



THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF IN DOUBT, PLEASE SEEK PROFESSIONAL ADVICE.

15 July 2020

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 which are effective immediately.

Terms otherwise not defined in this letter will have the same meaning as those defined in the current Explanatory Memorandum of the Funds.

1. Flexibility to temporarily increase the swing pricing adjustment rate beyond the maximum stated in the Explanatory Memorandum

With immediate effect, the explanatory memorandum of the Funds (the "**Explanatory Memorandum**") has been updated to provide the flexibility that the swing pricing adjustment rate may, on a temporary basis, be significantly higher than the maximum adjustment rate stated in the Explanatory Memorandum (i.e. 2%) during exceptional market conditions such as periods of high volatility, reduced asset liquidity and market stress.

Going forward, the maximum swing pricing adjustment rate under normal market condition is capped at 2% of the net asset value of a Fund. In the event of exceptional market conditions such as one that is resulting from the spread of the COVID-19 pandemic, whereby the Manager may consider that market conditions are not normal, the swing pricing adjustment rate may temporarily exceed the maximum rate applicable under normal market conditions. Such decision will be made in the best interests of unitholders of the Funds.

The reason for providing the flexibility to temporarily exceed the stated maximum pricing adjustment rate under exceptional market conditions

The aim of pricing adjustment is to protect all investors and treat investors fairly. By adding the flexibility to temporarily exceed the maximum pricing adjustment rate stated in the Explanatory Memorandum under exceptional market conditions, through robust governance processes and methodologies, the pricing adjustment rate will align with prevailing market conditions and allow the pricing adjustment mechanism to better achieve its aims.

2. Means of Making Available Financial Reports

With immediate effect, the Explanatory Memorandum has been amended to reflect that annual financial reports and semi-annual financial reports (collectively, “Reports”) will be made available to Unitholders within four months of the financial year-end and two months of 31 January each year, respectively. Unitholders will be notified when and where the Reports are available (in printed and electronic forms) within such periods. Notwithstanding this amendment, printed copies of the Reports will be provided to Unitholders upon request and will be available at the office of the Manager.

3. Other enhancement of disclosures in the Explanatory Memorandum

Other enhancement of disclosures (e.g. disclosures on conflicts of interest) has been made in the Explanatory Memorandum. Please refer to the revised Explanatory Memorandum for further details.

The revised Explanatory Memorandum of the Funds containing the above-mentioned amendments will be available for inspection, free of charge, at the registered office of the Manager stated below. 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 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