3. Risk Factors (associated with investments in Exchange Traded Commodity Derivatives (ETCDs))

An exchange-traded commodity derivative is a standardized financial contract, traded on a regulated exchange, that derives its value from an underlying commodity like gold, oil, or agricultural products. These contracts, typically futures or options, allow investors to speculate on price movements or hedge against price fluctuations of the underlying commodity without actually owning it.

- **Liquidity Risk:** While ETCDs that are listed on an exchange carry lower liquidity risk, the ability to sell these contracts is limited by the overall trading volume on the exchanges. The liquidity of the Schemes' investments is inherently restricted by trading volumes of the ETCD contracts in which it invests. Additionally, change in margin requirements or intervention by government agencies to reduce overall volatility in the underlying commodity could lead to adverse impact on the liquidity of the ETCD.
- **Price risk**: ETCDs are leveraged instruments hence, a small price movement in the underlying security could have a large impact on their value. Also, the market for ETCDs is nascent in India hence, arbitrages can occur between the price of the physical commodity and the ETCD, due to a variety of reasons such as technical issues and volatile movement in the price of the physical good. This can result in mispricing and improper valuation of investment decisions as it can be difficult to ascertain the amount of the arbitrage.
- **Settlement risk**: ETCDs can be settled either through the exchange or physically. The inability to sell ETCDs held in the Schemes' portfolio in the exchanges due to the extraneous factors may impact liquidity and would result in losses, at times, in case of adverse price movement. Wherein the underlying commodity is physically delivered in order to settle the derivative contract, such settlement could get impacted due to various issues, such as logistics, Government policy for trading in such commodities.

4. Risk Mitigation Strategies (Applicable for investments in Gold/Silver ETFs)

Risks & Description	**Risk Mitigants / Management Strategy**
Liquidity risk: Inability to buy / sell appropriate quantity of gold/silver	The underlying scheme may retain certain investments in cash or cash equivalents for its day-to-day liquidity requirements.
Custody Risk: Risk of loss, damage, theft, impurity etc. of gold/silver	In order to ensure safety, the said gold/silver will be stored with custodian in vaults. Gold/Silver held by custodian is also insured. The custodian will insure/cover all such risks.
Price Risk – The risk that the value of an investment may decline due to adverse movements in market prices.	Gold/Silver ETF returns are directly linked to gold/silver prices; therefore, a decline in gold/silver prices can lead to a corresponding decline in the ETF's value and investor returns.

Investors are advised that, following the above changes to the schemes, corresponding updates will be made to the relevant sections of the SID/KIM (as applicable), including Where will the scheme invest, Investment strategy, Risk factors, Risk mitigations, Investment restrictions, Product labelling, and all other related disclosures.

In view of the above, relevant change will be carried out in the SID and KIM of the aforesaid Schemes. All the other terms and conditions of the SID and KIM of the aforesaid Schemes will remain unchanged.

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

For & on behalf of

HSBC Asset Management (India) Private Limited

(Investment Manager to HSBC Mutual Fund)

Sd/-

Authorised Signatory

Place: Mumbai

Date: August 25, 2026

MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS, READ ALL SCHEME RELATED DOCUMENTS CAREFULLY.

HSBC Asset Management (India) Private Limited, 9-11 Floors, NESCO IT Park, Building no. 3, Western Express Highway, Goregaon (East), Mumbai – 400 063, India. Email: investor.line@mutualfunds.hsbc.co.in | Website: www.assetmanagement.hsbc.co.in Issued by HSBC Asset Management (India) Private Limited

CIN – U74140MH2001PTC134220