



IMPORTANT: This document is important and requires your immediate attention. If you are in any doubt about the contents of this letter, you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser for professional advice.

Capitalised terms in this document have the same meaning as in the Funds' explanatory memorandum (the "Explanatory Memorandum") unless otherwise specified.

19 November 2018

Dear Unitholder,

HSBC Managed Funds Series –

- **HSBC Managed Stable Fund**
- **HSBC Managed Stable Growth Fund**
- **HSBC Managed Balanced Fund**
- **HSBC Managed Growth Fund (each a "Fund", collectively the "Funds")**

We, as the Manager of the Funds, would like to inform you of the following:

Page 2: Changes applying to the Funds concerning the following:

- Change of Domicile and Trustee of the Funds
- Change of Registrar
- Duration of the Funds
- Amendments to the Trust Deeds
- Amendments to the Offering Documents
- Consequences of Change of Domicile

Page 6: Notification regarding historical incorrect disclosure in the offering documents.

If you have any questions, please direct them to your financial adviser or usual HSBC contact or alternatively you should contact the Manager at Level 22, HSBC Main Building, 1 Queen's Road Central, Hong Kong (telephone number: (852) 2284 1229).

The Manager
HSBC Investment Funds (Hong Kong) Limited



IMPORTANT: This document is important and requires your immediate attention. If you are in any doubt about the contents of this letter, you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser for professional advice.

Capitalised terms in this document have the same meaning as in the Funds' explanatory memorandum (the "Explanatory Memorandum") unless otherwise specified.

19 November 2018

Dear Unitholder,

HSBC Managed Funds Series –

- **HSBC Managed Stable Fund**
- **HSBC Managed Stable Growth Fund**
- **HSBC Managed Balanced Fund**
- **HSBC Managed Growth Fund (each a "Fund", collectively the "Funds")**

We, as the Manager of the Funds, would like to inform you of the following changes to the Funds.

Change of Domicile of the Funds and ancillary changes

A. Change of Domicile and Trustee of the Funds

Pursuant to Clause 24(A)(i) of the Trust Deeds of the Funds, the existing Trustee of the Funds, namely HSBC Trustee (Cayman) Limited (the "**Retiring Trustee**"), has declared that it is beneficial to the Funds and in the interests of the unitholders that the jurisdiction of the Funds be changed from the Cayman Islands to Hong Kong.

Clause 24(A)(ii)(c) of the Trust Deeds provides that the sanction of an extraordinary resolution is not required where at the same time as the Retiring Trustee makes a declaration of change of domicile, the Retiring Trustee shall retire and a new trustee shall be appointed. No approval from the unitholders or extraordinary resolution is otherwise required under the relevant laws of the Cayman Islands and the Trust Deeds.

Currently, the Funds are unit trusts governed by the laws of the Cayman Islands and are regulated as a mutual fund under the Mutual Funds Law (as amended) of the Cayman Islands. It is proposed to change the jurisdiction of the Funds from the Cayman Islands to Hong Kong for the following reasons:

- 1) To simplify the regulatory regimes to which the Funds are subject: Currently the Funds are under "dual" regulation by the Cayman Islands Monetary Authority ("**CIMA**") and the SFC in Hong Kong, and the change of jurisdiction will save costs for maintaining registration with CIMA;
- 2) To simplify the operational structure by replacing the Cayman trustee with a Hong Kong trustee; and,
- 3) To bring potential improvement to communication efficiency: The Cayman Islands and Hong

Kong are located in different time zones. With the change of the Trustee's location to Hong Kong, efficiency will be enhanced in the Funds' day-to-day administration and operation.

Due to such change in domicile of the Funds and pursuant to Clause 24(A)(iii) of the Trust Deeds, HSBC Institutional Trust Services (Asia) Limited (the "**New Trustee**") will be appointed as trustee of the Funds in place of the Retiring Trustee. The New Trustee is registered as a trust company in Hong Kong and is an indirect wholly-owned subsidiary of HSBC Holdings plc.

Accordingly, with effect on and from 18 January 2019 (the "**Effective Date**"), the Retiring Trustee will retire as trustee of the Funds and the New Trustee will be appointed as new trustee of the Funds. The retirement of the Retiring Trustee will only take effect at the same time as the New Trustee takes up office. For the avoidance of doubt, with effect on and from the Effective Date, the governing law of the Funds will be changed to the laws of Hong Kong and the administration of the Funds shall be conducted under the jurisdiction of the courts of Hong Kong. The Manager also confirms that application will be made to CIMA for deregistration of the Funds from CIMA on or after the Effective Date.

The change of domicile and the Trustee of the Funds will not result in any adverse Hong Kong profits tax impact and Hong Kong stamp duty implications on the Funds and will not subject the Funds to additional regulations or requirements which they would not otherwise be subject to.

No Hong Kong profits tax will be payable by unitholders in Hong Kong in respect of dividends or other income distributions of the Funds so authorised or in respect of any gains arising on a sale, redemption or other disposal of units of the Funds, except that Hong Kong profits tax may arise where such transactions form part of a trade, profession or business carried on in Hong Kong and the gains are Hong Kong sourced and not otherwise of capital nature. Ascertaining the source and the classification of a gain as revenue or capital will depend on the particular facts and circumstances of the unitholders.

No Hong Kong stamp duty is payable by unitholders in relation to the issuance of units, the redemption of units or sales or transfer of units effected by extinguishing the units or the sale or transfer to the Manager who subsequently re-sells the units within two months thereof. Other types of sales or purchases or transfers of the units by unitholders should be liable to Hong Kong stamp duty of 0.1% (borne by each of the buyer and seller) on the higher of the consideration amount or market value. In addition, a fixed duty of HK\$5.00 is currently payable on any instrument of transfer of units.

Investors should consult their professional advisors on the consequences to them of acquiring, holding, redeeming, converting, transferring or selling units under the relevant laws of the jurisdictions to which they are subject, including the tax consequences and any exchange control requirements, after the re-domicile.

B. Change of Registrar

The New Trustee will also replace the Retiring Trustee as the Registrar of the Funds and will maintain the Register in Hong Kong with effect on and from the Effective Date.

C. Duration of the Funds

Under the existing Trust Deeds which are governed by the laws of the Cayman Islands, the duration of each Fund is 150 years from the date of the relevant Trust Deed unless it is terminated earlier in accordance with the provisions of the Trust Deed.

Following the re-domicile of the Funds to Hong Kong, the Funds will be governed by Hong Kong laws. Under the Perpetuities and Accumulations Ordinance (Chapter 257 of the Laws of Hong Kong)

as amended from time to time, the maximum duration of a trust in relation to an instrument which took effect prior to 1 December 2013 is 80 years from the date of its establishment.

Each of the Funds was established pursuant to a trust deed dated as follows:

- HSBC Managed Stable Fund : 14 March 1997
- HSBC Managed Stable Growth Fund : 16 May 2003
- HSBC Managed Balanced Fund : 18 January 1990
- HSBC Managed Growth Fund : 14 March 1997

Consequently, the duration of the Funds following the change of domicile to Hong Kong shall be a period of 80 years from the date of each Fund's establishment, unless it is terminated earlier in accordance with the provisions of the respective Trust Deed.

D. Amendments to the Trust Deeds

From the Effective Date, it is intended that the Trust Deed of each of the Funds is to be amended by way of supplemental deed to reflect the change of domicile of the Funds, the retirement of the Retiring Trustee and the appointment of the New Trustee; the Trust Deeds are also to be amended by the New Trustee by way of supplemental deed mainly for the purpose of making consequential amendments arising out of the change of jurisdiction of the Funds.

The New Trustee has certified that the amendments to the Trust Deeds by way of supplemental deed do not materially prejudice the interests of the unitholders, do not operate to release to any material extent the New Trustee or the Manager or any other person from any liability to the unitholders and will not result in any increase in the amount of costs and charges payable from the assets of the Funds and such amendments do not impose upon any unitholders any obligation to make any further payment in respect of his units or to accept any liability in respect thereof. Accordingly, such amendments to the Trust Deeds do not require any unitholders' prior approval or any extraordinary general meeting to be held.

A summary of the key consequential amendments to be made to the Trust Deeds by way of supplemental deed is as follows:

- references to the Retiring Trustee will be replaced with the New Trustee (where applicable);
- definitions including "specified office" and "Trustee" will be updated;
- all references to the Cayman Islands will be deleted and replaced with Hong Kong (where applicable);
- update to the duration of the Funds from 150 years to 80 years from the date of each Fund's establishment (clause 27(A));
- change of governing law and jurisdiction of the Funds from the Cayman Islands to Hong Kong (clause 33); and
- the extent of duties and responsibilities of the Trustee will be clarified (in accordance with regulatory requirements).

E. Amendments to the Offering Documents

The Explanatory Memorandum will need to be amended with effect on and from the Effective Date to among others reflect the changes set out above.

A summary of the key changes expected to be made to the Explanatory Memorandum is as follows:

- all references to the Cayman Islands will be deleted and replaced with Hong Kong (where applicable);

- all references to the Retiring Trustee will be deleted and replaced with the New Trustee (where applicable);
- change of auditors from KPMG in the Cayman Islands to KPMG in Hong Kong;
- the section headed "TRUSTEE AND REGISTRAR" will be updated to reflect the information on the New Trustee;
- the section headed "TAXATION" will be updated by deleting the sub-section related to the Cayman Islands;
- the section headed "Automatic exchange of information" will be revised to reflect the Fund and the Sub-Fund's FATCA disclosures and status;
- the section headed "REGULATION OF THE FUNDS IN THE CAYMAN ISLANDS AND PREVENTION OF MONEY LAUNDERING" will be updated; and
- the section headed "TERMINATION OF FUND" will be revised to reflect the change of the duration of the Funds.

The Product Key Facts Statement of the Funds will need to be amended as well to reflect the change of trustee and the place of domicile.

Please note that the expected changes mentioned above are not exhaustive. The Explanatory Memorandum and the Product Key Facts Statement of the Funds will be revised to incorporate the changes above.

F. Consequences of Change of Domicile

Please note that there will be no changes in the fees payable (such as current and maximum trustee and management fees) by the Funds or unitholders or changes in dealing arrangements in the Funds. Except as disclosed above, there will be no changes to the operations of the Funds nor the manner in which the Funds are being managed. There is no impact on the features and risk profile of the Funds. There will be no additional type of fee being payable by unitholders as a result of the re-domicile of the Funds and its consequential changes.

The Manager will bear all the costs incurred in connection with the re-domicile (including the costs of preparing deeds supplemental to the Trust Deeds, the costs of preparing and printing the revised offering documents as well as the legal fees in relation to the foregoing).

You do not need to take any action. However, if you do not agree with the changes described above you may take this opportunity to fully redeem your investment from the Funds free of charge. Redemptions will be carried out in accordance with the normal terms disclosed in the Explanatory Memorandum.

Enquiries

From the Effective Date, the amended Trust Deeds, the Explanatory Memorandum and the Product Key Facts Statements containing information of the Funds will be available for inspection, free of charge, at the registered office of the Manager.

If you have any questions, please direct them to your financial adviser or usual HSBC contact or alternatively you should contact the Manager at Level 22, HSBC Main Building, 1 Queen's Road Central, Hong Kong (telephone number: (852) 2284 1229).

The directors of the Manager accept responsibility for the accuracy of the information contained in this letter as at the date of the mailing.

The Manager
HSBC Investment Funds (Hong Kong) Limited



IMPORTANT: This document is important and requires your immediate attention. If you are in any doubt about the contents of this letter, you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser for professional advice.

Capitalised terms in this document have the same meaning as in the Funds' explanatory memorandum (the "Explanatory Memorandum") unless otherwise specified.

19 November 2018

Dear Unitholder,

HSBC Managed Funds Series –

- **HSBC Managed Stable Fund**
- **HSBC Managed Stable Growth Fund**
- **HSBC Managed Balanced Fund**
- **HSBC Managed Growth Fund (each a "Fund", collectively the "Funds")**

It has recently been identified that disclosure set out in the offering documents of the Funds was incorrect due to a typographical error. The Manager of the Funds would like to take this opportunity to highlight the incorrect disclosure and the impact it has on investors.

Overview of the incorrect disclosure

Due to a typographical error, the Explanatory Memorandum and the Product Key Facts Statements (the "KFS") of the Funds incorrectly disclosed the application of initial charge ("**Incorrect Disclosure**").

The Incorrect Disclosure was first published in the Explanatory Memorandum and in the KFS on 28 July 2017 and 24 June 2011 respectively, and both persisted until 15 November 2018 (collectively "**Incorrect Period**"). On 16 November 2018, the Incorrect Disclosure was superseded by brand new disclosure to reflect a change in the manner of charging initial charge as notified to investors in a letter dated 28 September 2018.

An overview of the disclosure changes is set out below:

	Explanatory Memorandum publication period	KFS publication period	Disclosure
Incorrect Disclosure	28 July 2017 to 15 November 2018	24 June 2011 to 15 November 2018	"Up to 5.5% of the offer price"
Correct disclosure	Unpublished	Unpublished	"Up to 5.5% of the Issue Price"
New disclosure to reflect a change in the manner of charging initial charge as notified to investors in a letter dated 28 September 2018	From 16 November 2018	From 16 November 2018	"Up to 3.00% of the total subscription amount"

Impact of the Incorrect Disclosure on investors

There is no negative impact to investors. The initial charge actually incurred during the Incorrect Period was lower than the level stated by the Incorrect Disclosure and at or within the level stated by the correct disclosure.

The fees and expenses incurred in connection with this notice (including the costs of preparing and printing this notice as well as the legal fees in relation to the notice) will be borne by the Manager.

Copies of the Trust Deeds, the Explanatory Memorandum and the KFS containing information of the Funds are available for inspection, free of charge, at the address of the Manager at Level 22, HSBC Main Building, 1 Queen's Road Central, Hong Kong, on any business day.

Contact Information

If you have any questions about this issue and would like to discuss the matter in more detail, please contact your bank or financial adviser or alternatively you should contact HSBC Investment Funds (Hong Kong) Limited (the Manager) at Level 22, HSBC Main Building, 1 Queen's Road Central, Hong Kong (telephone number: (852) 2284 1229).

The directors of the Manager accept full responsibility for the accuracy of the information contained in this letter as at the date of the mailing.

The Manager
HSBC Investment Funds (Hong Kong) Limited