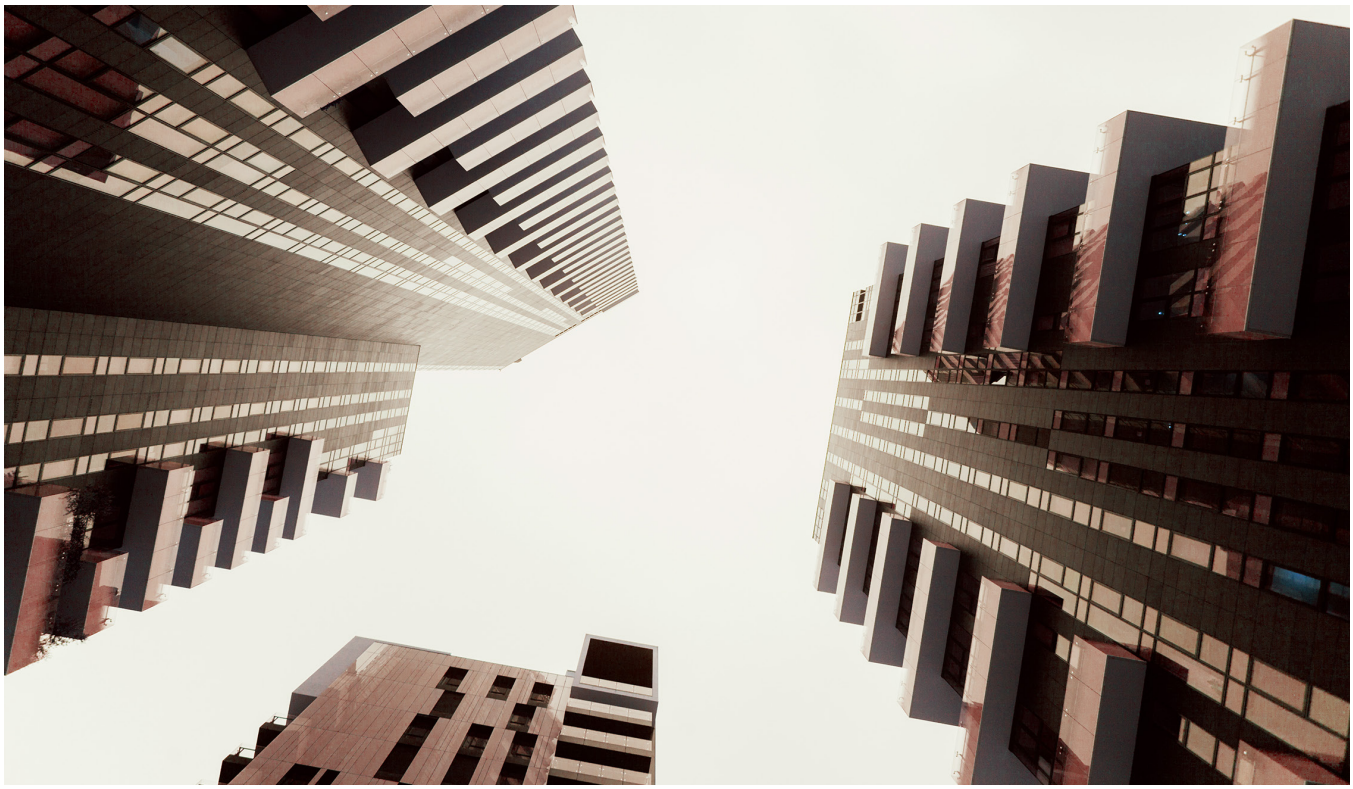
HSBC Mutual Fund



Statement of Additional Information (SAI)

This Statement of Additional Information (SAI) contains details of HSBC Mutual Fund, its constitution, and certain tax, legal and general information. It is incorporated by reference (is legally a part of the Scheme Information Document).

This SAI is dated **June 24, 2026.**

Mutual Fund:	Sponsor:	Trustee Company:	Asset Management Company:
HSBC Mutual Fund 9-11 Floors, NESCO IT Park, Building No. 3, Western Express Highway, Goregaon (East), Mumbai – 400 063, India	**HSBC Securities and Capital Markets (India) Private Limited** CIN – U67120MH1994PTC081575 Regd. Office: 52/60, Mahatma Gandhi Road, Fort, Mumbai – 400 001, India.	**HSBC Trustees (India) Private Limited** CIN – U66190MH2024PTC416973 52/60 Mahatma Gandhi Road, Fort, Mumbai – 400001, 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

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I. INFORMATION ABOUT SPONSOR, AMC AND TRUSTEE COMPANIES

A. CONSTITUTION OF THE MUTUAL FUND

HSBC Mutual Fund ("the Mutual Fund" or "the Fund") has been constituted as a Trust in accordance with the provisions of the Indian Trusts Act, 1882 (2 of 1882) vide a Trust Deed dated February 7, 2002 with HSBC Securities and Capital Markets (India) Private Limited, as the Sponsor and HSBC Trustees (India) Private Limited as the Trustee Company. The office of the Sub-Registrar of Assurances at Mumbai has registered the Trust Deed establishing the Fund under the Registration Act, 1908. The Fund was registered with SEBI vide registration number MF/046/02/5 dated May 27, 2002.

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. SPONSOR

The Mutual Fund is sponsored by HSBC Securities and Capital Markets (India) Private Limited (HSCI). The Sponsor is the Settlor of the Mutual Fund Trust. The Sponsor has entrusted a sum of Rs. 1,00,000 (Rupees One Lakh only) to the Trustee as the initial contribution towards the corpus of the Mutual Fund. HSCI is neither responsible nor liable for any loss or shortfall resulting from the operation of the Scheme beyond this contribution.

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 1,60,000 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 approximately 150 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	2025-2026	2024-2025	2023-2024
Net Worth	464,310	463,275	457,774
Total Income	51,153	46,330	45,874
Profit / (Loss) after Tax	2,698	5,515	17,239
Assets under Management (if applicable)	NA	NA	NA

C. THE TRUSTEE

The Board of Directors of the HSBC Trustees (India) Private Limited (the 'Trustees') shall discharge its obligations as trustee of the HSBC Mutual Fund. The Trustee ensures that the transactions entered into by the AMC are in accordance with the SEBI Regulations and will also review the activities carried on by the AMC.

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.

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Name	Age	Educational Qualifications	Brief Experience
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	65	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.
- 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 Scheme.
- 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.

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- The Board of Directors of Trustee Company are required to ensure that the AMC has been managing the Scheme independently of other activities and has taken adequate steps to ensure that the interest of investors of one Scheme are not compromised with those of any other Scheme 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 Scheme, 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 Scheme 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 Scheme:
  - When required by SEBI for the benefit of the Unitholders of that Scheme; or
  - Upon the request of three-fourths of the Unitholders of any Scheme under the Fund for that Scheme; or
  - When the majority of the Board of Directors of Trustee Company decide to wind up a scheme or prematurely redeem the units of a close ended scheme.
- 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 Fund, 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 Fund.
  - 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 schemes independently of other activities, and any conflicts were addressed to protect unitholders' interests.
  - 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 Mutual Fund 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.
- The Board of Directors of Trustee Company shall exercise due diligence as under:

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 Schemes and shall not allow the AMC to float any new Scheme 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 providers engaged for mutual fund related services holding appropriate registrations from SEBI or the concerned regulatory authority.

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- 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 Mutual Fund.

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 over 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.

The supervisory role of the Board of Directors of Trustee Company will be discharged by reviewing the information and the operations of the Fund 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 scheme of HSBC Mutual Fund 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 Mutual Fund by the Trustee vide Investment Management Agreement (IMA) dated February 7, 2002, and executed between the Trustees and the AMC. SEBI approved the AMC to act as the Investment Manager of the Fund vide its letter No. MFD/BC/163/2002 dated May 27, 2002.

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 of the Fund as mentioned in their respective Scheme Information Document, in accordance with the provisions of IMA, the Trust Deed, the SEBI Regulations and the objectives of the Scheme.

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 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 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.

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 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. He has also worked in Eicher Motors in distribution, sales and marketing functions.

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Name	Age	Educational Qualification	Brief Experience
			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	56	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 Scheme(s) of the Mutual Fund after approval of the same by the Board of Directors of Trustee Company and investing and managing the funds mobilised under various Schemes, in accordance with the provisions of the Trust Deed and the Regulations.
- Evaluating investment opportunities for further investments by the Mutual Fund.
- 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 Mutual Fund's brokers, agents including registrars and transfer agents.
- Issuing, selling, repurchasing and cancelling the Units as per the terms of the respective Scheme of the Mutual Fund.
- Managing the Mutual Fund Scheme independently of other activities and taking adequate steps to ensure that the interests of Unitholders are not being compromised with those of any other Scheme or any of its other activities.
- Opening and operating bank accounts in the name and on behalf of each scheme in relation to the investments made by the Mutual Fund.
- 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 Scheme(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 Mutual Fund in any manner or in relation to any scheme of the Mutual Fund

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 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 mutual fund scheme 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.
- 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.

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- 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 Mutual Fund 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 mutual fund 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 mutual fund.
- 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 schemes are invested to achieve the objectives of the scheme 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 Mutual Fund in all its Scheme(s). Provided that for these purposes, aggregate purchase and sale of securities shall exclude sale and distribution of Units issued by the Mutual Fund. 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 Mutual Fund in all its Scheme(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 Scheme, the investment made by that Scheme or by any other Scheme 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 Scheme 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.
- 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 Scheme 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.

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- The AMC shall abide by the Code of Conduct as specified in Part A of the Fourth Schedule of the SEBI Regulations.
- The AMC shall invest such amounts in such schemes of the mutual fund, based on the risks associated with the schemes, 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 mutual fund schemes 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 scheme, unless full disclosure of its intention to invest has been made in the offer documents.

  Provided that an asset management company shall not be entitled to charge any fee on its investment in that scheme.
- The AMC shall not carry out its fund management operations or execution of transactions relating to mutual funds, 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 scheme(s) in accordance with the investment valuation norms specified in Seventh Schedule and shall publish the same.
- The AMC and the sponsor of the mutual fund shall be liable to compensate the affected investors and/or the scheme 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 scheme 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 scheme 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 scheme(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 schemes.
     (iv) the transactions of the mutual fund are in accordance with the provisions of the trust deed.
     (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.
     (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 and test checks of service contracts are arranged.
     (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 hold appropriate registrations with the SEBI or relevant regulatory authority.
     (x) any special developments in the mutual fund are immediately reported to the Board of Directors of Trustee Company.
     (xi) due diligence is exercised on such matters as may be specified by the SEBI.
- 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 ensure compliance with the Investor Charter specified by SEBI.

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- 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 scheme of the mutual fund, in accordance with SEBI (MF) Regulations and the Trust Deed.
- The AMC shall ensure that no change in the fundamental attributes of any scheme or the trust, fees and expenses payable or any other change which would modify the scheme and affect the interest of unit holders, shall be carried out unless:—
  a. written communication (including digital modes such as email/sms etc.) about the proposed change is sent to each unit holder;
  b. details, as specified by SEBI, are appropriately displayed on the website of the AMC; and
  c. 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 schemes 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.
  - 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 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 mutual fund schemes 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 mutual fund schemes.
  - 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 Scheme property in any way.
- The independent Directors of the AMC shall pay specific attention to the following as may be applicable, namely:
  - the investment management agreement and the compensation paid under the agreement;
  - 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;
  - securities transactions involving associates to the extent such transactions are permitted;
  - selecting and nominating individuals to fill independent directors' vacancies;
  - ensuing code of ethics designed prevents fraudulent, deceptive or manipulative practices by insiders in connection with personal securities transactions;
  - the reasonableness of fees paid to sponsors, AMC and any others for services provided; and
  - any service contract with the associates of the AMC.

Asset Management Fees

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

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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.
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

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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 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
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	50	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.

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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
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.
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 November 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.

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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
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
Shrenik Shah	45	Chief Operating Officer ("COO")	Chartered Accountant & Bachelor of Commerce	24	**HSBC Asset Management (India) Private Limited** as Chief Operating Officer (COO) (Since May 05, 2026) ***Prior Assignments:*** **Avendus Capital Private Limited** Executive Director – Asset Management Operations from May 02, 2023 to May 04, 2026. **HSBC Bank** Head of MSS Operations – Securities Services from October 29, 2007 to April 28, 2023..
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. **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.

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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
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	SVP – 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 SVP – Equities (since March, 2026) as VP – Equities (from November 2022 to February 2026) ***Prior Assignments:*** **L&T Investment Management Limited –** Research Analyst from 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
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.

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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
Mayank Chaturvedi*	31	Vice President – Equities	Chartered Accountant (ICAI) CFA Level 2 (Charlottsville, USA) B.Com (Ahmedabad University)	7	**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	42	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 (From March 1, 2023 to January 15, 2024) as VP - Dealing – Fixed Income (From November 26, 2022 to February 28, 2023) ***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 9, 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.
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 01, 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

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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
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.
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

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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
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.
Rahul Totla	42	VP Fund Management – Fixed Income	BE (Electronics), MBA (Finance)	16	**HSBC Global Asset Management Company Ltd.** VP Fund Management – 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.

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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
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.

* Fund Manager for investments in foreign securities by all the schemes (excluding Overseas Fund of Funds schemes) of HSBC Mutual Fund w.e.f. October 1, 2025.

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 Fund.

PROCEDURE FOLLOWED FOR INVESTMENT DECISIONS

The Fund Managers of the Scheme(s) are responsible for making buy/sell decisions in respect of the securities in the Scheme's 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 Investment 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 be in the manner prescribed by SEBI from time to time. The Committee also reviews the performance of the Schemes 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, Scheme investment objectives and in the best interest of the Unitholders of the Scheme. 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 Mutual Fund.

The performance of the Schemes of equities & fixed income schemes vis-à-vis the benchmark returns are presented to the Board of the AMC and the Trustee Company periodically. The performance of the Scheme is reviewed by the Boards with reference to the appropriate benchmarks. The Fund Managers of the various Equities & Fixed Income Schemes will bring to the notice of the AMC Board, specific factors if any, which are impacting the performance of the Scheme. 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 schemes are benchmarked against the respective Benchmark Index mentioned in the Scheme Information Document read with the addendums issued from time to time. However, the schemes 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. 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 Scheme, 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 Schemes of the Mutual Fund. 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, HDFC Bank House, Senapati Bapat Marg, Lower Parel (W), Mumbai 400013 has been appointed as Fund Accountant for Schemes of the Mutual Fund with effect from December 1, 2025. The Fund Accountant provides fund accounting, NAV calculation and other related services. The Fund Accountant is entitled to remuneration for its services in accordance with the terms of the Fund Administration Agreement. The Board of Directors of Trustee Company / AMC have the right to change the Fund Accountant, if necessary.

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

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IV. CONDENSED FINANCIAL INFORMATION (CFI)

Condensed financial information (CFI) for all the schemes launched by MF during the last three fiscal years (excluding redeemed schemes) in the format given below:

Condensed Financial Information as of 31 March, 2026

HISTORICAL PER UNIT STATISTICS	HSBC Consumption Fund			HSBC Multi Asset Allocation Fund		
	01-Apr-25 31-Mar-26	01-Apr-24 31-Mar-25	31-Aug-23 31-Mar-24	01-Apr-25 31-Mar-26	01-Apr-24 31-Mar-25	28-Feb-24 31-Mar-24
NAV at the beginning of the period (Rs.)						
Dividend Option	13.0917	11.9762	N.A	10.7797	10.1449	N.A
Growth Option	13.0917	11.9761	N.A	10.7797	10.1449	N.A
Monthly Dividend Option	N.A	N.A	N.A	N.A	N.A	N.A
Quarterly Dividend Option	N.A	N.A	N.A	N.A	N.A	N.A
Direct Plan - Growth Option	13.3813	12.0739	N.A	10.9422	10.1578	N.A
Direct Plan - Dividend Option	13.3813	12.0739	N.A	10.9422	10.1578	N.A
Direct Plan - Monthly Dividend Option	N.A	N.A	N.A	N.A	N.A	N.A
Direct Plan - Quarterly Dividend Option	N.A	N.A	N.A	N.A	N.A	N.A
Dividend paid per unit during the year (Individual/HUF) (Rs.) #						
Dividend Option	N.A	N.A	N.A	3.1160	N.A	N.A
Dividend paid per unit during the year (Others) (Rs.) #						
Dividend Option	N.A	N.A	N.A	3.1160	N.A	N.A
NAV at the End of the year/period (Rs.)						
Dividend Option	12.4533	13.0917	11.9762	11.3965	10.7797	10.1449
Growth Option	12.4533	13.0917	11.9761	12.4836	10.7797	10.1449
Monthly Dividend Option	N.A	N.A	N.A	N.A	N.A	N.A
Quarterly Dividend Option	N.A	N.A	N.A	N.A	N.A	N.A
Direct Plan - Growth Option	12.8921	13.3813	12.0739	12.8437	10.9422	10.1578
Direct Plan - Dividend Option	12.8920	13.3813	12.0739	12.5190	10.9422	10.1578
Direct Plan - Monthly Dividend Option	N.A	N.A	N.A	N.A	N.A	N.A
Direct Plan - Quarterly Dividend Option	N.A	N.A	N.A	N.A	N.A	N.A
Net Assets at End of Year/period (Rs. in Crores)	1,495.79	1,438.46	1,172.77	2,588.62	1,998.70	1,419.77
Ratio of Recurring Expenses to Average Daily Net Assets (%) (Annualised)	1.91%	2.06%	2.18%	1.72%	1.86%	2.00%
Date of Allotment Direct	31-Aug-23			28-Feb-24		
Date of Allotment Regular	31-Aug-23			28-Feb-24		
Annualised Returns (Since inception) **						
Direct	10.34%	20.31%	36.05% ¥'¥	12.75%	8.63%	19.71% ¥'¥
Market Value (Value of ₹ 10,000 invested)	12,892.00	13,382.00	12,074.00	12,844.00	10,942.00	10,157.00
Regular	8.88%	18.66%	34.38% ¥'¥	11.23%	7.15%	18.25% ¥'¥
Market Value (Value of ₹ 10,000 invested)	12,454.00	13,094.00	11,978.00	12,484.00	10,780.00	10,145.00
Benchmark Returns (Since inception)						
Direct	9.79%	18.62%	39.01% ¥'¥	11.17%	12.43%	31.84% ¥'¥
Market Value (Value of ₹ 10,000 invested)	12,727.00	13,086.00	12,244.00	12,470.00	11,359.00	10,253.00
Regular	9.79%	18.62%	39.01% ¥'¥	11.17%	12.43%	31.84% ¥'¥

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HISTORICAL PER UNIT STATISTICS	HSBC Consumption Fund			HSBC Multi Asset Allocation Fund		
	01-Apr-25 31-Mar-26	01-Apr-24 31-Mar-25	31-Aug-23 31-Mar-24	01-Apr-25 31-Mar-26	01-Apr-24 31-Mar-25	28-Feb-24 31-Mar-24
Market Value (Value of ₹ 10,000 invested)	12,727.00	13,086.00	12,244.00	12,470.00	11,359.00	10,253.00
Performance of Additional Benchmark (Since inception) 1						
Direct	7.03%	14.70%	28.45% ¥¥	1.97%	7.83%	21.56% ¥¥
Market Value (Value of ₹ 10,000 invested)	11,916.00	12,411.00	11,637.00	10,415.00	10,848.00	10,171.00
Regular	7.03%	14.70%	28.45% ¥¥	1.97%	7.83%	21.56% ¥¥
Market Value (Value of ₹ 10,000 invested)	11,916.00	12,411.00	11,637.00	10,415.00	10,848.00	10,171.00
Performance of Additional Benchmark (Since inception) 2						
Direct	NA	NA	NA	NA	NA	NA
Market Value (Value of ₹ 10,000 invested)	NA	NA	NA	NA	NA	NA
Regular	NA	NA	NA	NA	NA	NA
Market Value (Value of ₹ 10,000 invested)	NA	NA	NA	NA	NA	NA
Benchmark Index	NIFTY India Consumption Index TRI			BSE 200 TRI (65 per cent) + NIFTY Short Duration Debt Index (20 per cent) + Domestic Price of Gold (10 per cent) + Domestic Price of Silver (5 per cent)		
Additional Benchmark Index 1	Nifty 50 TRI			Nifty 50 TRI		
Additional Benchmark Index 2	NA	NA	NA	NA	NA	

HISTORICAL PER UNIT STATISTICS	HSBC India Export Opportunities Fund		HSBC Financial Services Fund		HSBC GOLD ETF $+	HSBC GOLD ETF FOF $+
	01-Apr-25 31-Mar-26	25-Sep-24 31-Mar-25	01-Apr-25 31-Mar-26	27-Feb-25 31-Mar-25	16-Mar-26 31-Mar-26	19-Mar-26 31-Mar-26
NAV at the beginning of the period (Rs.)						
Dividend Option	8.8806	N.A	10.4698	N.A	N.A	N.A
Growth Option	8.8805	N.A	10.4698	N.A	N.A	N.A
Monthly Dividend Option	N.A	N.A	N.A	N.A	N.A	N.A
Quarterly Dividend Option	N.A	N.A	N.A	N.A	N.A	N.A
Direct Plan - Growth Option	8.9457	N.A	10.4841	N.A	N.A	N.A
Direct Plan - Dividend Option	8.9457	N.A	10.4839	N.A	N.A	N.A
Direct Plan - Monthly Dividend Option	N.A	N.A	N.A	N.A	N.A	N.A
Direct Plan - Quarterly Dividend Option	N.A	N.A	N.A	N.A	N.A	N.A
Dividend paid per unit during the year (Individual / HUF) (Rs.) #						
Dividend Option	N.A	N.A	N.A	3.1160	N.A	N.A
Dividend paid per unit during the year (Others) (Rs.) #						
Dividend Option	N.A	N.A	N.A	3.1160	N.A	N.A
NAV at the End of the year/period (Rs.)						
Dividend Option	8.8797	8.8806	10.6518	10.4698	N.A	N.A
Growth Option	8.8797	8.8805	10.6518	10.4698	N.A	N.A
Monthly Dividend Option	N.A	N.A	N.A	N.A	N.A	N.A
Quarterly Dividend Option	N.A	N.A	N.A	N.A	N.A	N.A
Direct Plan - Growth Option	9.0656	8.9457	10.8205	10.4841	126.9305	N.A

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HISTORICAL PER UNIT STATISTICS	HSBC India Export Opportunities Fund		HSBC Financial Services Fund		HSBC GOLD ETF $+	HSBC GOLD ETF FOF $+
	01-Apr-25 31-Mar-26	25-Sep-24 31-Mar-25	01-Apr-25 31-Mar-26	27-Feb-25 31-Mar-25	16-Mar-26 31-Mar-26	19-Mar-26 31-Mar-26
Direct Plan - Dividend Option	9.0655	8.9457	10.8202	10.4839	N.A	N.A
Direct Plan - Monthly Dividend Option	N.A	N.A	N.A	N.A	N.A	N.A
Direct Plan - Quarterly Dividend Option	N.A	N.A	N.A	N.A	N.A	N.A
Net Assets at End of Year/period (Rs. in Crores)	1,086.18	1,633.52	746.86	539.54	325.05	355.79
Ratio of Recurring Expenses to Average Daily Net Assets (%) (Annualised)	1.91%	1.97%	2.18%	2.36%	0.48%	0.47%
Date of Allotment Direct	25-Sep-24		27-Feb-25		16-Mar-26	19-Mar-26
Date of Allotment Regular	25-Sep-24		27-Feb-25		16-Mar-26	19-Mar-26
Annualised Returns (Since inception) **						
Direct	-6.29%	-20.91% ¥'¥	7.54%	60.8921% ¥'¥	NA	NA
Market Value (Value of ₹ 10,000 invested)	9,066.00	8,869.00	10,821.00	10,385.00	NA	NA
Regular	-7.57%	-22.19% ¥'¥	6.00%	59.2559% ¥'¥	338.7412% ¥'¥	NA
Market Value (Value of ₹ 10,000 invested)	8,880.00	8,812.00	10,652.00	10,377.00	10,287.65	NA
Benchmark Returns (Since inception)						
Direct	-9.98%	-24.10% ¥'¥	2.51%	87.53% ¥'¥	NA	NA
Market Value (Value of ₹ 10,000 invested)	8,532.00	8,717.00	10,272.00	10,512.00	NA	NA
Regular	-9.98%	-24.10% ¥'¥	2.51%	87.53% ¥'¥	394.586% ¥'¥	NA
Market Value (Value of ₹ 10,000 invested)	8,532.00	8,717.00	10,272.00	10,512.00	10,311.32	NA
Performance of Additional Benchmark (Since inception) 1						
Direct	-8.68%	-18.23% ¥'¥	0.15%	54.58% ¥'¥	NA	NA
Market Value (Value of ₹ 10,000 invested)	8,719.00	9,083.78	10,017.00	10,352.00	NA	NA
Regular	-8.68%	-18.23% ¥'¥	0.15%	54.58% ¥'¥	NA	NA
Market Value (Value of ₹ 10,000 invested)	8,719.00	9,083.78	10,017.00	10,352.00	NA	NA
Performance of Additional Benchmark (Since inception) 2						
Direct	NA	NA	NA	NA	NA	NA
Market Value (Value of ₹ 10,000 invested)	NA	NA	NA	NA	NA	NA
Regular	NA	NA	NA	NA	NA	NA
Market Value (Value of ₹ 10,000 invested)	NA	NA	NA	NA	NA	NA
Benchmark Index	Nifty 500 TRI		BSE Financial Services TRI		Domestic Price of Gold	
Additional Benchmark Index 1	Nifty 50 TRI		NA		NA	
Additional Benchmark Index 2	NA	NA	NA	NA	NA	

Notes :

1) # Dividend paid per unit is net of dividend distribution tax, wherever dividend distribution tax is applicable.

2) $+ Schemes launched during the period.

3) ¥'¥ Since scheme has not completed one year, since inception scheme & benchmark returns are absolute returns.

4) Additional Benchmark Index 1 & Index 2 disclosed above is as per para 13.1.9 of SEBI Master Circular on Mutual Funds dated March 20, 2026.

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V. RISK FACTORS

A. STANDARD RISK FACTORS

a. Standard Risk Factors for investments in Mutual Fund

- Mutual funds and securities investments are subject to market risks and there is no assurance or guarantee that the objectives of the Schemes will be achieved.
- Investment in Mutual Fund Units involves investment risks such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of principal.
- As the price/value/yield of the securities in which the Scheme invests fluctuates, the value of your investment in the Schemes 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/Mutual Fund does not guarantee future performance of the Schemes.
- The name of the Schemes does not in any manner indicate either the quality of the Schemes or their future prospects and returns.
- The Sponsor is not responsible or liable for any loss resulting from the operation of the Schemes 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 Schemes.
- The Schemes are not guaranteed or assured return Schemes.
- Mutual funds 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 Scheme. The various factors which impact the value of the Schemes' investments include, but are not limited to, fluctuations in the bond markets, fluctuations in interest rates, prevailing political and economic environment, changes in government policy, factors specific to the issuer of the securities, tax laws, liquidity of the underlying instruments, 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. Risk factors of not maintaining average AUM of Rs. 20 crores on half yearly rolling basis (Applicable only for open ended debt oriented schemes)

As per paragraph 7.20 of the SEBI Master Circular on Mutual Funds dated March 20, 2026 in the interest of investors it is important that debt-oriented schemes have an adequate corpus to ensure adherence to the investment objectives and compliance with investment restrictions specified under SEBI (Mutual Funds) Regulations, 2026. Debt oriented Schemes shall maintain an average AUM of Rs. 20 crores on half yearly rolling basis. In case, the average AUM falls below Rs. 20 crores, the AMC shall scale up the AUM of such Schemes within a period of six months so as to maintain the average AUM of Rs. 20 crores on half yearly rolling basis failing which the provisions of winding up as mentioned Regulation 36(2)(c) of SEBI (Mutual Funds) Regulations, 2026 would become applicable.

c. Risks associated with different derivative strategies

- The Schemes may invest in derivative products (included but not limited to Interest Rate Futures, Interest Rate Swaps etc.) in accordance with and to the extent permitted under the Regulations and by SEBI. 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. Trading in derivatives carries a high degree of risk although they are traded at a relatively small amount of margin which provides the possibility of great profit or loss in comparison with the principal investment amount. Thus, derivatives are highly leveraged instruments. Even a small price movement in the underlying security could have an impact on their value and consequently, on the NAV of the Units of the Schemes.
- Investment in derivatives also requires the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to the portfolio and the ability to forecast price or interest rate movements correctly. Even a small price movement in the underlying security could have an impact on their value and consequently, on the NAV of the Units of the Schemes.
- The Schemes may face execution risk, whereby the rates seen on the screen may not be the rate at which the ultimate execution of the derivative transaction takes place.
- The Schemes may find it difficult or impossible to execute derivative transactions in certain circumstances. For example, when there are insufficient bids or suspension of trading due to price limit or circuit breakers, the Scheme may face a liquidity issue.
- The options buyer's risk is limited to the premium paid, while the risk of an options writer is unlimited. However, the gains of an options writer are limited to the premiums earned. Since in case of the Schemes, all option positions will have underlying assets, all losses due to price – movement beyond the strike price will actually be an opportunity loss.
- The exchange may impose restrictions on exercise of options and may also restrict the exercise of options at certain times in specified circumstances and this could impact the value of the portfolio.
- Investments in index futures face the same risk as the investments in a portfolio of shares representing an index. The extent of loss is the same as in the underlying stocks.
- The Schemes bears a risk that it may not be able to correctly forecast future market trends or the value of assets, indices or other financial or economic factors in establishing derivative positions for the Scheme.

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- The risk of loss in trading futures contracts can be substantial, because of the low margin deposits required, the extremely high degree of leverage involved in futures pricing and the potential high volatility of the futures markets.
- There is the 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.
- Other risks in using derivatives include the risk of mispricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates, and indices.
- Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor.
- Execution of investment strategies depends upon the ability of the fund manager(s) to identify such opportunities which may not be available at all times. 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.
- The risks associated with the use of derivatives are different from or possibly greater than, the risks associated with investing directly in securities and other traditional investments.

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

Liquidity risk can be defined as inability of the fund manager to exit securities at their fair value in the secondary market whenever there is a need to generate cash, thereby compromising exiting or remaining investors. Investment in Mutual Fund Units are subject to liquidity risk. Liquidity Risk is measured and addressed through the below mentioned liquidity management tools -

Liquidity Management Tools	Brief Description
Swing Pricing	In terms of paragraph 5.8 of SEBI Master circular dated March 20, 2026, all open-ended debt mutual fund schemes (except overnight funds, Gilt funds, and Gilt with 10-year maturity funds) are required to follow Swing Pricing Framework. SEBI has prescribed swing pricing for scenarios related to net outflows from the schemes. Accordingly, a mandatory full swing price framework, during market dislocation times (as and when declared by SEBI), for open ended debt schemes (except overnight funds, Gilt funds, and Gilt with 10-year maturity funds) has been introduced in scheme provisions of all the respective Debt Schemes of the Fund. When swing pricing mechanism is triggered and swing factor is made applicable during market dislocation, both the incoming and exiting investors shall get NAV adjusted for swing pricing. Swing pricing shall be made applicable to all unitholders at PAN level, with an exemption for redemptions up to Rs. 2 lakhs for each mutual fund scheme for market dislocation.
Backstop facility in form of investment in Corporate Debt Market Development Fund (CDMDF)	CDMDF is set up as a scheme of the Trust registered as an Alternative Investment Fund ('AIF') in accordance with the SEBI (Alternative Investment Funds) Regulations, 2012 ("AIF Regulations") which is launched as a closed-ended scheme with an initial tenure of 15 years (extendable) from the date of its initial closing. The objective of the CDMDF is to help to develop the corporate debt market by providing backstop facility to instill confidence amongst the market participants in the corporate debt/bond market during times of market dislocation and to enhance the secondary market liquidity. In times of market dislocation, CDMDF shall purchase and hold eligible corporate debt securities from the participating investors (i.e., specified debt-oriented MF schemes to begin with) and sell as markets recover. The CDMDF will thus act as a key enabler for facilitating liquidity in the corporate debt market and to respond quickly in times of market dislocation. The trigger and period for which the backstop facility will be open shall be as decided by SEBI. In accordance with the requirement of Regulation 40 of SEBI (Mutual Funds) Regulations, 2026 read with Clause 18.2 of SEBI Master Circular on Mutual Funds dated March 20, 2026, on Investment by Mutual Fund Schemes and AMCs in units of Corporate Debt Market Development Fund, the schemes as stated below shall invest 25 bps of its AUM as on December 31, 2022, in the units of the Corporate Debt Market Development Fund ('CDMDF'). An incremental contribution to CDMDF shall be made every six months to ensure 25 bps of scheme AUM is invested in units of CDMDF. However, if AUM decreases there shall be no return or redemption from CDMDF. New schemes from existing MFs under the specified categories or such schemes of new MFs shall also contribute 25 bps of their respective AUM and make incremental contribution. Contribution from specified debt-oriented MF schemes and AMCs made to CDMDF including the appreciations on the same, if any, shall be locked-in till winding up of the CDMDF.

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<tr><th>Liquidity Management Tools</th><th>Brief Description</th></tr>
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Investments in CDMDF units shall not be considered as violation while considering maturity restriction as applicable for various purposes (including applicable Investment limits) and the calculations of Potential Risk Class (PRC) Matrix, Risk-o-meter, Stress testing and Duration for various purposes shall be done after excluding investments in units of CDMDF.</td></tr>
<tr><td>LRM framework - Maintenance of minimum liquid assets in all open-ended debt schemes and monitoring liquid assets through LR-RaR and LR-CRaR framework provided by AMFI</td><td>In accordance with SEBI circular and AMFI best practice guidelines (issued from time to time), the AMC has put in place the Liquidity Risk Management Framework which monitors the liquidity risk for all open-ended debt schemes (except Overnight fund, Liquid fund, Gilt fund and Gilt Fund with 10-year constant duration). These schemes shall hold at least 10% of their net assets in liquid assets or liquidity ratio computed basis LR-RaR (redemption at risk) and LR-CRaR (conditional redemption at risk), whichever is higher. Similarly, liquid funds shall comply with the requirement of maintaining liquid assets at 20% of their net assets or liquidity ratio computed basis LR-RaR and LR-CRaR, whichever is higher. As per the prescribed guidelines, liquidity ratios are calculated, and liquid assets are maintained on a daily basis at scheme level for all open-ended schemes (except overnight funds, Gilt funds, and Gilt with 10-year maturity funds). The AMFI guidelines also outline the action plan in case the actual liquid assets of the schemes are less than the required liquidity ratios computed basis LR-RaR and LR-CRaR. The AMC also performs Back-testing of liquidity ratios capturing actual outflow data for each scheme on a rolling 30-day basis and comparing the same with the predicted outflows.

Further, the AMC monitors asset-liability mismatch requirement which addresses Asset Liability Management covers potential liquidity requirement over a 90-day period. The 90-day liability ratio is calculated taking into account investor behavior based on size of their investments and historic redemptions at an industry level. The 90-day liability ratio is compared with the Portfolio Liquidity ratio to ascertain if any asset liability mismatch exists.</td></tr>
<tr><td>Stress Testing</td><td>In accordance with SEBI Master Circular on Mutual Funds dated March 20, 2026 and AMFI guidelines (issued from time to time), the AMC carries out stress testing for all schemes (except overnight scheme). Stress testing covers impact on the scheme NAV on account of market risk, credit risk and liquidity risk.

Additionally, SEBI, through AMFI, has directed AMCs to disclose certain risk parameters of Mid and Small Cap schemes and upload the results on AMFI and AMC website every month within 15 days from the end of the month. The calculation methodology for liquidity risk and the template for disclosing risk parameters has been provided by AMFI.</td></tr>
</table>

B. SPECIAL CONSIDERATIONS

- From time to time and subject to the Regulations, the Sponsor, their associates, subsidiaries, the Mutual Fund, Trustee Company and the AMC may invest directly or indirectly in the Scheme(s) of HSBC Mutual Fund. These entities may acquire a substantial portion of scheme's units and collectively constitute a major investor in the Scheme(s). Accordingly, redemption of Units held by such entities may have an adverse impact on the Scheme(s) because the timing of such redemption may impact the ability of other Unitholders to redeem their Units.
- As the liquidity of the Scheme(s) investments could, at times, be restricted by trading volumes and settlement periods, the time taken by the Scheme(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 Scheme(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 Scheme Information Documents of respective scheme(s).

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- Redemptions due to change in the fundamental attributes of the Scheme(s) or due to any other reasons may entail tax consequences. The Trustees, the Mutual Fund, the AMC, their directors of AMC and Trustee Company or their employees shall not be liable for any tax consequences that may arise.
- The Scheme(s) at times may receive large number of redemption requests which may have an adverse impact on the performance of the Scheme(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 SIDs of the respective scheme 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 Scheme(s) of HSBC Mutual Fund 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 SIDs of the scheme(s) nor the Units of the Scheme(s) have been registered in any jurisdiction. The distribution of the SIDs of the scheme(s) of HSBC Mutual Fund in certain jurisdictions may be restricted or totally prohibited and accordingly, persons who come into possession of the SIDs of the scheme(s) of HSBC Mutual Fund are required to inform themselves about, and to observe, any such restrictions.
- Prospective investors should review/study the SIDs of the scheme(s) of HSBC Mutual Fund 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 Mutual Fund/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 SIDs of the scheme(s) of HSBC Mutual Fund in connection with issue of Units under the Scheme. Prospective investors are advised not to rely upon any information or representations not incorporated in the SIDs of the scheme(s) of HSBC Mutual Fund as the same have not been authorised by the Fund or the AMC. Any subscription, purchase or sale made by any person on the basis of statements or representations which are not contained in the SIDs of the scheme(s) of HSBC Mutual Fund 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 SIDs of the scheme(s) of HSBC Mutual Fund is in accordance with the SEBI regulations and the facts stated herein are correct and this SID 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 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 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. 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, 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 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.

  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 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"), Gujrat 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?

- The Application Form for the sale of Units of the Scheme 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 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. The first instalment of SIP should however be payable at the location where the application is tendered.
- 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 Scheme Information Document.
- All cheques and bank drafts must be drawn in the name of the Scheme e.g. "HSBC Equity 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 Scheme 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.
4. ARN Holder deceased

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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 Mentio-ned	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 the sale of mutual fund products, 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 to this regulatory change, all employees of distributors who are involved in sale of mutual fund products are required to obtain an

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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 schemes of the Fund 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 scheme(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 scheme(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 Scheme(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.

- **Transacting through Stock Exchange mechanism:** The Mutual Fund also offers an alternate facility of transacting in the Units of the select Schemes of the Mutual Fund 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 schemes of the Mutual Fund. 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 Centres.

- **Transactions through Facsimile or Electronic Mode:**

  The AMC, Mutual Fund, 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.

  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

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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 scheme 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 Mutual Fund, 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 scheme 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 Mutual Fund, 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.
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.

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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.

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 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 document 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 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 Mutual Fund:

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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 Mutual Fund 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 Fund shall endeavors to use, where possible, more than one of the above means of communication. Further, the Fund 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 Fund 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 Fund reserves the right to reject any such request found incomplete or not found in order.

Investment transactions (Lump sum and SIPs) upto Rs. 50,000/- exempt from Permanent Account Number (PAN)

For details on Micro financial products (MFP), Investors are requested to refer to the Scheme Information Document (SID) available on the Fund website

Further, as per clause no. 15.16 of SEBI Master Circular on Mutual Funds dated March 20, 2026, investors residing in the state of Sikkim and Central Government/State Government officials and officials appointed by the courts e.g. Official liquidator, Court receiver etc. (under the category of Government) respectively are exempted from the mandatory requirement of PAN for their investments in Mutual Funds. However, this would be subject to verification of the veracity of the claim of the investors by collecting sufficient documentary evidence. The AMC reserves the right to ask for the necessary documentation to the satisfaction of the Mutual Fund. The PAN requirements will be applicable to all joint applicants as well as the Guardian, in case of applications by a Minor. Applications without this information will be rejected as per the presently applicable regulations. It is also to be noted that furnishing an incorrect PAN or not furnishing these details could invite a penalty of Rs. 10,000, as per the provisions of the Income Tax Act, 2025.

Dividend reinvestment, if any, of Rs. 50,000 or more, qualifies as purchase of Units and hence will be subject to PAN requirement for all holders under such folio(s). Further, no exit load shall be charged for Unit(s) allotted under bonus/Reinvestment of IDCW option. In case of non-receipt of PAN details from the investors/Unit holders (in case the application/Units are held in joint names, each of the Unitholders), the dividend will be compulsorily paid out to the Unit holders and not reinvested.

An application made may be accepted or rejected in the sole and absolute discretion of the Trustees. The Trustees may reject any application for purchase of Units, if in the opinion of the Trustees, increasing the size of any or all of the Scheme's Unit capital is not in the general interest of the Unitholders, or the Trustees for any other reason believe it would be in the best interest of the Scheme or its Unitholders to accept/reject such an application. Provided always that the Trustees' rights will be subject to applicable SEBI Regulations, if any.

The AMC shall have the right to set-off dividend amounts, redemption amounts or any other amounts that may be payable to an investor under the Scheme:

(i) against redemption proceeds already paid by the AMC in respect of units created without realizing the subscription amounts, and/or

(ii) against any excess payments made (and, in the case of payments by cheque, whether encashed or not) to such investor, under the Scheme or under any other scheme of the Mutual Fund managed by the AMC in the same folio or any other folio of such investor in the Mutual Fund.

The Mutual Fund needs to use intermediaries such as post office, local and international couriers, banks and other intermediaries for correspondence with the investor and for making payments to the investor by cheques, drafts, warrants, through ECS etc. The investor expressly agrees and authorizes the Mutual Fund to correspond with the investor or make payments to the investor through intermediaries including but not limited to post office, local and international couriers and banks. The investor clearly understands the mutual fund uses such intermediaries for the convenience of the investor and such intermediaries are agents of the investor and not the mutual fund. The Fund is not responsible for delayed receipt or non-receipt of any correspondence or payment through such intermediaries.

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 domestic mutual funds 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/Mutual Fund/Registrar, in connection with the investment in the schemes.

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

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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 Scheme 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. All communications and payments shall be made to the First Applicant only.

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.

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.

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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 Scheme 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.

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

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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.

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 schemes of HSBC Mutual Fund;

- Transactions through online/electronic modes can be done through https://invest.assetmanagement.hsbc.co.in, and HSBC Mutual Fund 'Invest Xpress' Mobile app, or through any other electronic mode introduced from time to time.
- Corporate Investors can send transactions on a designated email id transact@hsbc.co.in
- Resident individual Investors holding an existing folio with mode of holding as Single/Any or Survivor can submit financial transactions through 24X7 WhatsApp chatbot number 93269 29294, the transaction will be processed subject to necessary validations.
- 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 designated branch office of Computer Age Management Services Limited (CAMS) (termed as Collection Centre);
- 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 Mutual Fund Distributors will also be official point of acceptance for the transactions done under this facility.
- MF Central – A digital platform for Mutual Fund 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 or SIP 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 scheme fund 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.

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Online transactions will save cost and time of the investor and will also enable the Fund 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 Fund, 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 Fund shall not be liable for any misuse of data placed on the Internet, by third parties "hacking" or unauthorized accessing of the server. The Fund 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 Fund.

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 Scheme'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 Scheme'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 time lines within which the Funds are credited into the Scheme'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 intermediary/aggregator or by the Mutual Fund. 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/MF 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 Scheme. 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 Scheme(s).

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 Mutual Fund 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 Mutual Fund 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 Scheme 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. request 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 Mutual Funds. 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 c to the area of activity of an intermediary. Accordingly, the additional KYC information required for mutual fund 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 Fund who have registered their KYC details with the Fund 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 Fund, 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.

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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 our the KYC section under Information Library on our website www.assetmanagement.hsbc.co.in

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 schemes of the Fund 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.

Updation of Permanent Account Number (PAN) for transactions in HSBC Mutual Fund

Investors are requested to note that PAN is mandatory for all financial transactions in schemes of the Fund, 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 earlier 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.

The investors who have not provided the copy of PAN card to the AMC or not completed the KYC process at the time of investing in any of the schemes of the Fund, are advised to provide a copy of self-attested PAN card by submitting 'KYC Change Request Form' which is available on our website https://www.assetmanagement.hsbc.co.in/en/mutual-funds.

Note: *Investors are requested to submit a copy along with the original for verification at the investor service centres of the Mutual Fund/CAMS, which will be returned across the counter. Alternatively, a distributor empanelled with the Mutual Fund can attest a copy. A true copy bearing a Bank Manager's or a Notary Public's attestation will also be accepted.*

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) and investors investing upto Rs. 50,000 (i.e. Micro Investments) per year (rolling 12 months period or in a financial year i.e. April to March).

Investors making Micro Investments shall, in lieu of PAN and KYC requirements, be required to furnish an attested copy (self-attested/attested by the AMFI registered distributor bearing its AMFI Registration Number) of any of the following photo identification documents and proof of address:

(a) Voter Identity Card; (b) Driving License; (c) Government/Defence identification card; (d) Passport; (e) Photo Ration Card; (f) Photo Debit Card; (g) Employee Identity cards issued by companies registered with Registrar of Companies; (h) Photo identification issued by bank managers of scheduled commercial banks/gazette officer/elected representatives to the Legislative Assembly/Parliament; (i) Identity card issued to employees of scheduled commercial/state/district co-operative banks; (j) Senior Citizen/Freedom Fighter identity card issued by Government; (k) Cards issued by universities/deemed universities or institutes under statutes like The Institute of Chartered Accountants of India, The Institute of Cost and Works Accountants of India, The Institute of Company Secretaries of India; (l) Permanent Retirement Account Number (PRAN) card issued to new pension system (NPS) subscribers by the central recordkeeping agency (National Securities Depositories Limited); (m) Any other photo identity card issued by Central Government/State Governments/municipal authorities/Government organizations like Employees' State Insurance Corporation/Employees Provident Fund Organisation.

It is clarified that where photo identification documents contain the address of the investor, a separate proof of address is not required.

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 mutual fund 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.

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- 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.

Investors who wish to update their PAN can visit our website www.assetmanagement.hsbc.co.in for online updation or submit a copy of self-attested PAN at any of the Investor Service Centres of HSBC Asset Management (India) Private Limited ('AMC') or the Registrar and Transfer Agent ('RTA') with a request letter quoting their folio. For completing the KYC requirements, Unit holders are advised to use the applicable KYC Form and submit the same at the point of acceptance.

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 Scheme are available for sale, repurchase and switch at applicable NAV based prices, subject to prevalent load provisions, if any, on every business day.

i) Sale (Purchase) of Units

The Units of the Scheme will be available at the sale price, which is based on the Applicable NAV, subject to entry load if any and subject to the minimum application amount specifications. Subscriptions on an ongoing basis will be made 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 Scheme. 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 Fund/AMC from time to time. Such request should be submitted at any of the Investor Service Centres/Designated Collection Centres.

The repurchase would be permitted to the extent of credit balance in the Unitholder's account. The repurchase request can be made by specifying the rupee amount or the number of Units to be repurchased. Repurchase requests can be made for a minimum amount of Rs. 500/- (Rupees Five Hundred only) and in multiples of Re. 1/- (Rupee One Only) or 50 units and in multiples of 1 unit thereafter or account balance whichever is lower in case of all the Schemes of the Fund.

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 Mutual Fund 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 Fund/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.

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 Mutual Fund 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.

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If a Unitholder makes a redemption request immediately after purchase of Units, the Fund 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 Scheme'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 Scheme to any of the other Scheme offered by the Fund, 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 Scheme / 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 Scheme. 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 Scheme from which the switch is sought. Where a 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 Mutual Fund is authorised to switch out the entire such (lesser) balance and investing the net proceeds in the other Scheme / Plans / Options, subject to the minimum balance, minimum application amount and subscription / redemption criteria applicable for the respective Scheme

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 Scheme in which the units are held and investing the net proceeds in the other Scheme / Plans / Options, subject to the minimum balance, minimum application amount and subscription / redemption criteria applicable for the respective Scheme.

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 Schemes / Plans of the Fund) 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 Scheme.

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 HSBC SIP / HSBC STP, accepted by the Fund.

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 Schemes / plans of the Mutual Fund) 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 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 Fund 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 Schemes of the Fund.

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 Scheme.

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

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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 Scheme Information Document (SID) 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 scheme directly with the Fund. Purchase/subscription applications routed through distributor will not be eligible for investment under Direct Plan. Direct Plan is available in all Schemes/Plans of the Fund. All Plans and Options thereunder (including Direct Plan) will have a common portfolio.

All characteristics of the Schemes 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, (whether the investments were made before or after January 1, 2013) 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 Scheme.
   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 Fund for investing directly with the Fund {including Stock Exchange platform(s)}

Investors wishing to transfer their accumulated balance held under any existing Plan of the Schemes (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 Mutual Fund 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.)

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

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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 Mutual Fund 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 certificate$ 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 Fund 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 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 scheme account followed by the name of the first investor. For e.g. "HSBC Equity Fund A/c – (Name of Investor)" and the application number / folio number should be written on the reverse of the cheque.

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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 scheme / plan concerned.

A. Special Products / Facilities offered by the AMC / Schemes

Special Products/Facilities available/offered to the investors under the Scheme

(1) Systematic Investment Plan (SIP)

Unitholders of the Scheme(s) of HSBC Mutual Fund 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 Scheme at NAV based prices. The requirement of 'Minimum Amount for Application' will not be applicable in case of SIPs.

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
	Equity and Hybrid Schemes#	Debt and Fund of Funds (FoF) Schemes#	HSBC ELSS Tax Saver Fund*	Equity and Hybrid Schemes#	Debt and Fund of Funds (FoF) Schemes#	HSBC ELSS Tax Saver Fund*	
Daily	Rs. 500/-	Rs. 500/-	Not Applicable	Minimum 6 installments subject to aggregate of Rs. 6,000/-	Minimum 6 installments subject to aggregate of Rs. 6,000/-	Not Applicable	Monday to Friday$
Weekly	Rs 500/-	Rs 500/-	Rs 500/-	Minimum 6 installments subject to aggregate of Rs. 6,000/-	Minimum 6 installments subject to aggregate of Rs. 6,000/-	Minimum 6 installments subject to aggregate of Rs. 3,000	Any Day from Monday to Friday ✣
Monthly	Rs 500/-	Rs 1,000/- ‡ ‡ Rs. 500/- for HSBC Gold ETF FoF Fund	Rs 500/-	Minimum 6 installments subject to aggregate of Rs. 6,000/-	Minimum 6 installments subject to aggregate of Rs. 6,000/-	Minimum 6 installments subject to aggregate of Rs. 3,000	Any Date of the month ✣
Quarterly	Rs 1,500/-	Rs 1,500/-	Rs 500/-	Minimum 4 installments subject to aggregate of Rs. 6,000/-	Minimum 4 installments subject to aggregate of Rs. 6,000/-	Minimum 6 installments subject to aggregate of Rs. 3,000	

in multiples of Re. 1/- *in multiples of Rs. 500/-

$ 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.

✣ Incase investor has missed to tick the date for Monthly and Quarterly frequency then the default date will be considered as 10th. Similarly, in case of Weekly SIP frequency the Default day will be considered as Wednesday. In case the chosen 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. If the choice of date selected is more than one date then the SIP installment will be processed only for Business Days when NAV is available. No SIP installment shall be processed for Saturday, Sunday or any other non-business day.

National Automated Clearing House (NACH):

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

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.

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The cheques should be drawn in the name of the Scheme e.g. "HSBC Large and Mid Cap 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 Scheme of the Mutual Fund in which the SIP facility is available. The Mutual Fund 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 schemes of the Fund 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 Fund.

Multi Scheme Systematic Investment Plan:

This facility enables investors to start investments under SIP of various schemes using a single application form and payment instruction.

Any Unit Holder can avail of this facility subject to certain terms and conditions detailed in the Multi Scheme SIP Investment Form ("the Form") available at the ISC's of the AMC and also at the website of the Fund viz; www.assetmanagement.hsbc.co.in.

All provisions as applicable to investments under the SIP facility will be applicable to this facility in addition to those stated below as these are specific to this facility. In case any of the provisions stated below are in conflict with the provisions of the SIP, then the below mentioned provisions will prevail:

i) Under this facility, payment only in respect of the first installment can be made using a cheque.

The payment for all the subsequent installments will have to be through the auto-debit facility provided by the banks.

ii) The maximum number of schemes in which investments can be made using a single Form shall be 3.

iii) The facility is available only to those investors who wish to invest under SIP of more than one scheme using a single application form.

iv) Investments through the facility can be made only on a monthly basis.

v) The date of investments under SIP in respect of all schemes registered by the investor through the facility should be uniform. However, the amount of investments in the schemes through the facility can be different subject to the requirement of minimum amount of investment.

vi) Investments under SIP through the facility can be made for a maximum period of 20 years from the date of 1st installment

If the maximum period for investments under SIP through the facility is not indicated by the investor, the auto debit will continue till further instructions from the investor to discontinue the SIP subject to a maximum period of 20 years from the date of 1st installment.

vii) Any modifications to the details indicated in the Form at the time of registration under the facility can be made only after completion of 6 months from date of 1st installment subject to compliance with the requirements of minimum number of installments under SIP. All the modifications will be effected within a period of 30 days from date of request by the investor.

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.

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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.

v) 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.

Investment transactions (Lumpsum and SIPs) upto Rs. 50,000/-exempt from Permanent Account Number (PAN)

In accordance with SEBI letter no. MRD/DoP/PAN/PM/166999/2009 dated June 19, 2009 issued to Association of Mutual Funds in India (AMFI), guidelines issued by AMFI vide its circular no. 35P/MEM-COR/4/09-10 dated July 14, 2009 and subsequent guidelines issued by SEBI vide letter No. OW/16541/2012 dated July 24, 2012 in this regard, lumpsum SIPs upto Rs. 50,000/- per year per investor i.e. aggregate of investments in a rolling 12 month period or in a financial year i.e. April to March (hereinafter referred to as "Micro financial products (MFP)") shall be exempted from the requirement of PAN. This exemption shall be applicable only to investments by individuals (including NRIs but not PIOs), Minors and Sole proprietary firms including joint holders. HUFs and other categories of investors will not be eligible for this exemption. MFP investors will require to be KYC compliant by submitting requisite documents and obtaining KYC compliance by undergoing the uniform KYC process applicable for securities markets.

Investors are requested to refer the SEBI Master Circular on KYC dated October 12, 2023 for requirement on KYC process.

While making subsequent MFP applications with a mutual fund, investor can quote the existing folio number where a MFP has been registered and therefore need not resubmit the supporting document. The MFP application will be rejected by the AMC where it is found that the registration of the application will result in the aggregate of MFP investments in a financial year exceeding Rs 50,000 or where there are deficiencies in the documents submitted by the investors in lieu of PAN as mentioned above. The rejected application will be sent back to the investor with a deficiency memo. In case the first MFP -SIP installment is processed (as the cheque may be banked), and the application is found to be defective, the MFP - SIP registration will be ceased for future installments. No refunds shall be made by the AMC for the units already allotted and a communication to this effect will be sent to the investors. However, investors shall be allowed to redeem their investments at applicable NAV.

(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 Scheme. 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.

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. The SWP transaction can be effected on any day of the month for fixed amount option and the payout will be as per the payout schedule of the Scheme. In case the chosen date falls on a Non-Business Day or on a date which is not available in a particular month, the SWP will be processed on the immediate next available Business Day. In case where no SWP date is indicated by the investors 10th shall be treated as the Default Date. However, in case of Capital Appreciation the SWP will be processed only on the 1st Business Day of the month. The Fund may close a Unitholder's account if the balance falls below Rs 1,000/- in the respective Options / sub-options within 30 days from the date on which a written intimation in this regard is sent to the Unitholder.

The SWP may be terminated or modified on a written notice to the Registrar of at least 14 days by a Unitholder of the Scheme 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 or the Capital Appreciation on their investment (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 Fund in the specified period. The minimum amount which the Unitholder can withdraw is Rs. 500/- (Rupees Five Hundred only) and in multiples of Re. 1/- or 50 units and in multiples of 1 unit thereafter.

The Capital Appreciation Option allows the automatic redemption of the incremental amount i.e. appreciation on the original investment. For example, if the appreciation on the initial investment in a period is Rs. 5000/- and Rs. 4500/- in the next period, then the investor would receive only the appreciation i.e. Rs. 5000/- and Rs. 4500/-in the respective periods. The minimum amount in rupees for withdrawal under the SWP facility shall be Rs. 500/-. Unitholders should note that in the event of there being no capital appreciation, no withdrawal/payment would be effected.

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

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

If no debit date is mentioned default date would be considered as 10th of every Month / Quarter / Half Year / Annual basis i.e. 10th of the subsequent month after SIP registration.

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.

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(3) Systematic Transfer Plan (STP)

Unitholders of the Scheme 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 or Capital Appreciation on the 1st Business Day of the month to a particular scheme at NAV based prices. Investors can opt for the Systematic Transfer Plan by investing a lumpsum amount in any HSBC open ended scheme and providing a standing instruction to transfer sums at Daily, Weekly, Fortnightly, Monthly and Quarterly intervals into any open ended Schemes of HSBC Mutual Fund. Investors could also opt for STP from an existing account by quoting their account / folio number.

Investors could choose to specify the fixed sum to be transferred every month or opt for capital appreciation option to automatically transfer the incremental amount i.e. appreciation on the original investment. Refer the below table for applicability of STP in the schemes of HSBC Mutual Fund.

Frequency	Minimum Transfer Installment Amount			Minimum Transfer Installment
	1	2	3	
	HSBC Liquid Fund & HSBC Overnight Fund#	HSBC ELSS Tax saver Fund*	All other schemes of HSBC Mutual Fund other than mentioned in 1 & 2#	All schemes of HSBC Mutual Fund
Daily	Rs. 1,000/-	Rs. 500/-	Rs. 500/-	6
Weekly	Rs. 1,000/-	Rs. 500/-	Rs. 500/-	6
Fortnightly	Rs. 1,000/-	Rs. 500/-	Rs. 500/-	6
Monthly (Default)	Rs. 1,000/-	Rs. 500/-	Rs. 500/-	6
Quarterly	Rs. 1,000/-	Rs. 500/-	Rs. 500/-	6

Note - The minimum amount required under the source scheme for registering STP is ₹ 6,000.

in multiples of Re. 1/- *in multiples of Rs. 500/-

Unit holders should note that in the event of there being no capital appreciation, no transfer would be affected.

Transfers would be effected on any date as indicated by the investor in case of Fixed Amount Option. If these dates fall on a holiday, the transaction will be effected on the next Business Day. In case of STP if the choice of date for the instalment is not indicated by the investor, the instalment of STP will be processed on 10th of every month. For Capital Appreciation option the STP will be processed only on the 1st Business Day of the month. 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 scheme / plan / option is not mentioned and there is only one scheme / plan / option available in the folio, the same will be processed.

If no debit date is mentioned default date would be considered as 10th of every month / quarter. If the day for Weekly STP is not selected, Wednesday will be the default day. In case of Fortnightly STP the default dates will be 1st and 15th of the month. If end date is not mentioned, Until Canceled will be the default option.

In case the criterion of the minimum amount for the purpose of transfer of units under the STP facility 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 Scheme. 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 Scheme ("Source Scheme") to any other open-ended scheme of the Fund ("Target Scheme").

The above Facility will be available in the IDCW options under all the open-ended schemes of the Fund except HSBC ELSS Tax saver Fund wherein the said schemes can only be the Source Scheme (subject to completion of lock - in on units where applicable) and not Target Scheme.

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 Scheme 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 Scheme as per the applicable NAV.

ii. The allotment of units in the Target Scheme 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 Scheme.

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 Scheme 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.

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

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vii. If a unit holder / investor has opted for the IDCW payout option in the Source Scheme at the time of investment and registers for the Transfer of IDCW, the default option for IDCW in the Source Scheme 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 Scheme will not be applicable for investments made through the above Facility. However, if, upon processing of redemption / switch in the Target Scheme, the balance units / amount available under the Target Scheme falls below its minimum redemption size requirement, all units in the Target Scheme 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 Scheme Information Document of the Target Scheme

(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 Scheme can be transacted through all the registered stockbrokers, of the National Stock Exchange of India Limited and / or Bombay Stock Exchange Limited and who are also registered with Association of Mutual Funds of India and are empanelled as distributors with AMC, Clearing Members, Depository participants (DPs) registered with recognized depositories. Accordingly, such entities shall be eligible to be considered as 'official points of acceptance' of AMC. Accordingly, such entities shall be eligible to be considered as 'official points of acceptance' of 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 Scheme 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 mutual fund schemes 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 Mutual Fund 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 Schemes of the Fund will be applicable for each transaction. Investors transacting in the Units of the Schemes 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 Mutual Fund / Asset Management Companies.

(6) Introduction of Flex Systematic Transfer Plan :

The AMC has introduced a new facility i.e., Flex Systematic Transfer Plan in the Schemes of the Fund, w.e.f. May 02, 2024 ("the Effective Date").

Salient Features of Flex Systematic Transfer Plan ("Flex STP") :

Flex STP is a facility available in open ended Schemes of HSBC Mutual Fund. Under this facility unitholder(s) can opt to transfer variable amount(s) linked to value of investments under Flex STP on the date of transfer at predetermined intervals from designated open ended Scheme(s) of HSBC Mutual Fund [hereinafter referred to as "Source / Transferor Scheme"] to the designated open ended Scheme(s) of HSBC Mutual Fund [hereinafter referred to as "Target / Transferee Scheme"].

1. Currently, the Scheme(s) eligible for this facility are as follows:
   i. **Source / Transferor Scheme(s):** All open ended schemes of HSBC Mutual Fund except HSBC ELSS Tax saver Fund.
   ii. **Target / Transferee Scheme(s):** Growth option of all open ended schemes of HSBC Mutual Fund where subscription is allowed.
2. Flex STP facility frequency will be at daily (Business days), weekly, monthly, and quarterly intervals.
3. Investor will be eligible to transfer higher of the following:

   {fixed amount to be transferred per instalment or the amount as determined by the following formula

   [(fixed amount to be transferred per instalment X number of instalments including the current instalment) - market value of the investments through Flex STP in the Transferee Scheme on the date of transfer]}.
4. In case the amount as specified above to be transferred is not available in the Transferor Scheme in the unitholder(s) account, the residual amount will be transferred to the Transferee Scheme and Flex STP will be closed.
5. Under Flex STP - Weekly Interval, investor can choose any day of the week from Monday to Friday to start this facility. If the day is not specified, then the default day to register Flex STP will be considered as Monday.
6. Under the Flex STP - Monthly Interval, investor will be eligible to transfer the amount basis calculation stated in point no. 3 on any day of each month. If day is not specified, then default date of Flex STP shall be 10th of the month.

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7. Under the Flex STP - Quarterly Interval, investor will be eligible to transfer the amount basis calculation stated in point no. 3 on any day of the month. If day is not specified, then default date of Flex STP shall be 10th of the respective month for that quarter.
8. If the Flex STP date and/or frequency has not been indicated or multiple frequencies are selected, monthly frequency shall be treated as default frequency and 10th of the month shall be treated as default date.
9. In case the day/date of transfer falls on a Non-Business Day or on a day which is not available in a particular month, the STP will be processed on the immediate next Business Day.
10. The minimum number of instalments for enrolment under daily, weekly, and monthly frequencies would be 12 instalments while for quarterly frequency, it would be 4 instalments.
11. The minimum balance in unitholder(s) account in Transferor Scheme(s) or minimum amount of application at the time of enrolment for Flex STP should be Rs. 6,000/-.
12. At the time of enrolment in Flex STP, the minimum amount of transfer required under daily, weekly, and monthly frequency is Rs. 500/- and in multiples of Re. 1/- while for quarterly frequency, it is Rs. 1500/- and in multiples of Re. 1/-.
13. The first Flex STP instalment will be processed for the fixed instalment amount specified by the investor at the time of enrolment. From the second Flex STP instalment onwards, the transfer amount shall be computed as per formula stated above in point no. 3.
14. The total Flex STP amount invested in the Transferee Scheme shall not exceed the total enrolment amount i.e., amount per instalment X number of instalments.
15. The redemption/switch-out of units allotted in the Transferee Scheme shall be processed on First In First Out (FIFO) basis. In case there is a redemption/switch-out of any units allotted under Flex STP, the balance instalments under Flex STP will be processed for the fixed instalment amount specified by the Investor at the time of enrolment.
16. The "Minimum Redemption Amount" specified in the respective SID of the Transferor Schemes and "Minimum Application Amount" applicable to the Transferee Schemes as mentioned in its respective SID will not be applicable in case of Flex STP.
17. Only one registration of Flex STP per Target scheme in a folio would be allowed.
18. Flex STP may be discontinued on a written notice to the Registrar and Transfer Agent/AMC ISC at least 10 calendar days prior to the forthcoming instalment, by a unit holder of the Scheme.
19. Only those Units that are free from lien will be considered for transfer.
20. Any unitholder can avail this facility subject to certain terms and conditions detailed in the Flex STP Form available at the ISC's of the AMC and also at the website of the Fund viz. www.assetmanagement.hsbc.co.in.
21. In case of valid enrolment forms received, indicating choice of option other than the Growth Option in the Transferee Scheme, it will be deemed as the Growth Option in Transferee Scheme and processed accordingly.
22. All other provisions including exit load as mentioned in SID & KIM of the respective scheme transferor and transferee schemes applies to this facility also.

Below mentioned illustrations are to help unitholder understand the concept of Flex STP and transfer amount calculation:

a. Illustration 1:

Transferor scheme: HSBC Overnight Fund

Transferee scheme: HSBC Flexi Cap Fund

Date and Frequency: 10th date – Monthly of Flex STP Interval

Amount of Transfer per instalment Rs. 2000/-

Number of Instalments 12

Enrolment Period January – December 2024

Calculation of Flex STP instalment amount on the date of the fifth instalment i.e. May 10, 2024:

- Total units allotted upto the date of last instalment i.e. April 10, 2024 is assumed as 500;
- The NAV of HSBC Flexi Cap Fund – Growth Option on May 10, 2024 is assumed as Rs. 15/- per unit;
- Hence the market value of the investment in the Transferee Scheme on the date of transfer is Rs. 7500 [500 X 15].

The instalment amount will be calculated as follows:

Fixed amount specified Rs. 2000/- at the time of enrolment:

or

As determined [(2000 x 5) – 7500] by formula : = Rs. 2500

Whichever is higher

Hence, on May 10, 2024, the instalment amount transferred to the Transferee Scheme will be Rs 2500/-.

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b. Illustration 2:

Transferor scheme: HSBC Overnight Fund

Transferee scheme HSBC Flexi Cap Fund

Date and Frequency: 15th date - Monthly of Flex STP Interval

Amount of Transfer per instalment Rs. 2000/-

Number of Instalments 12

Enrolment Period January – December 2024

Calculation of Flex STP instalment amount on the date of the seventh instalment i.e. July 15, 2024:

- Total units allotted up to the date of last instalment i.e. June 15, 2024 is assumed as 1050;
- The NAV of HSBC Flexi Cap Fund - Growth Option on July 15, 2024 is assumed as Rs. 16.20/- per unit;
- Hence the market value of the investment in the Transferee Scheme on the date of transfer is Rs. 17010 [1050 X 16.20].

The instalment amount will be calculated as follows:

Fixed amount specified at the time of enrolment: Rs. 2000/-

Or

As determined [(2000 x 7) – 17010] by formula: = Rs. – 3010

Whichever is higher

Hence, on July 15, 2024, the instalment amount transferred to the Transferee Scheme will be Rs. 2000/-

The AMC/Trustee reserves the right to change/modify the terms and conditions under Flex STP or withdraw the facility prospectively at a future date.

B. DEFAULT SCENARIOS AVAILABLE TO THE INVESTORS UNDER PLANS/OPTIONS OF THE SCHEMES :

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/Scheme and/or Option etc. the following defaults will be flagged off:

Indication not made/incorrectly made	Default ##
Scheme/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

* 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 shall be the same as applicable to a Resident Indian Company.

Any investments or switch-in requests received in the name of the discontinued Plans will be processed under the available single Plan. For more details refer to visit our website at www.assetmanagement.hsbc.co.in.

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

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Broker Code mentioned by the investor	Plan mentioned by the investor	Default Plan to be captured by the AMC
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 SCHEME

1. Unit holders of the Scheme have a proportionate right in the beneficial ownership of the assets of the Scheme.
2. When the Mutual Fund declares an Income Distribution cum Capital Withdrawal (IDCW)/dividend under a scheme, IDCW / dividend warrants shall be dispatched to the Unit Holders within 7 working days from the record date of IDCW/dividend. 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. 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 Mutual Fund shall issue a Unit certificate (non-transferable) within 5 Business Days of the receipt of request for the certificate.
3. The Mutual Fund shall dispatch redemption or repurchase proceeds within 3 working days of accepting the valid redemption or repurchase request. For schemes investing at least 80% of total assets in such permissible overseas investments, 5 Working Days of accepting the valid redemption or repurchase request. Further, in case of exceptional scenarios as prescribed by AMFI vide its communication no. AMFI/35P/MEM-COR/74/2022-23 dated January 16, 2023, read with clause 15.3.3 of SEBI Master Circular for Mutual Funds dated March 20, 2026 the AMC may not be able to adhere with the timelines prescribed above.
4. 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.
5. The appointment of the AMC for the Mutual Fund can be terminated by majority of the Directors of the Trustee Board or by 75% of the Unit holders of the Scheme.
6. 75% of the Unit holders of a Scheme can pass a resolution to wind- up a Scheme.
7. 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 Scheme.
   - when the majority of the trustees decide to wind up a scheme in terms of Regulation 36(2)(a) of SEBI (Mutual Funds) Regulations, 2026 or prematurely redeem the units of a close ended scheme.
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 amendment 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 amendment, 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:

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 Inter-scheme 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.

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:

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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.
- 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.

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- 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
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.

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Steps	Detailed Process
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.

COMPUTATION OF NAV

A. Policy of computation of NAV:

Net asset value is calculated as market value of the securities of the scheme divided by the total number of outstanding units. Net assets of the scheme 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 Scheme shall be calculated as shown below:

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

The NAVs of the schemes of HSBC Mutual Fund (including Direct Plans) will be calculated and disclosed as of the close of every Business Day. The NAVs of HSBC Overnight Fund and HSBC Liquid Fund (including Direct Plans) will be calculated daily 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 Scheme' assets and calculation of the Scheme' 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 Scheme, 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

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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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IX. TAX & LEGAL & GENERAL INFORMATION

A. TAXATION ON INVESTING IN MUTUAL FUNDS

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 schemes of the mutual fund.

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 sixty-five per cent 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 liability under new tax regime 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 exhchange 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 sixty-five per cent. 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 sixty-five per cent 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 -

a. spouse

b. brother or sister;

c. brother or sister of the spouse;

d. brother or sister of either of the parents;

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

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

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

b) In case of a HUF- any member thereof

VI. Wealth Tax

Wealth Tax has been abolished with effect from 01.04.2015.

VII. 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 MF Folios (except for jointly held Mutual Fund 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.

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 MF 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 Scheme 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 Mutual Fund 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 Mutual Fund 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 MF 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) pre-deceasing 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 Fund and upon executing suitable indemnities in favor of the Fund 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 Fund 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 Fund's website (www.assetmanagement.hsbc.co.in) for a ready reckoner matrix of necessary documents under different transmission scenarios.

The Fund 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 8, 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 Fund 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 Scheme / Plan

In case of open-ended schemes, the duration of the schemes will be perpetual and in case of close-ended schemes, the duration of the schemes will be for a fixed term as mentioned in the respective Offer Document / Scheme Information Document.

The AMC, the Fund and the Board of Directors of Trustee Company reserve the right to make such changes / alterations to all or any of the Scheme (including the charging of fees and expenses) offered under the respective Offer Document / Scheme Information Document to the extent permitted by the applicable Regulations. However, in terms of the Regulations a scheme is to be wound up:

- On the happening of any event, which in the opinion of the Board of Directors of Trustee Company, requires the Scheme to be wound up. In case of winding up of the Scheme on account of above, the units of the units of the Scheme shall be listed on recognized stock exchange, subject to compliance with listing formalities as stipulated by the stock exchange. However, pursuant to listing, trading on stock exchange mechanism will not be mandatory for investors, rather, if they so desire, may avail an optional channel to exit provided to them.

  Initially, trading in units of such a listed scheme that is under the process of winding up, shall be in dematerialised form. AMCs shall enable transfer of such units which are held in form of Statement of Account (SoA) / unit certificates.

  Further, The AMC, its sponsor, employees of AMC and the Board of Directors of Trustee Company shall not be permitted to transact (buy or sell) in the units of such schemes that are under the process of being wound up.
- If seventy five per cent (75%) of the Unitholders of the Scheme pass a resolution that the Scheme be wound up
- If SEBI so directs in the interest of the Unitholders.

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Where the Scheme is so wound up, the the Board of Directors of Trustee Company shall give notice within one day of the circumstances leading to the winding up of the Scheme to:

- SEBI and
- In two daily newspapers having a circulation all over India and in one vernacular newspaper with circulation in Mumbai.

  In case a scheme is to be wound up on the happening of any event (which in the opinion of the Board of Directors of Trustee Company, requires the Scheme to be wound up), the Board of Directors of Trustee Company 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 aforesaid notice.

In case the Board of Directors of Trustee Company fail to obtain the required consent of the unitholders, the schemes shall be reopened for business activities from the second business day after publication of results of the voting.

On and from the date of the publication of notice of winding up, the Board of Directors of Trustee Company or the AMC, as the case may be, shall:

- Cease to carry on any business activities in respect of the Scheme so wound up
- Cease to create or cancel Units in the Scheme
- Cease to issue or redeem Units in the Scheme

5. Procedure and Manner of Winding up

The Board of Directors of Trustee Company shall call a meeting of the Unitholders of the relevant Scheme 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 Scheme.

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

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 Scheme, 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 Scheme, 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 Scheme before winding up, expenses of the Scheme for winding up, net assets available for distribution to the Unitholders and a certificate from the auditors of the Fund.

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 Scheme ceases to exist.

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

6. Unclaimed Redemption / Dividend Amount

The unclaimed redemption amounts and dividend amounts may be deployed by the mutual fund 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 schemes except HSBC ELSS Tax saver Fund 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 dividend amounts; wherein re- investment option is available under the respective scheme. The dividend option of the scheme in such cases will be changed to 'Reinvestment' accordingly.

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The names and address of Unitholders in whose folios there are unclaimed amounts can be checked on our website http://www.assetmanagement.hsbc.co.in. 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 http://www.assetmanagement.hsbc.co.in.

7. Suspension of Sale / Switch-in of Units

The Mutual Fund at its sole discretion reserves the right to withdraw sale or switch - in of the Units in the scheme (including any one of the Plan of any of the scheme) temporarily or indefinitely, if in the opinion of the AMC, the general market conditions are not favourable and / or suitable investment opportunities are not available for deployment of funds. However, Suspension or restriction of repurchase facility under any Scheme / Plan of the Mutual Fund shall be made applicable only after the approval from the Board of Directors of the AMC and the Trustees. The approval from the AMC Board and the Board of Directors of Trustee Company giving details of circumstances and justification for the proposed action shall also be informed to SEBI in advance.

- The sale or switch-in of the Units may be suspended under the following conditions:
- When one or more stock exchanges or markets, which provide basis for valuation for a substantial portion of the assets of the Scheme is closed otherwise than for ordinary holidays.
- In the event of breakdown in the means of communication used for the valuation of investments of the Scheme, without which the value of the securities of the scheme cannot be accurately calculated.
- During periods of extreme volatility of markets, which in the opinion of the AMC are prejudicial to the interests of the Unitholders of the Scheme.
- In case of natural calamities, strikes, riots and bandhs.
- In the event of any force majeure or disaster that affects the normal functioning of the AMC, ISC or the Registrar.
- If so, directed by SEBI.

Further, an order to purchase Units is not binding on and may be rejected by the Board of Directors of Trustee Company, the AMC or their respective agents, until it has been confirmed in writing by the AMC or its agents and payment has been received.

HSBC Global Emerging Markets Fund, HSBC Brazil Fund and HBSC Asia Pacific (Ex Japan) Dividend Yield Fund: The AMC / Board of Directors of Trustee Company reserves the right to temporarily suspend subscriptions in / switches into the Scheme or the subsequent installments of HSBC SIP / HSBC STP into the schemes will be stopped from the month in which the subscriptions exceed or are expected to exceed the maximum permissible limits prescribed by SEBI for overseas investments (currently the limit for all the schemes of the fund put together is equivalent to USD 1 billion).

8. 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 scheme(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.

9. Uniform process to be followed for processing of redemption / switch-out for all the Schemes of the Fund

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 schemes of the Fund 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 scheme 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 scheme i.e. if a scheme 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.

10. 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 Scheme(s):

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

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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.

11. 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 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.

Pledge/Lien of mutual fund 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 Scheme 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. In case of HSBC ELSS Tax saver Fund, unit holders should, however, note that the Units issued under the Scheme can be pledged only after a period of 3 years from the date of allotment.

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 Mutual Fund 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 Mutual Fund 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.

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C. GENERAL INFORMATION

1. Inter-Scheme Transfer of Investments:

Transfers of investments from one scheme to another scheme in the same mutual fund 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 scheme to which such transfer has been made.

(c) Inter-Scheme transfers shall be done in accordance with the SEBI (Mutual Fund) Regulations.

The AMC shall comply with various restrictions and guidelines pertaining to inter-scheme transfer of investments as may be issued by SEBI from time.

2. Aggregate investment in the Scheme under the following categories:

In accordance with Paragraph on 'Scheme Related Disclosures' of SEBI Master Circular for Mutual Funds dated March 20, 2026, please find below the aggregate investment in the respective Scheme(s) by Board of Directors of (AMC) and key personnel as on May 31, 2026:

Sr. No.	Scheme Name	Aggregate amount invested in the Scheme as on May 31, 2026 (market value in Rs.)		
		Directors	Fund Manager	Key personnel (excluding Fund Manager)
1	HSBC Gilt Fund	83,827.40	180,466.00	108,555.41
2	HSBC Credit Risk Fund	128,455.37	269,423.48	203,840.47
3	HSBC Money Market Fund	596,492.50	1,683,602.98	866,820.05
4	HSBC Corporate Bond Fund	2,542,427.29	5,116,747.53	2,769,509.27
5	HSBC Balanced Advantage Fund	659,206.72	7,600,086.74	958,208.45
6	HSBC Value Fund	4,861,024.37	23,920,093.99	7,691,262.90
7	HSBC Banking and PSU Debt Fund	1,647,321.81	4,543,067.90	2,143,465.57
8	HSBC ELSS Tax Saver Fund	1,639,042.82	10,105,892.62	2,897,289.57
9	HSBC Infrastructure Fund	1,029,287.62	27,361,109.59	2,755,941.98
10	HSBC Asia Pacific (Ex Japan) Dividend Yield Fund	0.00	431,324.60	0.00
11	HSBC Brazil Fund	0.00	1,988,336.08	0.00
12	HSBC Liquid Fund	4,471,401.42	8,850,652.37	6,015,412.67
13	HSBC CRISIL IBX Gilt 27 Index Fund	0.00	0.00	257,745.64
14	HSBC CRISIL IBX 50:50 Gilt Plus SDL Apr 2028 Index Fund	654,452.28	1,276,556.60	251,966.33
15	HSBC Consumption Fund	897,409.80	5,412,897.44	299,036.99
16	HSBC Large Cap Fund	2,699,691.27	12,671,103.72	1,033,135.43
17	HSBC Aggressive Hybrid Fund	2,135,181.21	22,941,281.81	5,154,241.62
18	HSBC Global Emerging Markets Fund	0.00	6,623,520.90	0.00
19	HSBC Dynamic Bond Fund	41,378.04	96,682.81	96,238.04
20	HSBC Focused Fund	544,675.86	15,977,957.35	5,735,359.16
21	HSBC Financial Services Fund	52,660.17	2,133,857.17	56,536.60
22	HSBC GOLD ETF Fund of Fund	1,067,996.60	0.00	0.00
23	HSBC India Export Opportunities Fund	674,563.78	3,392,564.58	231,000.06
24	HSBC Medium to Long Duration Fund	8,977.41	23,029.26	20,571.52
25	HSBC Short Duration Fund	1,386,292.39	3,721,766.33	1,839,623.26
26	HSBC Flexi Cap Fund	1,879,273.41	56,973,754.08	5,095,048.44
27	HSBC Large & Mid Cap Fund	1,353,669.45	21,202,026.06	3,163,829.32
28	HSBC Low Duration Fund	251,264.16	782,400.41	462,232.45
29	HSBC Multi Asset Allocation Fund	293,102.60	5,880,522.09	516,511.75
30	HSBC Multi Cap Fund	2,816,371.32	3,938,378.45	1,108,417.55
31	HSBC Small Cap Fund	5,605,970.17	29,951,716.93	12,095,825.14
32	HSBC Midcap Fund	4,521,406.43	27,568,687.55	9,921,913.17
33	HSBC Conservative Hybrid Fund	33,522.56	510,913.38	67,174.45
34	HSBC Income Plus Arbitrage Active FOF	0.00	132,451.25	0.00
35	HSBC Aggressive Hybrid Active FOF	0.00	4,194,976.61	0.00

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Sr. No.	Scheme Name	Aggregate amount invested in the Scheme as on May 31, 2026 (market value in Rs.)		
		Directors	Fund Manager	Key personnel (excluding Fund Manager)
36	HSBC Multi Asset Active FOF	0.00	199,433.27	0.00
37	HSBC Overnight Fund	0.00	71,626.52	66,989.25
38	HSBC Ultra Short Duration Fund	780,641.28	2,119,875.35	1,360,020.16
39	HSBC Arbitrage Fund	1,164,449.71	5,178,015.65	1,143,426.27
40	HSBC NIFTY 50 INDEX FUND	2,000,188.11	11,195.97	210,021.30
41	HSBC NIFTY NEXT 50 INDEX FUND	1,948,486.06	0.00	62,157.40
42	HSBC Medium Duration Fund	285,846.73	529,086.45	373,659.68
43	HSBC Business Cycles Fund	313,603.07	1,928,693.38	1,283,600.69
44	HSBC Equity Savings Fund	126,513.92	1,252,011.86	230,822.84

Note:

1. Investment details of Mr. Kailash Kulkarni (MD & CEO of HSBC AMC) is added under "AMC's Board of Directors" if any and not under Key personnel (excluding Fund Manager).
2. Investment details in "Fund Manager" column provided investment details of Concerned Scheme Fund Manager. Other scheme's Fund Manager investment provided under "Key personnel (excluding Fund Manager)" column.

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 schemes of the Fund 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 scheme(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 scheme(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 Scheme(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 Scheme(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.

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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 Scheme, as the case may be.
- SCSBs shall unblock the bank accounts for (i) transfer of requisite money to the Mutual Fund/Scheme bank account against each valid application on allotment or (ii) in case the application is rejected.

Mechanism for Redressal of Investor Grievances

- All grievances relating to the ASBA facility may be addressed to the respective SCSBs, giving full details such as name, address of the applicant, number of Units applied for, counterfoil or the application reference given by the SCSBs, DBs or CBs, amount paid on application and the Designated Branch or the collection centre of the SCSB where the Application Form was submitted by the ASBA Investor. If the SCSB is unable to resolve the grievance, it shall be addressed to the Registrar and Transfer Agent M/s. Computer Age Management Services Limited (CAMS), 10, M.G.R Salai, Nungambakkam, Chennai - 600034 with a copy to Mr. Ankur Banthiya, Senior Vice President, Client Operations, who can be contacted at 6th Floor, KGN Towers, No. 62 Ethiraj Salai (Commander-In-Chief Road), Egmore, Chennai – 600 105, at telephone number 1800¬200-2434/1800-4190-200. E-mail can be sent on : investor. line@mutualfunds.hsbc.co.in/iromf@mutualfunds.hsbc.co.in
- The Mutual Fund, AMC and Board of Directors of Trustee Company shall not be responsible for any acts, mistakes, errors, omissions and commissions etc. in relation to the ASBA facility.

5. Portfolio Turnover Details

Portfolio turnover is defined as lesser of purchases and sales as a percentage of the average corpus of the Scheme during a specified period of time. For all open ended scheme(s) of HSBC Mutual 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 Scheme 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 Mutual Fund

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 Scheme and the duration of such borrowing shall not exceed a period of 6 months. The Fund 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.

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 Scheme(s) of the Mutual Fund. 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.

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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 Off er (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 Scheme would invest only partially in foreign securities, there may not be readily available and widely accepted benchmarks to measure performance of the Scheme. 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 Fund 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 Scheme(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 Fund may, where necessary, appoint other intermediaries of repute as advisors, sub-custodians, etc. for managing 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 Scheme 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.

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13. Power to remove Difficulties

If any difficulty arises in giving effect to the provisions of the Scheme 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 Scheme after obtaining the prior permission of SEBI and the Unitholders (where necessary), and the same shall be binding on all the Unitholders of the Scheme 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 Fund/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 Fund, 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 Fund, the onus for authentication of the documents so submitted shall be on such investors and the AMC/Fund 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/Fund 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/Fund 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 fund will have a first and paramount right of lien/set-off with respect to every unit/dividend under any scheme of the Fund 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.

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, HSBC Mutual 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.

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The AMC makes no representations whatsoever about any such website which the user may access through the said website. A link to 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 Fund may at its discretion enter into any supplemental agreement without the consent of investors to provide for any measures that the Fund 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 Fund will, seek additional information from investors while accepting applications, in order to ascertain their U.S. Person status. The Fund 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 Fund's website – www.assetmanagement.hsbc.co.in).

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 Fund 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 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 HSBC Mutual Fund. The AMC may also publicise its various loyalty

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programmes as may be launched from time to time. Further, the AMC could also provide training in order to keep the distributors abreast about the new developments in the securities market and facilitate educating distributors and unitholders about Schemes of HSBC Mutual 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 :-

   "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."

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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.

D. ASSOCIATE TRANSACTIONS

INVESTMENT IN ASSOCIATE COMPANIES

During the period April 1, 2023 to March 31, 2026, HSBC Mutual Fund had following investment in the associate companies of the Sponsor:

(Rs. in crores)

Name of the Investing Scheme	Name of the Associate	Particulars	Amount of investments 2023-2024	Amount of investments 2024-2025	Amount of investments 2025-2026
NIL					

Underwriting Obligations with respect to issues of Associate Companies

The AMC has till date, not entered into any underwriting contracts in respect of any public issue made by any of its associate companies.

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Subscriptions in issues lead managed by the Sponsor or any of its Associates

(Rs. in crores)

Name of the Lead Managers	Particulars	Period	HSBC Focused Fund	HSBC Midcap Fund	HSBC Large and Mid Cap Fund	HSBC Aggressive Hybrid Fund	HSBC Con-sumption Fund	HSBC Small Cap Fund	HSBC Infra-struc-ture Fund	HSBC Flexi Cap Fund	HSBC Multi Asset Allocation Fund	HSBC Medium Dura-tion Fund	HSBC Credit Risk Fund
HSBC Bank Ltd.	ZCB JSW KALINGA (Sr II) - 23-Mar-2031 P/C 23-Mar-2029	2025-26	0	0	0	0	0	0	0	0	0	25	20
HSBC Securities and Capital Markets (India) Private Limited	CG Power and Industrial Solutions Ltd. (Applied for QIP)	2025-26	0	33.05	23.18	0	0	0	0	0	18.77	0	0
HSBC Securities and Capital Markets (India) Private Limited	TENNECO Clean Air India Ltd. (Applied for IPO)	2025-26	0	0	0	0	0	0	0	0	24.91	0	0
HSBC Securities and Capital Markets (India) Private Limited	HEXAWARE Technologies Ltd. (Applied for IPO)	2024-25	0	0	0	0	0	0	0	0	65.89	0	0
HSBC Securities and Capital Markets (India) Private Limited	COFORGE Ltd. (Applied for QIP)	2024-25	0	0	0	0	0	0	0	25.01	0	0	0
HSBC Securities and Capital Markets (India) Private Limited	R R KABEL Ltd. (Applied for IPO)	2023 - 24	6.00	0	0	9.00	87.95	0	0	0	0	0	0
HSBC Securities and Capital Markets (India) Private Limited	Titagarh Rail Systems Ltd. (Applied for QIP)	2023 - 24	0	0	0	75.01	0	104.22	25	0	0	0	0

Dealing with Associate Companies

The AMC has utilised the services of its associate, The Hongkong and Shanghai Banking Corporation Limited as the Collecting Banker and for procuring Unit subscriptions for Scheme of the Fund. The Collecting Banker's fees and commission payable are at similar rates offered to other collecting bankers and distributors by the Scheme.

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

These associates were counterparties to the Mutual Fund with respect to purchase/sale of the abovementioned instruments. The AMC has utilised the services of the Sponsor for purchase/sale of securities on behalf of the Mutual Fund.

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DEALING WITH ASSOCIATE COMPANIES (April 1, 2023 to March 31, 2026)

HSBC Mutual Fund has utilised the services of the following associates for the purpose of securities transaction (aggregate purchase and sale) & Deals with associates as counterparty:

(Rs. in crores)

Name of the Associates	Particulars	Period	HSBC Banking And PSU Debt Fund	HSBC Credit Risk Fund	HSBC CRISIL IBX 50 50 Gilt Plus SDL Apr 2028 Index	HSBC CRISIL IBX Gilt June 2027 Index Fund
Hongkong and Shanghai Banking Corporation Limited	Government Bonds	2025 – 26	21.42	0	0	0
		2024 – 25	0	0	0	0
		2023 – 24	113.57	5.12	77.68	2.96
	Treasury Bill	2025 – 26	0	0	0	0
		2024 – 25	0	0	0	0
		2023 – 24	0.00	0	0	0
	IRS	2025 – 26	124.41	0	0	0
		2024 – 25	75.00	0	0	0
		2023 – 24	0	50.00	0	0
	Corporate Bond	2025 – 26	0	0	0	0
		2024 – 25	51.57	12.08	0	0
		2023 – 24	0	0	0	0

(Rs. in crores)

Name of the Associates	Particulars	Period	HSBC Dynamic Bond Fund	HSBC Gilt Fund	HSBC Liquid Fund	HSBC Low Duration Fund	HSBC Medium Duration Fund
Hongkong and Shanghai Banking Corporation Limited	Government Bonds	2025 – 26	0	0	0	0	0
		2024 – 25	0	31.17	0	0	0
		2023 – 24	10.01	50.57	0	20.46	40.12
	Treasury Bill	2025 – 26	0	0	0	0	0
		2024 – 25	0	0	590.25	0	0
		2023 – 24	0	0	589.88	0	0
	IRS	2025 – 26	0	0	0	24.85	0
		2024 – 25	0	0	0	100.00	25.00
		2023 – 24	0	0	0	75.00	75.00
	Corporate Bond	2025 – 26	0	0	0	0	0
		2024 – 25	0	0	0	9.06	19.13
		2023 – 24	0	0	0	0	0

Name of the Associates	Particulars	Period	HSBC Money Market Fund	HSBC Short Duration Fund	HSBC Corporate Bond Fund	HSBC Ultra Short Duration Fund
Hongkong and Shanghai Banking Corporation Limited	Government Bonds	2025 – 26	0	73.60	0	0
		2024 – 25	0	129.82	94.15	0
		2023 – 24	0	153.22	0	0
	Treasury Bill	2025 – 26	0	0	0	0
		2024 – 25	0	0	0	48.38
		2023 – 24	48.28	0	0	0
	IRS	2025 – 26	0	224.17	0	149.93
		2024 – 25	0	150.00	0	50.00
		2023 – 24	0	25.00	0	0
	Corporate Bond	2025 – 26	0	0	15.97	37.25
		2024 – 25	0	0	0	0
		2023 – 24	0	0	0	0

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BORROWINGS BY HSBC MUTUAL FUND FROM ASSOCIATE COMPANIES

Borrowings as over 10% of Net Asset Value by HSBC Mutual Fund for the purpose of funding redemptions/switch-outs/dividends for the financial years:

Period	Name of Associate/related parties/Group Companies of Sponsor/AMC	Nature of Association/ Nature of relation	Interest Paid (Rs. in Crores)
NIL			

AMOUNT PAID BY HSBC MUTUAL FUND TO ASSOCIATE COMPANIES

Brokerage paid to Associates/Related Parties/Group Companies of Sponsor/AMC:

Period	Name of Associate/Related Parties/Group Companies of Sponsor/AMC	Nature of Association / Nature of relation	Value of Transaction (Rs. in crores and % of total value of Transaction of the fund)		Brokerage (Rs. in crores and % of total Brokerage paid by the fund)	
			Value of Transactions [Rs. in Crores]	% of total value of Transaction of the fund	Brokerage paid [Rs. in Crores)	% of total Brokerage paid by the fund
2025-26	HSBC Securities and Capital Markets (India) Private Limited	Sponsor	2,432.65	0.84	2.89	3.28
2024-25	HSBC Securities and Capital Markets (India) Private Limited	Sponsor	2,263.04	0.98	2.44	2.84
2023-24	HSBC Securities and Capital Markets (India) Private Limited	Sponsor	3,390.95	2.2	2.89	5.24

Commission paid to Associates/Related Parties/Group Companies of Sponsor/AMC:

Period	Name of Associate/Related Parties/Group Companies of Sponsor/AMC	Nature of Association/ Nature of relation	Value of Transaction (Rs. in crores and % of total value of Transaction of the fund)		Commission (Rs. in crores and % of total Commission paid by the fund)	
			Value of Transactions [Rs. in Crores]	% of total value of Transaction of the fund	Commission paid [Rs. in Crores)	% of total Commission paid by the fund
2025-26	The Hongkong and Shanghai Banking Corporation Limited	Associate	2,160.20	0.13	67.24	2.30
2024-25	The Hongkong and Shanghai Banking Corporation Limited	Associate	3,073.34	0.20	63.82	2.34
2023-24	The Hongkong and Shanghai Banking Corporation Limited	Associate	2,964.71	0.23	40.67	2.09

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 Mutual Fund.

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 Scheme 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 Scheme, subject to SEBI Regulations.

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E. Documents Available for Inspection

The following documents will be available for inspection at the office of the 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
- 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:

F.Y. 2023 – 2024:

Complaint Code	Type of Complaint#	(a) No. of complaints pending at the beginning of the year	(b) No. of Complaints received during the period	Action on (a) and (b)								
				Resolved				Non Actionable *	Pending			
				Within 30 days	30-60 days	60-180 days	Beyond 180 days		0-3 months	3-6 months	6-9 months	9-12 months
I A	Non receipt of amount declared under Income Distribution cum Capital Withdrawal option	1	10	11	0	0	0	0	0	0	0	0
I B	Interest on delayed payment of amount declared under Income Distribution cum Capital Withdrawal option	0	1	1	0	0	0	0	0	0	0	0
I C	Non receipt of Redemption Proceeds	1	38	39	0	0	0	0	0	0	0	0
I D	Interest on delayed payment of Redemption	0	2	2	0	0	0	0	0	0	0	0
II A	Non receipt of Statement of Account/Unit Certificate	0	3	3	0	0	0	0	0	0	0	0
II B	Discrepancy in Statement of Account	1	22	23	0	0	0	0	0	0	0	0
II C	Data corrections in Investor details	1	250	249	0	0	0	0	2	0	0	0
II D	Non receipt of Annual Report/Abridged Summary	0	0	0	0	0	0	0	0	0	0	0
III A	Wrong switch between Schemes	0	2	2	0	0	0	0	0	0	0	0
III B	Unauthorized switch between Schemes	0	1	1	0	0	0	0	0	0	0	0
III C	Deviation from Scheme attributes	0	1	1	0	0	0	0	0	0	0	0
III D	Wrong or excess charges/load	0	0	0	0	0	0	0	0	0	0	0
III E	Non updation of changes viz. address, PAN, bank details, nomination, etc	1	127	127	0	0	0	0	1	0	0	0
III F	Delay in allotment of Units	0	5	4	1	0	0	0	0	0	0	0
III G	Unauthorized Redemption	0	0	0	0	0	0	0	0	0	0	0
IV	Others	1	78	76	0	0	0	0	3	0	0	0
	Total	**6**	**540**	**539**	**1**	**0**	**0**	**0**	**6**	**0**	**0**	**0**

Including against its authorized persons / distributors / employees etc.

* Non actionable means the complaint that are incomplete / outside the scope of the mutual fund

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F.Y. 2024 – 2025:

Complaint Code	Type of Complaint#	(a) No. of complaints pending at the beginning of the year	(b) No. of Complaints received during the period	Action on (a) and (b)								
				Resolved				Non Actionable *	Pending			
				Within 30 days	30-60 days	60-180 days	Beyond 180 days		0-3 months	3-6 months	6-9 months	9-12 months
I A	Non receipt of amount declared under Income Distribution cum Capital Withdrawal option	0	4	4	0	0	0	0	0	0	0	0
I B	Interest on delayed payment of amount declared under Income Distribution cum Capital Withdrawal option	0	2	2	0	0	0	0	0	0	0	0
I C	Non receipt of Redemption Proceeds	0	29	29	0	0	0	0	0	0	0	0
I D	Interest on delayed payment of Redemption	0	1	1	0	0	0	0	0	0	0	0
II A	Non receipt of Statement of Account/Unit Certificate	0	4	4	0	0	0	0	0	0	0	0
II B	Discrepancy in Statement of Account	0	62	61	0	0	0	0	1	0	0	0
II C	Data corrections in Investor details	2	281	282	0	0	0	0	1	0	0	0
II D	Non receipt of Annual Report/Abridged Summary	0	0	0	0	0	0	0	0	0	0	0
III A	Wrong switch between Schemes	0	0	0	0	0	0	0	0	0	0	0
III B	Unauthorized switch between Schemes	0	3	3	0	0	0	0	0	0	0	0
III C	Deviation from Scheme attributes	0	0	0	0	0	0	0	0	0	0	0
III D	Wrong or excess charges/load	0	0	0	0	0	0	0	0	0	0	0
III E	Non updation of changes viz. address, PAN, bank details, nomination, etc	1	148	149	0	0	0	0	0	0	0	0
III F	Delay in allotment of Units	0	14	14	0	0	0	0	0	0	0	0
III G	Unauthorized Redemption	0	0	0	0	0	0	0	0	0	0	0
IV	Others	3	97	100	0	0	0	0	0	0	0	0
	Total	**6**	**645**	**649**	**0**	**0**	**0**	**0**	**2**	**0**	**0**	**0**

Including against its authorized persons / distributors / employees etc.

* Non actionable means the complaint that are incomplete / outside the scope of the mutual fund

Note:

** As per AMFI Best Practice Guidelines Circular No.25/2011-12 for Revisions in the Guidelines on Standardization of Complaints/Grievances Reporting Procedure, if "Others" include a type of complaint which is more than 10% of overall complaint, then the such a reason should be provided separately. Hence Data corrections in Investor Details is included as a separate category.

F.Y. 2025 – 2026:

Complaint Code	Type of Complaint#	(a) No. of complaints pending at the beginning of the year	(b) No of complaints received during the period	Action on (a) and (b)								
				Resolved				Non Actionable*	Pending			
				Within 30 days	30-60 days	60-180 days	Beyond 180 days		0-3 months	3-6 months	6-9 months	9-12 months
I A	Non receipt of amount declared under Income Distribution cum Capital Withdrawal option	0	3	3	0	0	0	0	0	0	0	0
I B	Interest on delayed payment of amount declared under Income Distribution cum Capital Withdrawal option	0	1	1	0	0	0	0	0	0	0	0
I C	Non receipt of Redemption Proceeds	0	15	15	0	0	0	0	0	0	0	0
I D	Interest on delayed payment of Redemption	0	0	0	0	0	0	0	0	0	0	0
II A	Non receipt of Statement of Account/Unit Certificate	0	15	15	0	0	0	0	0	0	0	0
II B	Discrepancy in Statement of Account	1	53	53	0	0	0	0	1	0	0	0
II C	Data corrections in Investor details	1	204	204	0	0	0	0	1	0	0	0
II D	Non receipt of Annual Report/Abridged Summary	0	0	0	0	0	0	0	0	0	0	0
III A	Wrong switch between Schemes	0	2	2	0	0	0	0	0	0	0	0
III B	Unauthorized switch between Schemes	0	1	1	0	0	0	0	0	0	0	0
III C	Deviation from Scheme attributes	0	1	1	0	0	0	0	0	0	0	0
III D	Wrong or excess charges/load	0	0	0	0	0	0	0	0	0	0	0

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Complaint Code	Type of Complaint#	(a) No. of complaints pending at the beginning of the year	(b) No of complaints received during the period	Action on (a) and (b)								
				Resolved				Non Actionable*	Pending			
				Within 30 days	30-60 days	60-180 days	Beyond 180 days		0-3 months	3-6 months	6-9 months	9-12 months
III E	Non updation of changes viz. address, PAN, bank details, nomination, etc	0	129	128	0	0	0	0	1	0	0	0
III F	Delay in allotment of Units	0	6	6	0	0	0	0	0	0	0	0
III G	Unauthorized Redemption	0	0	0	0	0	0	0	0	0	0	0
IV	Others	0	69	69	0	0	0	0	0	0	0	0
	TOTAL	**2**	**499**	**498**	**0**	**0**	**0**	**0**	**3**	**0**	**0**	**0**

Note

** As per AMFI Best Practice Guidelines Circular No.25/2011-12 for Revisions in the Guidelines on Standardization of Complaints/Grievances Reporting Procedure. If "Others" include a type of complaint which is more than 10% of overall complaint, then the such a reason should be provided separately. Hence Data corrections in Investor Details is included as a separate category

Including against its authorized persons / distributors / employees etc.

* Non actionable means the complaint that are incomplete / outside the scope of the mutual fund.

April 2026 to July2026:

Complaint code	Type of complaint#	(a) No. of complaints pending at the beginning of the period	(b) No of complaints received during the period	Action on (a) and (b)								
				Resolved				Average time taken ^ (in days)	Non Actionable *	Pending			
				Within 30 days	30-60 days	60-180 days	Beyond 180 days			0-3 months	3-6 months	6-12 months	Beyond 12 months
I A	Non receipt of amount declared under Income Distribution cum Capital Withdrawal option	0	0	0	0	0	0	0	0	0	0	0	0
I B	Interest on delayed payment of amount declared under Income Distribution cum Capital Withdrawal option	0	0	0	0	0	0	0	0	0	0	0	0
I C	Non receipt of Redemption Proceeds	0	12	12	0	0	0	7	0	0	0	0	0
I D	Interest on delayed payment of Redemption	0	1	1	0	0	0	7	0	0	0	0	0
II A	Non receipt of Statement of Account/ Unit Certificate	0	1	1	0	0	0	7	0	0	0	0	0
II B	Discrepancy in Statement of Account	1	15	16	0	0	0	3	0	0	0	0	0
II C	Data corrections in Investor details	1	68	67	0	0	0	4	0	2	0	0	0
II D	Non receipt of Annual Report/ Abridged Summary	0	0	0	0	0	0	0	0	0	0	0	0
III A	Wrong switch between Schemes	0	0	0	0	0	0	0	0	0	0	0	0
III B	Unauthorized switch between Schemes	0	0	0	0	0	0	0	0	0	0	0	0
III C	Deviation from Scheme attributes	0	0	0	0	0	0	0	0	0	0	0	0
III D	Wrong or excess charges/load	0	1	1	0	0	0	4	0	0	0	0	0
III E	Non updation of changes viz. address, PAN, bank details, nomination, etc	1	37	37	0	0	0	5	0	1	0	0	0
III F	Delay in allotment of Units	0	4	4	0	0	0	7	0	0	0	0	0
III G	Unauthorized Redemption	0	0	0	0	0	0	0	0	0	0	0	0
IV	Others	0	39	39	0	0	0	6	0	0	0	0	0
	TOTAL	**3**	**178**	**178**	**0**	**0**	**0**	**50**	**0**	**3**	**0**	**0**	**0**

The data on the number of complaints received, redressed and pending required to be updated every two months as prescribed by SEBI is accordingly updated upto July 31, 2026.

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Notes

Including against its authorized persons / distributors / employees etc.

* Non actionable means the complaint that are incomplete / outside the scope of the mutual fund

^ Average Resolution time is the sum total of time taken to resolve each complaint in days, in the current month divided by total number of complaints resolved in the current month.

G. 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 are requested to note that with effect from September 16, 2023, investors can register complaints/disputes against all Market Participants for resolution on the Online Dispute Resolution ('ODR') Portal.

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 Mutual Fund Distributors of HSBC Mutual Fund / 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.

Investor Services

The Fund believes in providing the investor with superior services to make the investor's experience in dealing with the Fund an efficient and satisfactory one. In order to achieve these goals, the Fund endeavors to continuously establish and upgrade systems to handle transactions efficiently and resolve any investor grievances promptly.

Ease of Transactions

The Fund intends to make every transaction for the investor a simple and convenient one. The Fund provides the following services:

Investor Service Centres in major metros

The Fund presently has Investor Service Centres in 9 cities. In addition to this, the Fund presently has a tie-up with the Registrar who has set up Investor Service Centres in various cities. The details of Investor Service Centres are given in the inside back cover of the Scheme Information Document. Over a period of time, the Fund will endeavor to add further Investor Service Centres and / or sales offices in other cities. The AMC reserves the right to designate from time to time, internet sites as official points of acceptance of transactions.

Each ISC of the AMC provides investors with requisite information and help in processing transactions in the Scheme of the Mutual Fund. Adequate training will be imparted to personnel managing the Investor Service Centres, with a view to early resolution of queries.

Process transactions in a timely manner

Under the Regulations, the Fund / the Registrar / the AMC shall dispatch to the Unitholders, the dividend proceeds within 7 days from the record date and the redemption proceeds within 10 Business Days from the date of acceptance of the request for redemption or repurchase proceeds, as the case may be. In the event of failure to dispatch the redemption / dividend proceeds within the above time, interest @15%

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per annum or such rate as may be specified by SEBI, would be paid to the unitholders for the period of delay. In case of delay in dispatch of dividend payments, the interest for the delayed payment of dividend shall be calculated from the record date.

While regulatory provisions require AMC's to dispatch the redemption proceeds within 10 business days of the request, under normal circumstances, the Fund will endeavor to dispatch the redemption proceeds within 3 business days (in case of equity Schemes), 7 business days (in case of HEMF, HBF, HAPDF) and 1 Business Day (in case of debt Schemes) from the date of receiving a valid redemption request in respect of the Scheme at the Investor Service Centres.

Investors should note that completion of monetary/non-monetary transactions within the respective number of Business Day(s) as indicated above, would be done on "best efforts" basis and completion of all such transactions are subject to the time limits as prescribed under the Regulations.

Problem Resolution

The Fund 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 Fund. 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 : investor.line@mutualfunds.hsbc.co.in / iromf@mutualfunds.hsbc.co.in

H. Information pertaining to Investments by the Schemes of the Fund

a. Derivative strategies

Investments in Derivatives

The Schemes, if permitted as per respective investment strategies, may invest in various derivatives instruments including futures (index and stock), options (index and stock) and forward contracts which are available for investment in Indian markets from time to time and which are permissible as per the applicable Regulations. Investment in such instruments will be made in accordance with the investment objective and the strategy of the Scheme to protect the value of the portfolio and to enhance returns. The investments shall also be subject to the internal limits as may be laid down from time to time and such limits and restrictions as may be prescribed by the Regulations or any other regulatory body.

Concepts and Examples:

Derivatives are financial contracts of pre-determined fixed duration, whose values are derived from the value of an underlying primary financial instrument, commodity or index, such as: interest rates, exchange rates, commodities and equities.

Futures:

A futures contract is an agreement between the buyer and the seller for the purchase and sale of a particular asset at a specific future date. The price at which the asset would change hands in the future is agreed upon at the time of entering into the contract. The actual purchase or sale of the underlying asset involving payment of cash and delivery of the instrument does not take place until the contracted date of delivery. A futures contract involves an obligation on both the parties to fulfil the terms of the contract.

Currently, futures contracts have a maximum expiration cycle of 3-months. Three contracts are available for trading, with 1 month, 2 months and 3 months expiry respectively. A new contract is introduced on the next trading day following the expiry of the relevant monthly contract. Futures contracts typically expire on the last Thursday (or immediate preceding trading day if Thursday is a trading holiday) of the month. For example, a contract with the January expiration expires on the last Thursday of January.

Index Futures

Index Futures began trading on NSE on June 12, 2000. A futures contract on the stock market index gives its owner the right and obligation to buy or sell the portfolio of stocks characterized by the index. Stock index futures are cash settled and, in some cases, settlement is by way of delivery of the underlying stocks.

Let us assume that the Nifty Index at the beginning of the month October 2017 was 9979 and futures indices as under were available:

Month	Bid price	Offer price
October	9997	10032
November	10049	10084
December	10102	10155

The Scheme could buy an index of October 2017 at the offer price of 10032. The Scheme will be required to pay the initial margin as required by the exchanges.

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The following is a hypothetical example of a typical trade in index future and the costs associated with the trade.

	Particulars	Index Future	Actual purchase of stocks
	Index as on beginning October 2017	9979	9979
	October 2017 futures price (in Rs.)	10032	–
I.	Execution Cost (Carry cost and other costs associated with the Index Futures - 10032-9979) (in Rs.)	53	NIL
II.	Brokerage Cost - on purchase (Assumed @ 0.04% for index future and 0.05% for spot stocks) (in Rs.) (0.04% of 10032, 0.05% of 9979)	4.01	4.99
III.	Securities Transaction Tax (in Rs.) (STT on purchase of index futures - NIL; STT on purchase of stocks - 0.1% of 2840)	NIL	9.98
IV.	Gain on surplus funds (assumed 5% returns on 90% of the money left after paying margin (10%)) (in Rs.) (5% x 9979 x 90% x 30 days/365)	36.91	NIL
V.	Spot market price at the expiry of October contract (in Rs.)	10032	10032
VI.	Brokerage Cost - on sale (in Rs.) (Assumed @ 0.04% for index future and 0.05% for spot stocks) (0.04% of 10032, 0.05% of 10032)	4.01	5.02
VII.	Securities Transaction Tax (in Rs.) (STT on sale of index futures - 0.01% of 10032; STT on sale of stocks - 0.1% of 10032)	1.00	10.03
	Total Cost (I + II + III - IV + VI + VII) (in Rs.)	**25.11**	**30.02**

Please note that the above example is based on assumptions and is used only for illustrative purposes (including an assumption that there will be a gain pursuant to investment in index futures). As can be seen in the above example, the costs associated with the trade in futures are less than that associated with the trade in actual stock. Thus, in the above example the futures trade seems to be more profitable than the trade in actual stock. However, buying of the index future may not be beneficial as compared to buying stocks if the execution and brokerage costs on purchase of index futures are high and the return on surplus funds are low. The actual returns may vary based on actuals and depends on final guidelines/procedures and trading mechanism as envisaged by stock exchanges and other regulatory authorities.

Stock Futures:

Stock futures were launched on 9th November 2001. A futures contract on a stock gives its owner the right and obligation to buy or sell the stocks. A purchase or sale of futures on a security gives the trader essentially the same price exposure as a purchase or sale of the security itself. In this regard, trading stock futures is no different from trading the security itself.

Example:

Assume that the spot price of the stock held by Mr. X is Rs. 390. Two-month futures cost him Rs. 402. For the futures contract he pays an initial margin. Now if the price of the security falls any further, he will suffer losses on the stock he holds. However, the losses he suffers on the stock will be offset by the profits he makes on his short futures position. For e.g., if the price of the stock held by him falls to Rs. 350, the fall in the price of the security will result in a fall in the price of futures. Futures will now trade at a price lower than the price at which he entered into a short futures position (assume futures trade at Rs. 340). Hence his short futures position will start making profits. The loss of Rs. 40 incurred on the security he holds, will be made up by the profits of Rs. 62 (the initial margin paid, and other related costs are not considered) made on his short futures position.

Options:

An option is a contract which provides the buyer of the option (also called the holder) the right, without the obligation, to buy (call) or sell (put) a specified asset at an agreed price on or up to a particular date. For acquiring this right the buyer has to pay a premium to the seller. The seller on the other hand has the obligation to buy or sell that specified asset at the agreed price. The premium is determined considering number of factors such as the underlying asset's market price, the number of days to expiration, strike price of the option, the volatility of the underlying asset and the risk less rate of return. The strike price, the expiration date and the market lots are specified by the exchanges.

An option contract may be of two kinds, viz., a call option or a put option. An option that provides the buyer the right to buy is a call option. The buyer of the call option (known as the holder of the option) can call upon the seller of the option (known as writer of the option) and buy from him the underlying asset at the agreed price at any time on or before the expiry date of the option. The seller of the option has to fulfil the obligation on exercise of the option.

The right to sell is called a put option. Here, the buyer of the option can exercise his right to sell the underlying asset to the seller of the option at the agreed price.

Options are of two types: (a) European and (b) American. In a European option, the holder of the option can only exercise his right on the date of expiration. In an American option, he can exercise this right anytime between the purchase date and the expiration date.

Example on options:

Buying a Call Option: Assume that the Scheme buys a call option at the strike price of Rs. 2,000 and pays a premium of Rs. 100. If the market price of the underlying stock on the date of expiry of the option is Rs. 2,400 (i.e. more than Rs. 2,100 which is total of the strike price and the premium), the Scheme would earn profits. However, if on the date of the expiry of the option, the market price of the underlying stock is Rs. 1,900, the Scheme will not exercise the option and it shall lose the premium of Rs. 100.

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Thus, in the above example, the loss for the Scheme, as the buyer of the option, is limited to the premium paid by him while the gains are unlimited.

Buying a Put Option: Assume that the Scheme buys a put option at the strike price of Rs. 2,000 and pays a premium of Rs. 100. If the market price of the underlying stock decreases to Rs. 1,850 the Scheme would be protected from the downside and would only have to bear the loss of the premium of Rs. 100 instead of a loss of Rs. 150 whereas if the stock price moves up to say Rs. 2,150 the Scheme may let the option expire and forego the premium thereby capturing Rs. 50 upside after bearing the premium of Rs. 100.

Writing a Call Option: Assume that the Scheme writes a call option at the strike price of Rs. 2,050 and earns a premium of Rs. 100. If the market price of the underlying stock on the date of expiry increases to Rs. 2,200 (i.e. more than Rs. 2,050) then the option is exercised. The Scheme earns the premium of Rs. 100 but loses the difference between the market price and the exercise price i.e. Rs. 150. In case the market price of the underlying stock decreases to Rs. 2,000, the Scheme gets to keep the premium of Rs. 100.

Writing a Put Option: Assume that the Scheme writes a put option at the strike price of Rs. 2,050 and earns a premium of Rs. 50. If the market value of the underlying stock decreases to Rs. 2,000 the put option will be exercised and the Scheme will earn the premium of Rs. 50 but losses the difference between the exercise price and the market price which is Rs. 50. However if the market price of the underlying stock is Rs. 2,100, the option-holder will not exercise the option. As a result of which the option will expire and the Scheme will earn the premium income of Rs. 50.

Forward Contracts:

A forward contract is a transaction in which the buyer and the seller agree upon the delivery of a specified quality (if commodity) and quantity of underlying asset at a predetermined rate on a specified future date. For example on forward contracts, please refer below.

Assume that on June 30, 2017, the scheme has invested 1 million dollars in a US treasury security. Fund Manager expects that the yields in the US will come down in the next 6 months and plans to sell the asset on December 31, 2017 to book the gain. Rupee is trading at Rs. 63 to a US Dollar on June 30, 2017. If rupee appreciates compared to the Dollar in these 6 months to say Rs. 62.50 per Dollar, the Scheme will earn lower returns in Rupee terms when the fund manager sells the investments on December 31, 2017 and converts the proceeds into Rupees. He can mitigate this exchange rate risk by entering into a forward contract to sell 1 million dollars on June 30, 2017 for value December 31, 2017 (6 month forward) and receive the prevailing premium of say 40 paise per Dollar i.e. he has locked in a rate of Rs. 63.40 per US Dollar for delivery on December 31, 2017. With this the Scheme is not exposed to the loss of Rupee appreciation or profit from Rupee depreciation.

Please note that the above examples are based on assumptions and are used only for illustrative purposes.

Trading in Derivatives

SEBI has permitted all mutual funds to participate in derivatives trading subject to observance of guidelines issued by it in this behalf. Pursuant to this, mutual funds may use various derivative products from time to time, as would be available and permitted by SEBI, in an attempt to protect the value of the portfolio and enhance Unitholders' interest.

Accordingly, the Fund may use derivative instruments like stock index futures, options on stocks, stock indices, interest rate swaps, forward rate agreements or such other derivative instruments as may be introduced from time to time as permitted under the Regulations and guidelines.

i) Risks

Risk associated with Interest Rate Swaps and Forward Rate Agreements is the movement in interest rates inverse to the position taken. Whereas risk associated with Index Futures, Stock Futures, Index Options and Stock Options is the movement in market prices inverse to the position taken (along with the time decay in the prices of the Options in case of Index Options and Stock Options).

Investments in derivatives shall adhere to the restrictions as specified by SEBI vide circulars/guidelines issued from time to time.

ii) Scheme specific exposure to Derivatives

The Scheme shall have derivative exposure as per the SEBI Guidelines issued from time to time. These limits will be reviewed by the AMC, from time to time.

iii) The position limits are as under:

- *Position limit for Mutual Fund in index options contracts*
  - The Mutual Fund position limit in all index options contracts on a particular underlying index shall be Rs. 500 crore or 15% of the total open interest of the market in index options, whichever is higher, per Stock Exchange.
  - This limit would be applicable on open positions in all options contracts on a particular underlying index.
- *Position limit for Mutual Fund in index futures contracts:*
  - The Mutual Fund position limit in all index futures contracts on a particular underlying index shall be Rs. 500 crore or 15% of the total open interest of the market in index futures, whichever is higher, per Stock Exchange.
  - This limit would be applicable on open positions in all futures contracts on a particular underlying index.

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- *Additional position limit for hedging:*
  - In addition to the position limits in index options and index futures contracts above, the Mutual Fund 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 Mutual Fund's holding of stocks.
  - Long positions in index derivatives (long futures, long calls and short puts) shall not exceed (in notional value) the Mutual Fund's holding of cash, government securities, T-Bills and similar instruments.
- *Position limit for Mutual Fund for stock based derivative contracts*
  - The position limit for the Mutual Fund in a derivative contract on a particular underlying stock, i.e. stock option contracts and stock futures contracts shall be as follows:
  - The combined futures and options limits shall be 20% of the applicable Market Wide Position Limit (MWPL).
- *Position limit for each scheme of a Mutual Fund*
  - The scheme-wise position limit/disclosure requirements shall be:
  - For stock option and stock futures contracts, the gross open position across all derivative contracts on a particular underlying stock of a scheme of a mutual fund shall not exceed the higher of:
  - 1% of the free float market capitalisation (in terms of number of shares) or 5% of the open interest in the derivative contracts on a particular underlying stock (in terms of number of contracts).
  - This position limits shall be applicable on the combined position in all derivative contracts on an underlying stock at a Stock Exchange.

For index based contracts, the Mutual Fund shall disclose the total open interest held by its scheme or all schemes 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.

As and when SEBI notifies amended limits in position limits for exchange traded derivative contracts in future, the aforesaid position limits, to the extent relevant, shall be read as if they were substituted with the SEBI amended limits.

(i) The Scheme(s) of HSBC Mutual Fund cannot write options or purchase instruments with embedded written options.

(ii) In case the Scheme invests in options, the option premium shall not exceed 20% of the net assets of the Scheme.

(iii) Cash or cash equivalents with residual maturity of less than 91 days will not be treated as creating any exposure.

(iv) Derivatives positions for hedging purposes will not be included in the aforesaid limits subject to compliance with the requirements mentioned in SEBI Regulations.

(v) The Scheme may enter into plain vanilla interest rate swaps for hedging purposes with a counter party which is recognized as a market maker by RBI. Further, the value of the notional principal in such cases will not exceed the value of respective existing assets being hedged by the Scheme.

(vi) In case of interest rate swaps, the exposure to a single counterparty shall not exceed 10% of the net assets of the Scheme.

(vii) The 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 limit mentioned in point (vi).

(viii) The gross open positions across all Interest Rate Futures contracts by the Mutual Fund shall not exceed 10% of the total open interest in the respective maturity bucket or Rs. 600 crores, whichever is higher.

(ix) The gross open positions of the Scheme across all Interest Rate Futures contracts within the respective maturity bucket shall not exceed 3% of the total open interest or Rs. 200 crores whichever is higher.

(x) 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:

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.

The following information provides a basic idea as to the nature of the derivative instruments proposed to be used by the Fund and the benefits and risks attached therewith. Please note that the examples have been given for illustration purposes only.

Interest Rate Swaps (IRS) and Forward Rate Agreements (FRA)

Benefits

Certain segments of the Bond markets in India are not very liquid. Investors run the risk of illiquidity in such markets. Investing for short-term periods for liquidity purposes has its own risks. Investors can benefit if the Fund remains in call market for the liquidity and at the same time take advantage of fixed rate by entering into a swap. It adds certainty to the returns without sacrificing liquidity.

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IRS

An IRS is an agreement between two parties (counter parties) to exchange, on particular dates in the future, one series of cash flows (fixed interest) for another series of cashflows (variable or floating interest) in the same currency and on the same principal for an agreed period of time. The exchange of cashflows need not occur on the same date. As floating rate instruments tend to be relatively less liquid, swapping a fixed rate instrument into floating returns can help in improving the liquidity of the fund.

FRA

A FRA is an agreement between two counter parties to pay or to receive the difference between an agreed fixed rate (the FRA rate) and the interest rate prevailing on a stipulated future date, based on a notional amount, for an agreed period. In short, in a FRA, interest rate is fixed now for a future period. The special feature of FRAs is that the only payment is the difference between the FRA rate and the reference rate and hence are single settlement contracts. As in the case of IRS, notional amounts are not exchanged.

Basic Structure of a Swap

Assume that the Scheme has a Rs. 20 crore floating rate investment linked to MIBOR (Mumbai Inter Bank Offered Rate). Hence, the Scheme is currently running an interest rate risk and stands to lose if the interest rate moves down. To hedge this interest rate risk, the Scheme can enter into a 6 month MIBOR swap. Through this swap, the Scheme will receive a fixed predetermined rate (assume 12%) and pays the "benchmark rate" (MIBOR), which is fixed by the National Stock Exchange (NSE) or any other agency such as Reuters. This swap would effectively lock-in the rate of 12% for the next 6 months, eliminating the daily interest rate risk. This is usually routed through an intermediary who runs a book and matches deals between various counterparties.

The steps will be as follows:

- Assuming the swap is for Rs. 20 crores from June 1, 2001, to December 1, 2001. The Scheme is a fixed rate receiver at 12% and the counterparty is a floating rate receiver at the overnight rate on a compounded basis (say NSE MIBOR).
- On 1 June, 2001 the Scheme and the counterparty will exchange only a contract of having entered this swap. This documentation would be as per International Securities Dealers Association (ISDA).
- On a daily basis, the benchmark rate fixed by NSE will be tracked.
- On December 1, 2001 the following will be calculated :
- The Scheme is entitled to receive interest on Rs. 20 crores at 12% for 184 days i.e. Rs. 1.21 crores, (this amount is known at the time the swap was concluded) and will pay the compounded benchmark rate.
- The counterparty is entitled to receive daily compounded call rate for 184 days & pay 12% fixed.
- On December 1, 2001, if the total interest on the daily overnight compounded benchmark rate is higher than Rs. 1.21 crores, the Scheme will pay the difference to the counter party. If the daily compounded benchmark rate is lower, then the counterparty will pay the Scheme the difference.
- Effectively the Scheme earns interest at the rate of 12% p.a. for 6 months without lending money for 6 months fixed, while the counterparty pays interest @ 12% p.a. for 6 months on Rs. 20 crore, without borrowing for 6 months fixed.

Risks

Interest Rate Swaps and Forward Rate Agreements have its own drawbacks like credit risk, settlement risk and interest rate risks. However, these risks are substantially reduced as the amount involved is interest streams and not principal.

Index Futures

Benefits

- Investment in stock index futures can give exposure to the index without directly buying the individual stocks. Appreciation in index stocks can be effectively captured through investment in Stock Index Futures.

The Fund can sell futures to hedge against market movements effectively without actually selling the stocks it holds.

The stock index futures are instruments designed to give exposure to the equity market indices. The pricing of an index future is the function of the underlying index and interest rates.

Illustration

Spot Index: 1070

1 month Nifty Future Price on day 1: 1075

Fund buys 100 lots

Each lot has a nominal value equivalent to 200 Units of the underlying index

Situation 1

Let us say that on the date of settlement, the future price = closing spot price = 1085

Profits for the Fund = (1085-1075) x 100 lots x 200 = Rs. 200,000

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Situation 2

Let us say that on the date of settlement, the future price = Closing spot price = 1070

Loss for the Fund = (1070-1075) x 100 lots x 200 = (Rs. 100,000)

The net impact for the Fund will be in terms of the difference between the closing price of the index and cost price (ignoring margins for the sake of simplicity). Thus, it is clear from the example that the profit or loss for the Fund will be the difference of the closing price (which can be higher or lower than the purchase price) and the purchase price. The risks associated with index futures (based on notional value) are similar to the one with equity investments. Additional risks could be on account of illiquidity and hence mispricing of the future at the time of purchase.

Buying Options

Benefits of buying a call option

Buying a call option on a stock or index gives the owner the right, but not the obligation, to buy the underlying stock / index at the designated strike price. Here the downside risks are limited to the premium paid to purchase the option.

Illustration

If the Fund buys a 1 month call option on Hindustan Lever at a strike of Rs. 190, the current market price being say Rs. 191. The Fund will have to pay a premium of say Rs. 15 to buy this call. If the stock price goes below Rs. 190 during the tenure of the call, the Fund avoids the loss it would have incurred had it straightaway bought the stock instead of the call option. The Fund gives up the premium of Rs. 15 that has to be paid in order to protect the Fund from this probable downside. If the stock goes above Rs. 190, it can exercise its right and own Hindustan Lever at a cost price of Rs. 190, thereby participating in the upside of the stock.

Benefits of buying a put option

Buying a put option on a stock originally held by the buyer gives him / her the right, but not the obligation, to sell the underlying stock at the designated strike price. Here the downside risks are limited to the premium paid to purchase the option.

Illustration

If the Fund owns Hindustan Lever and also buys a three-month put option on Hindustan Lever at a strike of Rs. 190, the current market price being say Rs. 191. The Fund will have to pay a premium of say Rs. 12 to buy this put.

If the stock price goes below Rs. 190 during the tenure of the put, the Fund can still exercise the put and sell the stock at Rs. 190, avoiding therefore any downside on the stock below Rs. 190. The Fund gives up the fixed premium of Rs. 12 that has to be paid in order to protect the Fund from this probable downside. If the stock goes above Rs. 190, say to Rs. 220, it will not exercise its option. The Fund will participate in the upside of the stock, since it can now sell the stock at the prevailing market price of Rs. 220.

Writing Options

Benefits of writing an option with underlying stock holding (Covered call writing)

Covered call writing is a strategy where a writer (say the Fund) will hold a particular stock and sell in the market a call option on the stock. Here the buyer of the call option now has the right to buy this stock from the writer (the Fund) at a particular price which is fixed by the contract (the strike price). The writer receives a premium for selling a call, but if the call option is exercised, he has to sell the underlying stock at the strike price. This is advantageous if the strike price is the level at which the writer wants to exit his holding / book profits. The writer effectively gains a fixed premium in exchange for the probable opportunity loss that comes from giving up any upside if the stock goes up beyond the strike price.

Illustration

Let us take for example Infosys Technologies, where the Fund holds stock, the current market price being Rs. 3600. The Fund Manager holds the view that the stock should be sold when it reaches Rs. 3700. Currently the 1 month 3700 calls can be sold at say Rs. 50. Selling this call gives the call owner the right to buy from the Fund, Infosys at Rs. 3700.

Now the Fund by buying / holding the stock and selling the call is effectively agreeing to sell Infosys at Rs. 3700 when it crosses this price. So the Fund is giving up any possible upside beyond Rs. 3700. However, the returns for the Fund are higher than what it would have got if it just held the stock and decided to sell it at Rs. 3700. This is because the Fund by writing the covered call gets an additional Rs. 150 per share of Infosys. In case the price is below Rs. 3700 during the tenure of the call, then it will not be exercised and the Fund will continue to hold the shares. Even in this case the returns are higher than if the Fund had just held the stock waiting to sell it at Rs. 3700.

Benefits of writing put options with adequate cash holding

Writing put options with adequate cash holdings is a strategy where the writer (say, the Fund) will have an amount of cash and will sell put options on a stock. This will give the buyer of this put option the right to sell stock to the writer (the Fund) at a pre-designated price (the strike price). This strategy gives the put writer a premium, but if the put is exercised, he has to buy the underlying stock at the designated strike price. In this case the writer will have to accept any downside if the stock goes below the exercise price. The writer effectively gains a fixed premium in exchange for giving up the opportunity to buy the stock at levels below the strike price. This is advantageous if the strike price is the level at which the writer wants to buy the stock.

Illustration

Let us take for example, that the Fund wants to buy Infosys Technologies at Rs. 3500, the current price being Rs. 3600. Currently the three-month puts can be sold at say Rs. 100. Writing this put gives the put owner the right to sell to the Fund, Infosys at Rs. 3500.

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Now the Fund by holding cash and selling the put is agreeing to buy Infosys at Rs. 3500 when it goes below this price. The Fund will take on itself any downside if the price goes below Rs. 3500. But the returns for the Fund are higher than what it would have got if it just waited till the price reached this level and bought the stock at Rs. 3500, as per its original view. This is because the Fund by writing the put gets an additional Rs. 100 per share of Infosys. In case the price stays above Rs. 3500 during the tenure of the put, then it will not be exercised and the Fund will continue to hold cash. Even in this case the returns are higher than if the Fund had just held cash waiting to buy Infosys at Rs. 3500.

The derivative strategy used could be directional views or arbitrage opportunities available. 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.

Valuation of Derivative Products

- The traded derivatives shall be valued at market price in conformity with the stipulations of sub clause 10.2.1 of SEBI Master Circular dated March 20, 2026 as amended from time to time.
- The valuation of untraded derivatives shall be done in accordance with the valuation method for untraded investments prescribed in sub clause 10.2.2. of SEBI Master circular dated March 20, 2026 as amended from time to time.

Guidelines for investments in securitized debt

a) How the risk profile of securitized debt fits into the risk appetite of the Scheme?

Objective of debt portion of the Schemes/Plans is to invest in high quality debt instruments like gilts, corporate bonds and money market instruments which would give accrual as well as capital appreciation over the period. Tenor of investments would depend on interest rate conditions and Fund Manager's view.

The Schemes/Plans may invest in securitized debt provided there are suitable opportunities available from time to time. Primarily the reasons for making such investments are:

- To increase the yield of the portfolio;
- Provide access to good quality highly rated debt;
- Diversification to multiple asset classes to spread out risk;
- Securitized debt can give access to exposures to various asset backed receivables like mortgage loans, auto loans, commercial vehicle loans etc which may not be directly available.

Hence, investing in good quality rated securitized debt would fit the risk profile of the Schemes/Plans, as it can give high yield and capital appreciation. The twin concerns for securitized debt (single loan/asset pool PTCs) would be credit and liquidity risks. For consideration of investment, the securitized debt would be of high rating (at the time of investment) and of maturity within the risk limits framed for the scheme.

b) Policy relating to originators based on nature of originator, track record, NPA's, losses in earlier securitized debt, etc

Credit quality of an originator will be evaluated on number of parameters. The focus of the analysis encompasses significant credit events in terms of default risk as well as variation in credit quality over time. The parameters evaluated would include (but not be limited to):

- Track record of historical Pass Through Certificates issued by Originator;
- Willingness to pay, through credit enhancement facilities and ability to pay;
- Business Risk Assessment including Economic Setting as well as Industry Analysis in terms of the competitive dynamics of the market in which the company/issuer operates;
- Originator reputation and quality of management;
- Detailed Financial Analysis of the issuer and rating of issuer; and

c) Risk mitigation strategies for investments with each kind of originator

Apart from analysis of asset pool characteristics, an analysis on the strength of the originator would be carried out. This analysis would be in accordance with the internal credit approval process which follows a multi-pronged approach on analysis and approval of any credit. A combination of qualitative and quantitative factors would be considered for assessment and a credit score would be arrived on the same basis. Additionally for securitized debt, factors such as size, reach, loan pool concentrations, historical collection efficiency metrics and track record would also be considered. For investment by the Scheme, internal risk limits on allowable exposure to asset backed securities would be put. Additionally, there would be exposure limits based on asset pools (such as housing, automobile, two wheelers, personal loans) which would negate concentration risk and overexposure of a particular asset class.

d) The level of diversification with respect to the underlying assets, and risk mitigation measures for less diversified investments

For each originator's pass through certificates under consideration, risk measures such as asset type, pool structure, historical default rates, credit enhancements, average loan ticket size, geographical concentrations, collection efficiencies, pool seasoning and rating is considered. Analysis would focus on three areas:

i. Analysis of underlying collateral:
   - Fixed/floating rate pricing, special pricing structures such as teaser rates, if any, provisos for lender to change rates;
   - Geographic/demographic diversification of assets;

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- Portfolio Seasoning;
- Specific Default - Recovery drivers for each asset class.

ii. Analysis of ABS structure:

- Senior/subordinate tranches structure;
- Over collateralization;
- Cash Collateral and operation of the same in terms of separate account under control of SPV trustees;
- Guarantee or Corporate Undertaking.

iii. Analysis of entities involved;

- Servicer;
- Originator;
- Guarantor.

e) Minimum retention period of the debt by originator prior to securitization

Though no minimum retention period is specified as such, pool seasoning, credit enhancements like cash collateral etc. and extant interest of the originator would be analysed so that originator bears adequate extent of pool risk and for estimating pool quality.

f) Minimum retention percentage by originator of debts to be securitized

No minimum retention percentage is specified. Retention percentages which form as support tranche held by the originator is given importance while analysing the strength of the security and securitized structure.

g) The mechanism to tackle conflict of interest when the mutual fund invests in securitized debt of an originator and the originator in turn makes investments in that particular scheme of the fund

As and when such investments are made, mechanism would be put in place cause review of transactions and take necessary steps to avoid conflict, or to rectify it.

h) In general the resources and mechanism of individual risk assessment with the AMC for monitoring investment in securitized debt

The AMC has a credit committee in place, which assesses credits. The risk team monitors the credit exposures of approved issuers. The AMC/Trustee may review and modify the above provisions from time to time as deemed fit subject to regulations.

b. Swing Pricing :

Mandatory Swing Pricing Framework

Para 5.8 of SEBI Master Circular on Mutual Funds dated March 20, 2026, has introduced swing pricing framework for open ended debt schemes (except overnight funds, Gilt funds and Gilt with 10-year maturity funds) for scenarios related to net outflows from such schemes.

In accordance with the provisions of the said circular, following is the framework for mandatory full swing pricing during market dislocation times which shall be applicable, as may be notified by SEBI.

Swing pricing framework for market dislocation:

1. Market dislocation shall be determined and declared by SEBI from time to time. Once market dislocation is declared, the swing pricing will be applicable for a period specified by SEBI.
2. Subsequent to the announcement of market dislocation by SEBI, the swing pricing factor as tabulated below shall be applicable to the scheme, only if as on the date of declaration of market dislocation by SEBI, the Scheme is:
   1. A High or Very High risk on the risk-o-meter in terms of SEBI circular para 6.16 of of SEBI Master Circular on Mutual Funds dated March 20, 2026 (as of the most recent period at the time of declaration of market dislocation); and
   2. Classified in the cells A-III, B-II, B-III, C-I, C-II and C-III of Potential Risk Class (PRC) Matrix in terms of para 6.18 of of SEBI Master Circular on Mutual Funds dated March 20, 2026 as tabulated below.

   A minimum swing factor as under shall be made applicable to the Scheme and the NAV will be adjusted for stated swing factor:

Minimum swing factor for open ended debt schemes			
Max Credit Risk of Scheme →	**Class A (CRV** >=12)**	**Class B (CRV>= 10)**	**Class C (CRV <10)**
Max Interest Rate Risk of the Scheme ↓			
Class I: (MD<= 1 year)	Not Applicable	Not Applicable	1.50%
Class II: (MD<= 3 years)	Not Applicable	1.25%	1.75%
Class III: Any Macaulay duration	1%	1.50%	2.00%

** Credit Risk Value

3. The swing pricing framework will be made applicable only if there is a net outflow from the Scheme on any given day during the period specified by SEBI.

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4. When swing pricing framework is triggered and swing factor is made applicable, the same shall be applicable to both the incoming and outgoing investors and NAV shall get adjusted for swing factor.
5. Swing pricing shall be made applicable to all unitholders at PAN level with an exemption for redemptions upto Rs. 2 lacs under the scheme.
6. The Scheme performance shall be computed based on unswung NAV.
7. Disclosures pertaining to NAV adjusted for swing factor along with the performance impact shall be made in the prescribed format in the SID and in scheme wise Annual Reports and Abridged summary and the same may be disclosed on the website of the Fund prominently only if swing pricing framework has been made applicable for the scheme.

Notes:

1. What is Swing Pricing?

There are trading and associated transaction costs involved when there are significant inflows into or significant outflows from the scheme. Also, such large flows can have impact on the price at which securities are transacted by the scheme. Such costs as a result of significant flows fall not on only those investors who have just transacted but on all the investors in the fund thereby diluting the value of existing investors' holding. Introduction of Swing pricing aims to protect the interest of the existing investors from some of the performance dilution that they may suffer as a result of significant inflows and outflows from the scheme.

It is a process whereby the NAV of the Scheme is swung or adjusted with a specified factor (%) as tabulated above to effectively pass on such costs (caused by significant inflow/outflow) to the investors associated with such flows.

2. Under which circumstances it is triggered?

Swing pricing will be triggered under following scenarios:

1. A market dislocation is declared by SEBI; and
2. The Scheme meets the criteria specified under point 2 i) & ii) above; and
3. There is a net redemption under the Scheme i.e. total outflow for the day exceeds the total inflow for the day.
4. Triggering Swing Pricing on re-opening of a scheme after announcement of winding-up:
   a) There may be instances where the AMC after making an announcement to wind up the Scheme, decides to roll-back the decision to wind up. Such situations may trigger large scale redemptions and hence it would be prudent to invoke the Swing Pricing mechanism to manage such a situation. In other words, if the AMC decides to reverse its decision to wind up the scheme, it shall mandatorily invoke the Swing pricing upon re-opening a scheme for subscriptions and redemptions post such announcements.
   b) The swing factor for the parameters of "Re-opening of the scheme after announcement of winding-Up" shall be higher of the swing factor suggested by the Board of the AMC or as per AMFI Best practice guidelines 135/BP/96-B/2024-25 dated November 04, 2024 (as per table below, as amended from time to time), and shall be higher of swing period as may be decided by the Board of the AMC or for a minimum of 7 working days upon re-opening a scheme for subscriptions and redemptions.

Indicative Range of Swing Threshold: The Indicative range of the amount of swing factor based on the PRC matrix shall be as follows:

Credit Risk/Interest Rate Risk	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)
Relatively Low (Class 1)	0.00%	0.05%	0.20%
Moderate (Class 2)	0.05%	0.10%	0.40%
Relatively High (Class 3)	0.10%	0.20%	0.60%

It may be noted that these are floor swing amounts and the AMCs are free to set these limits higher, depending on the dynamics of their schemes both on liability side and on asset side.

3. For how many days swing pricing shall be applicable?

It will be applicable for the period as specified by SEBI from time to time.

4. What is the inflow/outflow threshold for triggering the swing pricing factor?

Currently swing pricing will be applicable only in case of net outflows (without any threshold) in the scheme.

5. Illustration explaining the effect of swing price on the NAV for incoming and outgoing investors:

Assumption:

1. Applicable mandatory swing pricing factor: 1% (i.e. scheme classified under cell A-III of the PRC matrix)
2. Normal NAV of the Scheme is: Rs. 100/- per unit

Computation of Swing NAV:

100 – (100*1%) = Rs. 99/- per unit

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Exit load, if any, shall be applicable on the swung NAV.

3. Provisions on creation of Segregated portfolio / Side pocketing

Segregated Portfolio

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 mutual fund schemes.

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 a mutual fund scheme.
2) The term 'Main Portfolio' means the scheme portfolio excluding the Segregated Portfolio.
3) The term 'Total Portfolio' means the scheme 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 scheme 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 scheme.
   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 scheme 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.
   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.

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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 scheme 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, SID, Scheme Advertisements, Scheme Performance data, AMC's website and at other places as may be specified.

The information regarding number of Segregated Portfolio(s) created in a scheme shall appear prominently under the name of the scheme at all relevant places such as SID, 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 Scheme. The Fund 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.

Illustration of Segregated Portfolio

Below mentioned is sample Portfolio of a scheme, 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**	

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(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**	

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

Securities/Stock Lending by the Mutual Fund

Subject to the Regulations and the applicable guidelines, the Scheme 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 Scheme Information Document(s) of respective Scheme(s) of HSBC Mutual Fund. Securities/Stock Lending could be considered for the

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purpose of generating additional income to unit holders of the Scheme. 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.

I. Transaction Charges and Stamp Duty

Transaction Charges:

Investors may note that the AMC discontinued the payment of transaction charges to distributors with effect from July 1, 2025. Accordingly, effective from July 01, 2025, no transaction charges will be deducted from the subscription amount (lumpsum or Systematic Investment Plan) received under Regular Plan and the full amount of subscription (after deduction of statutory charges, if any) will be invested in the scheme(s) of the Fund on or after the Effective Date. For existing Systematic Investment Plan(s), where one or more installments of Transaction Charges are pending to be deducted, the deduction of such pending installments shall also be discontinued from the Effective Date.

Stamp Duty :

Pursuant to Notification No. S.O. 4419(E) dated December 10, 2019 read with Notification No. S.O. 115(E) dated January 8, 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 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.

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X. DISCLOSURES AND REPORTS BY THE FUND

A. 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 / Fund 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 schemes.

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 mutual fund folios, then CAS shall 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 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 / Mutual Funds (MFs) to distributors (in absolute terms) during the half-year period against the concerned investor's total investments in each MF scheme. 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/MFs 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 scheme's average Total Expense Ratio (in percentage terms) for the half-year period for each scheme'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 MF schemes 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 scheme 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 scheme 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 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.

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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 Mutual Fund 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.

B. Dividends and Distributions

As per para 12.4 of SEBI Master Circular dated March 20, 2026 or as amended from time to time, the AMC shall dispatch payment of the dividend proceeds within 7 working days from the record date. The dividend proceeds may be paid by way of dividend warrants / direct credit / EFT / ECS Credit / NEFT / RTGS / Wired Transfer / any other manner through the investor's bank account specified in the Registrar's records. The AMC, at its discretion at a later date, may choose to alter or add other modes of payment.

Further, in case of units held in dematerialized form, based on the list provided by the Depositories (NSDL / CDSL) giving the details of the demat account holders and the number of Units held by them in demat form on the Record date, the Registrars & Transfer Agent will pay the dividend proceeds by forwarding a dividend warrant or directly crediting the bank account linked to the demat account depending on the mode of receipt of dividend proceeds chosen by the Unit holder.

Delay in payment of dividend proceeds

As per para 12.4 of SEBI Master Circular dated March 20, 2026 or as amended from time to time, the AMC shall dispatch payment of the IDCW proceeds within 7 working days from the record date. However, in the event of failure to dispatch / credit the dividend proceeds within the above time, interest @15% per annum or such rate as may be specified by SEBI, would be paid to the Unit holders for the period of delay from the stipulated period for the dispatch / payment of IDCW payments.

C. Half Yearly Disclosures / Portfolio Disclosures/Financial Results

Portfolio Disclosure

The Mutual Fund/AMC shall disclose portfolio of the Scheme (along with ISIN and yield of the instruments) as on the last day of every fortnight (i.e. as on 15th day and last day of the month), within 5 days from close of each fortnight/within 10 days of close of each month on its website and on the website of AMFI in a user-friendly and downloadable spreadsheet format.

In case of unitholders whose e-mail addresses are registered, the AMC shall send via email the fortnightly / monthly statement of scheme portfolio within 5 days / 10 days from the close of each fortnight / month respectively.

The AMC shall declare on their website the hosting of the monthly/fortnightly statement of its schemes portfolio on its website (www.assetmanagement.hsbc.co.in) and on the website of AMFI (www.amfiindia.com) and the modes such as SMS, telephone, email or written request (letter) through which a unit holder can submit a request for a physical or electronic copy of the statement of scheme portfolio.

The Mutual Fund / AMC will disclose portfolio (along with ISIN) of the Scheme as on the last day of the month on its website www.assetmanagement.hsbc.co.in on or before the tenth day of the succeeding month in a user-friendly and downloadable format. Please click here for disclosure on : Monthly Portfolio and Fortnightly Debt Portfolio

D. Half yearly Results:

(a) The Mutual Fund/AMC within one month from the close of each half-year ending on 31st March and 30th September, host the unaudited financial results of schemes of HSBC Mutual Fund on its website.

(b) The financial results referred to in clause (a) shall be in the format specified by the SEBI from time to time and shall include such additional details as are necessary to give a true and fair view of operations of the mutual fund.

(c) Written communication (including digital modes such as email/SMS etc.) shall be sent to unitholders by the AMC about the availability of financial results referred to in clause (a).

Please click here for disclosure on : Half yearly Results

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E. Annual Report :

The annual report containing accounts of the AMC would be displayed on the website of the AMC (i.e. www.assetmanagement.hsbc.co.in). Unitholders, if they so desire, may request for the annual report of the AMC.

(a) The scheme wise annual report, in machine readable format, shall be hosted on the website of the AMC (www.assetmanagement.hsbc.co.in) and on the website of AMFI (www.amfiindia.com). The AMCs shall display the link prominently on their websites and make the physical copies available to the unit holders, at their registered offices at all times.

(b) The websites of the AMCs shall also be linked with AMFI website so that the investors and analyst(s) can access the annual reports of all mutual funds at one place.

(c) AMCs shall send an email / SMS to all unitholders regarding the hosting of scheme wise annual report on their website and on the website of AMFI.

(d) AMCs shall e-mail the scheme annual reports or abridged summary thereof, in machine readable formats, to all such unit holders, whose email addresses are registered with the Mutual Fund, within 4 months from the date of closure of the relevant financial year. The said communication shall also include details of modes such as SMS, telephone, email or written request (letter), etc. through which unit holders can submit a request for a physical copy of the scheme wise annual report or abridged summary thereof.

Please click here for disclosure on : Scheme Annual Report

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

HSBC Asset Management (India) Private Limited

CIN NO: U74140MH2001PTC134220

9-11 Floors, NESCO IT Park, Building No. 3,
Western Express Highway, Goregaon (East), Mumbai 400 063, India

Website : www.assetmanagement.hsbc.co.in

Description	Investor related queries	Distributor related queries	Online related queries	Investor (Dialing from abroad)
Toll Free Number	1800-4190-200/1800-200-2434	1800-419-9800	1800-4190-200/1800-200-2434	+91 44 39923900
Email ID	investor.line@mutualfunds.hsbc.co.in	partner.line@mutualfunds.hsbc.co.in	onlinemf@mutualfunds.hsbc.co.in	investor.line@mutualfunds.hsbc.co.in

To get your updated account statement email us at : "mfsoa@mutualfunds.hsbc.co.in"

We're always here to help you, so feel free to reach out to us

Self-service request at your Fingertips

• Visit Website • Invest Online • Insta Statement • Download Forms
• Transact via Whats App • Use 24/7 ChatBot - Ask Me

Remember, you can also find out more via our social media handles !

Please check our website www.assetmanagement.hsbc.co.in for an updated list of Official Points of Acceptance of HSBC Mutual Fund.

CAMS SERVICE CENTRES/CAMS LIMITED TRANSACTION POINTS/CAMS COLLECTION CENTRES

For details on CAMS Service Centres, please visit www.camsonline.com

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HSBC Asset Management (India) Private Limited

CIN NO: U74140MH2001PTC134220

Registered Office : 9-11 Floors, NESCO IT Park, Building No. 3, Western Express Highway, Goregaon (East), Mumbai 400 063, India

Toll Free Numbers : 1800-4190-200 / 1800-200-2434 (within India), +91 44 39923900 (Dialing from abroad)

Fax : 022-49146033

Email IDs : investor.line@mutualfunds.hsbc.co.in

Website : www.assetmanagement.hsbc.co.in

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