

## HSBC MUTUAL FUND

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

#### **Introduction of Flex Systematic Transfer Plan**

Notice is hereby given that, HSBC Asset Management (India) Private Limited (“AMC”) has decided to introduce 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 & HSBC Tax Saver Equity Fund \*.
  - ii. **Target / Transferee Scheme(s):** Growth option of all open ended schemes of HSBC Mutual Fund where subscription is allowed.
- \*As per ELSS guidelines, a mutual fund can have only one open ended ELSS scheme. In view of the said restriction, we have stopped the subscription into HSBC Tax Saver Equity Fund*
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 10<sup>th</sup> of the month.
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 10<sup>th</sup> 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 10<sup>th</sup> 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](http://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.

1. 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  $[(2000 \times 5) - 7500]$  by formula : = Rs.2500

Whichever is higher

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

**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  $[(2000 \times 7) - 17010]$  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.

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

All other terms and conditions of the SID and KIM of the schemes will remain unchanged.

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

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

**Sd/-**

**Authorized Signatory**

**Place: Mumbai**

**Date: April 26, 2024**

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

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