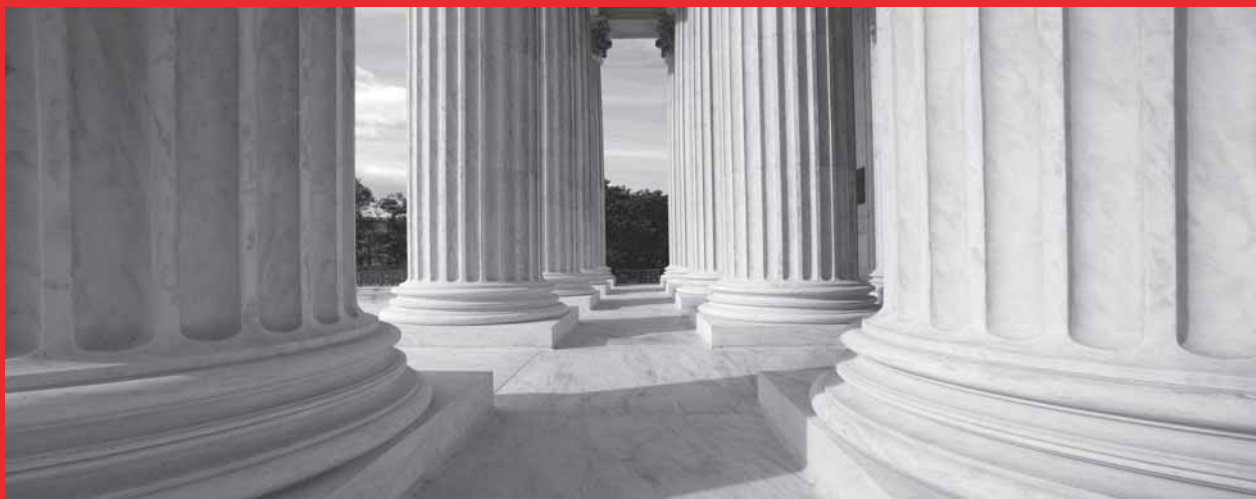


Statement of Additional Information (SAI)



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 Combined Scheme Information Document).

This SAI is dated December 15, 2011.

Sponsor:
HSBC Securities and Capital Markets
(India) Private Limited
Regd. Office: 52/60, Mahatma Gandhi Road,
Fort, Mumbai 400 001, India.

Trustee:
Board of Trustees
16, Veer Nariman Road,
Fort, Mumbai 400 001, India

Asset Management Company:
HSBC Asset Management (India) Private Limited
Corp. & Regd. Office: 16, Veer Nariman Road,
Fort, Mumbai 400 001, India

▶ Visit us at : www.assetmanagement.hsbc.com/in

▶ E mail id: hsbcmf@hsbc.co.in

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I. INFORMATION ABOUT SPONSOR, ASSET MANAGEMENT COMPANY AND TRUSTEES

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 the Board of Individual Trustees. 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 16, Veer Nariman Road, Fort, Mumbai - 400 001.

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 not 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 largest banking and financial services organisations, in the world. Headquartered in London, HSBC operates through long-established businesses in five regions: Europe, Asia-Pacific region, Middle East, America and Africa. Through its global network of some 10,000 offices in 83 countries and territories, HSBC provides a comprehensive range of financial services to personal, commercial, corporate, institutional and investment and private banking clients.

Details of Trustees

Name	Age	Qualification	Brief Experience
Mr. N. P. Gidwani	70	B.Sc. (Bombay) Maths Hons., C.A. (Scotland), F.C.A. (India)	Mr. N. P. Gidwani is a fellow member of the Institute of Chartered Accountant. He is an Independent Financial / Management Consultant in India from 1993. He is currently Chairman of the Board of Trustees of the Mutual Fund. He is also a director on the Board of various companies and trustee of various charitable institutions.
Mr. Nasser Munjee	59	B.Sc. (Economics), M.Sc. (Economics), London School of Economics	Mr. Nasser Munjee is the Chairman of Development Credit Bank. He is also director on the Board of various companies and trustee of various charitable institutions.
Mr. Manu Tandon	67	B.Com., ACA – Institute of Chartered Accountants – England & Wales	Mr. Manu Tandon was the Ex-Managing Director of Elantas Beck India Limited from 1994. He is also a director on the Board of various companies.
Mr. Mehli Mistri	71	B.A. (Hons.), Mumbai, Advanced Management Programme (AMP) - Harvard University	Mr. Mehli Mistri was Ex-MD of Saudi American Bank (Citibank affiliate) and Ex-CEO of ANZ Grindlays Bank. Presently, he is not a Director on the Board of any other company.
Mr. Dilip J. Thakkar	74	B.Com., LL.B., F.C.A.	Mr. Dilip J. Thakkar is a fellow member of the Institute of Chartered Accountant and is in practice from 1961. He is a Partner with two firms of Chartered Accountants in India. He is also a director on the Board of various companies.

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 also a category I merchant banker registered with Securities and Exchange Board of India.

Equities: HSCI is primarily an institutional stockbroker, with a client base spanning foreign institutional investors, Indian financial institutions, mutual funds and select retail clients. The business is backed by comprehensive research.

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, privatisations, structured financial solutions and project export finance.

HSCI holds 100% of the paid-up equity share capital of the AMC.

Financial Performance of HSCI (past three years)

(Rs. in '000)

Particulars	2010-2011	2009 - 2010	2008 - 2009
Net Worth	11,938,550	11,670,246	11,791,655
Total Income	1,752,923	1,220,889	1,097,985
Profit after tax	(60,065)	(121,409)	182,022
Assets Under Management (if applicable)	N.A.	N.A.	N.A.

C. Board of Trustees (the Trustees)

The Sponsor has appointed a Board of Individual Trustees (the Trustees) for managing the Mutual Fund. The Board of Individual Trustees (the “Trustee”), shall discharge its obligations as trustee of the 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.

Mr. N. P. Gidwani is associated with the Sponsor. Mr. Nasser Munjee, Mr. Manu Tandon, Mr. Mehli Mistri and Mr. Dilip J. Thakkar are independent Trustees. Thus, 4 out of the 5 Trustees are independent Trustees.

Responsibilities and duties of the Trustees 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, 1996, the rights and obligations of the Trustees are as under:

- Each of the Trustees in carrying out his responsibilities as a member of the Board of Trustees, 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 Trustees shall have a right to obtain from the AMC such information as is considered necessary by them.
- The Trustees shall ensure before the launch of any scheme that the AMC has : -
 - Systems in place for its back office, dealing room and accounting;
 - Appointed all key personnel including fund manager(s) for the Scheme and submitted to the Trustees their bio-data which shall contain the educational qualifications, past experience in the securities market within 15 days of their appointment;
 - Appointed auditors to audit the accounts of the Scheme;
 - Appointed a compliance officer who shall be responsible for monitoring the compliance of the Act, rules and regulations, notifications, guidelines, instructions etc. issued by the Board or the Central Government and for redressal of investors' grievances. The compliance officer so appointed shall immediately and independently report to the Board any non-compliance observed;
 - Appointed registrars and laid down parameters for their supervision;
 - Prepared a compliance manual and designed internal control mechanisms including internal audit systems and
 - Specified norms for empanelment of brokers and marketing agents.
- The Trustees shall ensure that the AMC has been diligent in empanelling brokers, in monitoring securities transactions with brokers and avoiding undue concentration of business with any broker.
- The Trustees 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 Trustees are required to ensure that the transactions entered into by the AMC are in accordance with the SEBI (Mutual Funds) Regulations, 1996 and the provisions of the Scheme.
- The Trustees 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.
- The Trustees are required to ensure that all the activities of the AMC are in accordance with the provisions of SEBI (Mutual Funds) Regulations, 1996.

- Where the Trustees 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.
- Each of the Trustees are required to file with the Fund the details of his securities' transactions on a quarterly basis, in accordance with guidelines issued by SEBI from time to time.
- The Trustees 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, 1996 and the provisions of the Trust Deed.
- The Trustees are required to take steps to ensure that the transactions of the Fund are in accordance with the provisions of the Trust Deed.
- The Trustees are responsible for the calculation of any income due to be paid to the Fund and also of any income received in the Mutual Fund for the holders of the Units of any Scheme in accordance with the SEBI (Mutual Funds) Regulations, 1996 and the Trust Deed.
- The Trustees are required to obtain the consent of the Unitholders of a Scheme:
 - When required to do so by SEBI in the interest 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
 - If a majority of the Trustees decide to wind up the Scheme or prematurely redeem the Units.
- The Trustees shall ensure that no change in the fundamental attributes of any Scheme or the Trust or fees and expenses payable or any other change which would modify the Scheme and affect the interests of Unitholders, shall be carried out unless:
 - a written communication about the proposed change is sent to each Unitholder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated; and
 - the Unitholders are given an option to exit at the prevailing Net Asset Value without any exit load.
- The Trustees 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 Trustees are required to review quarterly, all transactions carried out between the Fund, the AMC and its associates.
- The Trustees are required to review quarterly the net worth of the AMC and in case of any shortfall ensure that the AMC makes up for the shortfall as per clause (f) of sub regulation (1) of Regulation 21 of SEBI (Mutual Funds) Regulations, 1996.
- The Trustees are required to periodically review all service contracts such as custody arrangements, transfer agency of securities and satisfy themselves that such contracts are executed in the interest of the Unitholders.

- The Trustees 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 Trustees are required to periodically review the investor complaints received and the redressal of the same by the AMC.
 - The Trustees are required to abide by the Code of Conduct as specified in the Fifth Schedule of the SEBI (Mutual Funds) Regulations, 1996.
 - The Trustees 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 Trustees, directors and key personnel of the AMC;
 - a certificate to the effect that the AMC has been managing the Scheme independently of any other activities and in case any activities of the nature referred to in Regulation 24, sub regulation (2) of the SEBI (Mutual Funds) Regulations, 1996 have been undertaken, the AMC has taken adequate steps to ensure that the interest of the Unitholders is protected.
 - The independent Trustees 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 Trustees shall exercise due diligence as under:

A. General Due Diligence

 - The Trustees shall be discerning in the appointment of the directors of the AMC.
 - The Trustees 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.
 - The Trustee shall ensure that the trust property is properly protected, held and administered by proper persons and by a proper number of such persons.
 - The Trustees shall ensure that all service providers hold appropriate registrations from SEBI or the concerned regulatory authority.
 - The Trustees shall arrange for test checks of service contracts.
 - The Trustees shall immediately report to SEBI any special developments in the Mutual Fund.

B. Specific Due Diligence

The Trustees shall:

 - Obtain internal / concurrent audit reports at regular intervals from independent auditors appointed by the Trustees.
 - Obtain compliance certificates at regular intervals from the AMC.
 - Hold meetings of Trustees frequently and ensure that at least 6 such meetings shall be held in each year.
 - Consider the reports of the independent auditor and compliance reports of the AMC at the meeting of the Trustees for appropriate action.
 - Maintain records of the decisions of the Trustees at their meetings and of the minutes of the meetings.
 - Prescribe and adhere to the code of ethics by the Trustees, the AMC and its personnel.
 - Communicate in writing to the AMC of the deficiencies and check on the rectification of deficiencies.
 - The Trustees shall maintain high standards of integrity and fairness in all their dealings and in the conduct of their business.
 - The Trustees shall render at all times high standards of service, exercise due diligence, ensure proper care and exercise independent professional judgement.
 - The independent Trustees shall pay specific attention to the following as may be applicable, namely:
 - The Investment Management Agreement and the compensation paid under the Agreement.
 - Service contracts with affiliates - whether the AMC has charged higher fees than outside contractors for the same services.
 - Selection of the AMC's independent directors.
 - Securities transactions involving affiliates to the extent such transactions are permitted.
 - Selecting and nominating individuals to fill independent directors' vacancies.
 - Code of ethics must be designed to prevent 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.
 - Principal underwriting contracts and renewals.
 - Any service contracts with the associates of the AMC.
 - Notwithstanding anything contained in sub-regulations (1) to (25) of Regulation 18 of the SEBI (Mutual Funds) Regulations, 1996, the Trustees shall not be held liable for acts done in good faith if they have exercised adequate due diligence honestly.
 - The Regulations provide that the meetings of the Trustees shall be held at least once in every 2 calendar months and at least 6 such meetings shall be held every year. Further, as per the Regulations, for the purposes of constituting the quorum for the meetings of the Trustees, at least one Independent Trustee or Director should be present during such meetings.
- The supervisory role of the Trustees will be discharged by reviewing the information and the operations of the Fund based on the reports submitted at the meetings of the Trustees, by reviewing the reports submitted by the Internal Auditor and the bi-monthly and half yearly compliance reports. Presently the Board of Trustees are required to hold a meeting at least once in 2 calendar months and at least 6 such meetings are required to be held every year. During the financial year 2009-2010 and 2010-2011, the Board of Trustees met 9 times and 6 times, respectively.
- 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 Trustees 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.

TRUSTESHIP FEES

Pursuant to the Trust Deed constituting the Fund, the Fund is authorised to pay the Independent Trustees a fee for their services for meetings of the Board of Trustees / Committee meetings attended by such Trustees, as may be mutually agreed between the Sponsor and the Board of Trustees from time to time, subject to the SEBI Regulations.

D. 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 16, Veer Nariman Road, Fort, Mumbai 400 001. 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. 9 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 / Combined Scheme Information Documents, 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.

In accordance with the SEBI Regulations, an asset management company, subject to certain conditions, is also permitted to undertake activities in the nature of portfolio management services, management and advisory services to offshore funds, pension funds, provident funds, venture capital funds, management of insurance funds, financial consultancy and exchange of research on commercial basis and such other activities as may be permitted by SEBI from time to time. Subject to these activities being assessed as desirable and economically viable, the AMC may undertake any or all of these activities after satisfying itself that there is no potential conflict of interest.

Details of AMC Directors

Name	Age	Qualification	Brief Experience
Ms. Naina Lal Kidwai	54	MBA - Harvard Business School, BA, Delhi University	Ms. Naina Lal Kidwai is the Chairman of the Board of Directors and Group General Manager & Country Head - The Hongkong and Shanghai Banking Corporation Limited, India. She is also a director on the Board of various companies and trustee of various charitable institutions / trust.
Mr. Glenn Berry	51	BA Honors, Linciln College, University of Oxford, UK.	Glenn Berry is Chief Operating Officer for HSBC Global Asset Management in Asia and has been working in the industry since 1986. Prior to joining HSBC in 2011, Glenn worked as a strategic programme manager at iShares within Blackrock and previously as the President of BGI Trust and Banking in Japan
Mr. S. P. Mustafa	61	BA Honors - St. Stephens College, Chartered Accountant, FCA, England and Wales	Mr. S. P. Mustafa is a fellow member of the Institute of Chartered Accountants of England and Wales. He is also a Director on the Board of few other companies.
Mr. Ashok Jha	64	M.A. (Economics), Delhi School of Economics - Delhi University; M.A. (Development Economics) - Australian National University, Canberra	Mr. Jha is currently the Non-Executive Chairman of MCX-SX Ltd. Mr. Jha was a member of the premier Civil Service in India, the Indian Administrative Services (IAS) for 38 years. He has worked in all the major Economic Ministries / Departments in the Government of India, i.e. Ministries of Commerce, Department of Industrial Policy, Ministry of Finance, as well as in the Foreign Office. Post his retirement from Government in May 2007, he was with Hyundai Motor India Limited as President till July 2009 where his role was to oversee all activities including production, marketing & sales and finance.
Ms. Kishori J. Udeshi	67	M.A. (Economics)	Ms. Kishori J. Udeshi is currently Chairman of The Banking Codes and Standards Board of India, set up by the RBI. She is a director on the Board of various companies. She moved on to a professional career in central banking and became the first woman to be appointed as Deputy Governor of the Reserve Bank of India.

Name	Age	Qualification	Brief Experience
Mr. Puneet Chaddha	45	M.M.S., B.E.	Mr. Puneet Chaddha is the Chief Executive Officer of HSBC Asset Management (India) Private Limited.

Ms. Naina Lal Kidwai, Mr. Glenn Berry and Mr. Puneet Chaddha are associated with the Sponsor. Mr. Ashok Jha, Ms. Kishori J. Udeshi and Mr. S. P. Mustafa are independent Directors. Thus, 3 out of the 6 Directors are independent Directors.

Powers, Duties, Obligations and Responsibilities of the Asset Management Company

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 Trustees 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 Trustees, improving, developing, using, selling, transferring, exchanging, assigning, dealing, trading in and managing all assets and all accretions thereto and endeavouring 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

- The AMC shall take all reasonable steps and exercise due diligence to ensure that the investment of funds pertaining to any Scheme is not contrary to the provisions of the SEBI Regulations and the Trust Deed.
- The AMC shall exercise due diligence and care in all its investment decisions as would be exercised by other persons engaged in the same business.
- 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.
- The AMC shall submit to the Trustees quarterly reports of each year on its activities and the compliance with the SEBI Regulations.
- The Trustees 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 Trustees 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 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 Trustees 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 Trustees 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 Trustees 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 Trustees 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 Trustees and SEBI
 - Detailed bio-data 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 Trustees 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 Trustees 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 Trustees shall be obtained and reasons for charging higher rates shall be disclosed in the annual accounts.
- The AMC shall abide by the Code of Conduct as specified in the Fifth Schedule of the SEBI Regulations.
- The AMC shall
 - Not act as a trustee of any mutual fund.
 - Not undertake any other business activities except activities in the nature of portfolio management services, management and advisory services to offshore funds, pension funds, provident funds, venture capital funds, management of insurance funds, financial consultancy and exchange of research on commercial basis if any of such activities are not in conflict with the activities of the Mutual Fund without the prior approval of the Trustees and SEBI. Provided that the AMC may itself or through its subsidiaries undertake such activities if it satisfies SEBI that the key personnel of the AMC, the systems, back office, bank and securities accounts are segregated activity-wise and there exists systems to prohibit access to inside information of various activities. Provided further that the AMC shall meet capital adequacy requirements, if any, separately for each such activity and obtain separate approval, if necessary under the relevant regulations.
- Not invest in any of its Scheme unless full disclosure of its intention to invest has been made in the respective Offer Document / Combined Scheme Information Document.
- Not be entitled to charge any fees on its investment in that Scheme.
- 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.
 - Service contracts with affiliates - whether the AMC has charged higher fees than outside contractors for the same services.
 - Securities transactions involving affiliates to the extent such transactions are permitted.
 - Code of ethics must be designed to prevent 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.
 - Principal underwriting contracts and renewals.
 - Any service contracts with the associates of the AMC.
 - The Chief Executive Officer (whatever his designation may be) of the AMC 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 unitholders and shall also be responsible for the overall risk management function of the Mutual Fund.

Asset Management Fees

In the terms of the Investment Management Agreement and the Regulations, the AMC is entitled to an investment management and advisory fee at the rate of 1.25% per annum of the weekly average net assets outstanding in each accounting year for the Scheme concerned, as long as the net assets do not exceed Rs. 100 crores (Rupees One Hundred Crores Only) and 1.00% of the excess amount over Rs. 100 crores (Rupees One Hundred Crores Only), where net assets so calculated exceed Rs. 100 crores (Rupees One Hundred Crores).

E. Key Employees of the AMC and relevant experience

Name	Designation	Age	Qualification	Brief Experience
Puneet Chaddha	Chief Executive Officer	45	M.M.S, B.E.	<p>Over 20 years of experience in areas of business strategy, product development and sales.</p> <ul style="list-style-type: none"> ● HSBC Asset Management (India) Private Limited Chief Executive Officer from March 2011 onwards ● HSBC India Director & Head Commercial Banking from May 2007 to March 2011; Head, Cards and Retail Assets from January 2005 to May 2007; Head, Cards from April 2004 to January 2005; Head, HSBC Securities Services from October 1999 to April 2004.
Tushar Pradhan	Chief Investment Officer and Fund Manager	43	MBA (USA), B. Com.	<p>Over 17 years of experience in Fund Management</p> <ul style="list-style-type: none"> ● HSBC Asset Management (India) Private Limited Chief Investment Officer since June 2009 onwards ● AIG Global Asset Management Company (India) Private Limited Chief Investment Officer - Equities from January 2007 to June 2009 ● HDFC Asset Management Company Private Limited Senior Fund Manager from July 2000 to Dec. 2006 ● HDFC Limited Manager - Treasury from April 1995 to June 2000
Diana Milind Dhote	Chief Operating Officer	50	B.Com., M.Com., DMS, CAIIB	<p>Over 30 years of experience in Operations, Custody etc.</p> <ul style="list-style-type: none"> ● HSBC Asset Management (India) Pvt. Ltd. Chief Operating Officer from October 2010 till date ● HSBC Bank SVP and Consultant HSBC Global Custody, Europe, from March 2010 to September 2010; SVP and Head of Custody and Clearing, India, from September 2006 to March 2010, Deputy Head of HSBC Securities Services, India, from April 2005 to September 2006, Deployment Leader, Six Sigma, from April 2004 to April 2005, Manager, Operations, Custody and Clearing, India, from July 2002 to April 2004, Manager, Mumbai Branch, from January 2001 to July 2002
Vipul Gupta	Chief Sales and Distribution Officer	42	MBA (FMS Delhi); B.E. (Mech.)	<p>Over 18 years of experience in areas of sales and distribution</p> <ul style="list-style-type: none"> ● HSBC Asset Management (India) Private Limited Head of Sales & Distribution from August 2008 onwards ● HSBC Middle East Senior Vice President, NRI Services - Middle East from May 2004 to July 2008 ● HSBC, India Manager, Hyderabad Branch, from May 2002 to April 2004, Manager - Kolkata Branch from April 2000 to May 2002, Sales Manager, Personal Banking, Kolkatta from April 1999 to March 2000, Assistant Manager Sales - Personal Banking, Chennai from June 1995 to March 1999 ● Coats Viyella India Limited Assistant Branch Manager from June 1992 to May 1995

Name	Designation	Age	Qualification	Brief Experience
Denny Thomas	Chief Compliance and Legal Officer	34	B.Com., LL.B., A.C.S.	<p>Over 10 years experience in Compliance</p> <ul style="list-style-type: none"> ● HSBC Asset Management (India) Private Limited Head of Compliance from September 2010 to present ● Religare Macquarie Wealth Management Limited Head of Compliance and Risk Management from July 2009 to August 2010 ● Fidelity Fund Management Private Limited Senior Manager - Compliance from July 2006 to June 2009 ● Prudential ICICI Asset Management Company Limited Manager - Compliance from March 2005 to June 2006 ● Infomedia India Limited Head - Legal and Compliance from August 2003 to February 2005 ● IL&FS Asset Management Company Limited Manager - Compliance from July 2001 to August 2003
Ashish Morone	Chief Marketing Officer	36	B.E. (Electronics), M.M.S. (Marketing)	<p>Over 11 years of experience in Marketing</p> <ul style="list-style-type: none"> ● HSBC Asset Management (India) Private Limited Vice President & Head of Marketing from April 2010 to present. Vice President - Marketing from July 2007 to March 2010 ● ICICI Bank Home Loans Head - Marketing from April 2003 to June 2007 ● FCB - Ulka Advertising Supervisor, Account Planning from May 1998 to March 2003
Ms. Rheitu Bansal	Vice President and Head - MF Client Services	37	B. Com., A.C.A.	<p>Over 9 years of experience in various functions including Operations and Fund Administration:</p> <ul style="list-style-type: none"> ● HSBC Asset Management (India) Private Limited Vice President - Customer Service from 1 June, 2010 onwards ● Morgan Stanley UK Senior Associate, Fund Administration from February 12, 2007 to March 20, 2008 ● MSIM Global Support & Tech Services Pvt. Ltd. Senior Associate, Global Reconciliations Team from August 16, 2005 to February 11, 2007 ● Morgan Stanley Investment Management Private Limited Senior Associate, Operations - Domestic Fund from January 01, 2004 to August 15, 2005 ● Morgan Stanley India Securities Limited Associate - Global Reconciliations Team from August 01, 2000 to December 31, 2003
Mr. Abhishek Dev	Senior Vice President and Head - Product Development & Strategy	33	M.B.A., B.Sc.	<p>Over 10 years of experience in business development, strategy and Sales & distribution:</p> <ul style="list-style-type: none"> ● HSBC Asset Management (India) Private Limited, Vice President & Head of Product Management from August 2011 onwards. ● Pramerica Asset Managers Private Limited, Director and Head, Product Management and Channel Sales from October 2008 to August 2011. ● American Express Bank, Senior Manager, Business Processes and Strategic Initiatives from February 2005 to July 2008

Name	Designation	Age	Qualification	Brief Experience
				<ul style="list-style-type: none"> ● HDFC Asset Management Company (Private) Limited, Relationship Manager from January 2003 to January 2005 ● Unit Trust of India, Manager, Business Development & Marketing from May 2001 to December 2002.
Dhiraj Sachdev	Senior Vice President and Fund Manager - Equities	38	B. Com., ACA, Grad. CWA, Dip. Foreign Trade Management (DFTM)	<p>Over 13 years of experience in Equity Research & Fund Management</p> <ul style="list-style-type: none"> ● HSBC Asset Management (India) Private Limited Senior Fund Manager from 1 December, 2009 onwards, Head of Equity - Portfolio Management Services from October 2005 to November 2009 ● ASK Raymond James Securities India Private Limited Portfolio Manager from October 2003 to September 2005 ● HDFC Bank Limited Senior Manager Equities from November 1999 to September 2003 ● DSQ Software Ltd. Business Analyst from June 1999 to November 1999 ● Probity Research & Services Ltd. (India Infoline Limited) Research Analyst from November 1998 to May 1999 ● Ford Brothers Capital Services (P) Limited Manager Research from July 1996 to September 1998.
Gaurav Mehrotra	Associate Vice President, Investment Management	30	Post Graduate Diploma in Business Management, Bachelor of Engineering	<p>Over 5 years of experience in research.</p> <ul style="list-style-type: none"> ● HSBC Asset Management (India) Private Limited Associate Vice President, Investment Management from September 2007 to present. ● JPMorgan Services India Private Limited Equity Research from August 2005 to September 2007 ● Tata Consultancy Services Limited Business Analyst from June 2004 to July 2005
Amaresh Mishra	Associate Vice President, Investment Management	31	Post Graduate Diploma in Business Management, Bachelor of Engineering (Chemical)	<p>Over 6 years of experience in Equities & Sales.</p> <ul style="list-style-type: none"> ● HSBC Asset Management (India) Private Limited Associate Vice President, Investment Management from April 2008 to present, Associate Vice President - Equities from October 2007 to March 2008, Associate Vice President - Sales and Distribution from March 2005 to September 2007 ● Centre for Science and Environment Trainee Researcher from July 2001 to July 2002
Dipankar Parikh	Vice President – Dealing	38	B. Com.	<p>Over 10 years of experience of Dealing in Equity markets.</p> <ul style="list-style-type: none"> ● HSBC Asset Management (India) Private Limited Vice President, Dealing - Mutual Fund division from December 2011 to present; Assistant Vice President, Dealing - Portfolio Management Services division from September 2006 to November 2011. ● Karvy Stock Broking Private Limited Institutional Dealer from July 2001 to September 2006.

Name	Designation	Age	Qualification	Brief Experience
Aditya Khemani	Associate Vice President & Assistant Fund Manager - Equities	30	PGDBM, B.Com. (Hons.)	<p>Over 6 years of experience in Research.</p> <ul style="list-style-type: none"> ● HSBC Asset Management (India) Private Limited Assistant Fund Manager, Equities from February 2009 to present, Associate Vice President - Investment Management from October 2007 to February 2009 ● SBI Funds Management India Private Limited Senior Manager - Equity Research from March 2007 to September 2007 ● Prudential ICICI Asset Management Company India Private Limited Assistant Manager - Equity Research from December 2005 to February 2007 ● Morgan Stanley Advantage Services Private Limited Research Associate from May 2005 to November 2005
Kedar Karnik	Associate Vice President & Assistant Fund Manager - Fixed Income	30	M.M.S. (Finance), B.E.	<p>Over 6 years of experience in research and credit rating</p> <ul style="list-style-type: none"> ● HSBC Asset Management (India) Private Limited Assistant Fund Manager, Fixed Income from December 2008 to present, Associate Vice President & Credit Analyst from July 2008 to December 2008 ● CRISIL Ltd. Manager – Financial Sector Ratings from September 2005 to July 2008 ● ICICI Bank Ltd. Management Trainee from May 2005 to September 2005
Piyush Harlalka	Associate Vice President, Investment Management	30	M.B.A. (Finance), C.A., C.S.	<p>Over 4 years of experience in research :</p> <ul style="list-style-type: none"> ● HSBC Asset Management (India) Private Limited Fixed income dealer and credit analyst, from October 2010 till date; Assistant Vice President, Investment Management, PMS, from December 2008 to October 2010; Assistant Vice President & Research Analyst, from July 2007 to November 2008. ● Batlivala & Karanai Securities Pvt. Ltd. Assistant Vice President & Research Analyst, from April 2006 to June 2007.
Siddharth Taterh	Senior Vice President and Head - Risk	31	B.E. (Comp.), PGDM in Finance / System, FRM	<p>Over 7 years of experience in Risk</p> <ul style="list-style-type: none"> ● HSBC Asset Management (India) Private Limited Vice President, Risk Management since November 2008 onwards ● Morgan Stanley Advantage Services Private Limited Manager, Prime Brokerage Risk Management from November 2006 to November 2008 ● American Express India Private Limited Assistant Manager, Risk Management from September 2004 to November 2006 ● HCL Technologies Ltd. Assistant Manager from May 2003 to September 2004

Name	Designation	Age	Qualification	Brief Experience
Sanjay Shah	Senior Vice President and Fund Manager - Fixed Income	36	B. Com., A. C. A., PGDM	Over 11 years of experience in research and risk <ul style="list-style-type: none"> ● HSBC Asset Management (India) Private Limited Vice President & Fund Manager, Fixed Income since December 2008 onwards ● FIL Fund Management Private Limited Credit Analyst from September 2008 to December 2008 ● Lehman Brothers Structured Financial Services Private Limited Vice President, Convertible Products from September 2006 to September 2008 ● Rabo India Finance Private Limited Senior Manager - Credit Risk from July 2004 to September 2006 ● ICICI Bank Limited Manager, Credit Risk from January 2003 to June 2004 ● SBI Funds Management Private Limited Chief Manager, Debt Funds from June 1999 to January 2003
Ruchir Parekh	Senior Vice President and Fund Manager - Fixed Income	39	M.B.A., B.Com.	Over 10 years of experience in research and fixed income management <ul style="list-style-type: none"> ● HSBC Asset Management (India) Private Limited Vice President & Fund Manager, Fixed Income since January 2011 ● AIG Global Asset Management (India) Pvt. Ltd. Fund Manager - Fixed Income from April 2007 to January 2011 ● HDFC Asset Management Co. Ltd. Sr. Manager, Fixed Income Analyst from February 2003 to April 2007 ● Bear Stearns & Co., New York, NY Fixed Income Analyst from October 2000 to March 2002 ● Moody's Investors Service, New York, NY Senior Associate from June 1997 to October 2000.
Amit Deshmukh	Chief Financial Officer	33	CA, CWA, B. Com.	Over 10 years of experience in accounting and finance <ul style="list-style-type: none"> ● HSBC Asset Management (India) Private Limited Vice President & Head, Finance since June 2011 ● Bharti Axa Investment Manager Financial Controller from September 2008 to June 2011 ● Fidelity Fund Management Manager - Finance from April 2006 to September 2008 ● Standard Chartered Bank Manager - Finance from August 2003 to April 2006 ● Kotak Securities Manager from June 2001 to July 2003.
Arun Jain	Vice President and Head, MF Operations	35	C.A., B.Com.	Over 10 years of experience in fund accounting and finance <ul style="list-style-type: none"> ● HSBC Asset Management (India) Private Limited, Vice President and Head of Operations since October 2011; Vice President - Operations from July 2010. ● Principal PNB Asset Management Company Pvt. Ltd., Head of Fund Accounting, Brokerage and MIS from April 2005 to July 2010. ● JP Morgan Chase Bank, Team Leader, Fund Accounting from September 2000 to April 2005.

Presently the AMC has one dedicated equity dealer and a total of ten employees in the investment management department. Presently all the key personnel are based in the corporate office of the AMC.

Ms. Rheitu Bansal, Vice President and Head - Mutual Fund Client Services, has been appointed as the Investor Relations Officer of the Fund.

PROCEDURE FOLLOWED FOR INVESTMENT DECISIONS

The Fund Managers of the Scheme are responsible for making buy / sell decisions in respect of the securities in the Scheme's portfolio and to develop a well diversified portfolio that minimizes 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 an Investment 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 Trustees. The details of such investments are communicated by the AMC to the Trustees in their periodical reports along with a disclosure regarding how the parameters have been complied with. Such reportings 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 Trustees 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 Trustees of the Mutual Fund.

The Heads of Fund Management - Equities & Fixed Income present to the Board of the AMC and the Trustees periodically, the performance of the Schemes. The performance of the Scheme will be reviewed by the Boards with reference to the appropriate benchmarks.

The performance of the schemes shall be benchmarked against the respective Benchmark Index mentioned in the Combined 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. The Boards may review the benchmark selection process from time to time, and make suitable changes as to use of the benchmark, or related to composition of the benchmark, whenever it deems necessary.

The Heads of Fund Management - Equities & Fixed Income 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. Similarly, the performance of the Scheme will be submitted to the Trustees. The Heads of Fund Management - Equities & Fixed Income will explain to the Trustees, the details on the Schemes' performance vis-à-vis the benchmark returns.

The AMC will keep a record of all investment decisions.

F. Service providers

1. Custodian

JP Morgan Chase Bank, 6th floor, Paradigm B Wing, Mindspace, Malad (West), Mumbai 400 064 has been appointed as Custodian of the Scheme(s) of the Mutual Fund. The Custodian has been registered with SEBI under the SEBI (Custodians of Securities) Regulations, 1996, and has been awarded registration number IN/CUS/014 dated November 10, 1998. The Mutual Fund has entered into a Custody Agreement dated July 4, 2002, with the Custodian, and the salient features of the said Agreement are to:

- Provide post-trading and custodial services to the Mutual Fund
- Ensure benefits due on the holdings are received
- Provide detailed information and other reports as required by the AMC
- Maintain confidentiality of the transactions
- Be responsible for the loss or damage to the assets belonging to the Scheme due to negligence on its part or on the part of its approved agents
- Segregate assets of each Scheme

The Custodian shall not assign, transfer, hypothecate, pledge, lend, use or otherwise dispose any assets or property, except pursuant to instruction from the Trustees / AMC or under the express provisions of the Custody Agreement.

The Custodian will be entitled to remuneration for its services in accordance with the terms of the Custody Agreement. The Trustees have the right to change the Custodian, if necessary.

2. Registrar & Transfer Agents

Computer Age Management Services (P) Ltd. (CAMS) having registered office at Rayala Towers, Tower I, III Floor, 158, Anna Salai, Chennai 600 002 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. As Registrars to the Scheme, CAMS will handle communications with investors, perform data entry services and despatch account statements. The Board of AMC and Trustees have ensured that the Registrar has adequate capacity to discharge responsibilities with regard to processing of applications and dispatching account statements / unit certificates to unitholders within the time limit prescribed in the Regulations and also have sufficient capacity to handle investor complaints.

3. Statutory Auditor

Price Waterhouse, Chartered Accountants, 252, Veer Savarkar Marg, Shivaji Park, Dadar (West), Mumbai 400 028 shall be the Auditors for the Schemes of the Mutual Fund. The Trustees have the right to change the Auditors.

4. Legal Counsel

Bharucha & Partners, Hague Building, Sprott Road, Ballard Estate, Mumbai - 400 001, India, has been appointed as the Legal Advisor for the schemes of the Mutual Fund.

5. Fund Accountant

JP Morgan Chase Bank, 6th floor, Paradigm B Wing, Mindspace, Malad (West), Mumbai 400 064 has been appointed as Fund Accountant for Schemes of the Mutual Fund. 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 Trustees / AMC have the right to change the Fund Accountant, if necessary

6. Collecting Bankers

The collecting bankers for transactions on an on-going basis will be The Hongkong and Shanghai Banking Corporation Limited, 56/60, M. G. Road, Mumbai 400 001 (SEBI registration no. INBI00000027) and such other banks registered with SEBI as collecting bankers as may be decided by the AMC from time to time. Applications on an on-going basis will be accepted at the Collection Centres designated by the AMC.

IIA. CONDENSED FINANCIAL INFORMATION (CFI)

Historical Per Unit Statistics is presented scheme wise for all the schemes launched by the Mutual Fund during the last three fiscal years (excluding redeemed schemes) for each of the last three fiscal years.

Condensed Financial Information as of 31 March, 2011

HISTORICAL PER UNIT STATISTICS	HSBC Progressive Themes Fund			HSBC Midcap Equity Fund*			HSBC Ultra Short Term Bond Fund		
	01-Apr-10 31-Mar-11	01-Apr-09 31-Mar-10	01-Apr-08 31-Mar-09	01-Apr-10 31-Mar-11	01-Apr-09 31-Mar-10	01-Apr-08 31-Mar-09	01-Apr-10 31-Mar-11	01-Apr-09 31-Mar-10	01-Apr-08 31-Mar-09
NAV at the beginning of the period (Rs.)									
Dividend Option	11.0327	7.0792	13.3555	13.4006	6.6851	13.6463	NA	NA	NA
Growth Option	12.9709	8.3228	14.5446	21.8356	10.1084	20.6339	NA	NA	NA
Regular Option - Dividend	NA	NA	NA	NA	NA	NA	10.0122	10.0122	10.0122
Regular Option - Growth	NA	NA	NA	NA	NA	NA	12.5727	12.1193	11.2274
Regular Option - Weekly Dividend	NA	NA	NA	NA	NA	NA	10.0388	10.0418	10.0340
Regular Option - Fortnightly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Regular Option - Half Yearly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Monthly Option - Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Quarterly Option - Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Growth	NA	NA	NA	NA	NA	NA	12.6572	12.1702	11.2519
Institutional Option - Daily Dividend	NA	NA	NA	NA	NA	NA	10.0125	10.0125	10.0125
Institutional Option - Weekly Dividend	NA	NA	NA	NA	NA	NA	10.0403	10.0432	10.0348
Institutional Option - Monthly Dividend	NA	NA	NA	NA	NA	NA	10.1446	10.1476	10.0834
Institutional Option - Fortnightly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Quarterly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Half Yearly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Plus Option - Growth	NA	NA	NA	NA	NA	NA	12.7669	12.2294	11.2737
Institutional Plus Option - Daily Dividend	NA	NA	NA	NA	NA	NA	10.1094	10.0506	10.0126
Institutional Plus Option - Weekly Dividend	NA	NA	NA	NA	NA	NA	10.1708	10.0447	10.0353
Institutional Plus Option - Monthly Dividend	NA	NA	NA	NA	NA	NA	10.3343	10.3369	10.2678
Dividends paid out (Rs. per unit) #									
Regular Option - Dividend	0.00	-	1.11	1.98	0.97	-	0.90	0.59	1.10
Regular Option - Weekly Dividend	NA	NA	NA	NA	NA	NA	1.05	0.46	1.12
Regular Option - Fortnightly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Regular Option - Half Yearly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Monthly Option - Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Quarterly Option - Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Daily Dividend	NA	NA	NA	NA	NA	NA	1.67	0.82	1.89
Institutional Option - Weekly Dividend	NA	NA	NA	NA	NA	NA	1.29	0.67	1.61
Institutional Option - Monthly Dividend	NA	NA	NA	NA	NA	NA	1.26	0.74	1.15
Institutional Option - Fortnightly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Quarterly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Half Yearly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Plus Option - Daily Dividend	NA	NA	NA	NA	NA	NA	1.21	0.70	7.01
Institutional Plus Option - Weekly Dividend	NA	NA	NA	NA	NA	NA	1.44	0.16	4.88
Institutional Plus Option - Monthly Dividend	NA	NA	NA	NA	NA	NA	2.38	0.51	1.20
NAV at the end of the year/period (Rs.)									
Dividend Option	9.9244	11.0327	7.0792	10.5110	13.4006	6.6851	NA	NA	NA
Growth Option	11.6676	12.9709	8.3228	19.6665	21.8356	10.1084	NA	NA	NA
Regular Option - Dividend	NA	NA	NA	NA	NA	NA	10.0021	10.0122	10.0122
Regular Option - Growth	NA	NA	NA	NA	NA	NA	13.2048	12.5727	12.1193
Regular Option - Weekly Dividend	NA	NA	NA	NA	NA	NA	10.0486	10.0388	10.0418
Regular Option - Fortnightly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Regular Option - Half Yearly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Monthly Option - Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Quarterly Option - Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Growth	NA	NA	NA	NA	NA	NA	13.3268	12.6572	12.1702
Institutional Option - Daily Dividend	NA	NA	NA	NA	NA	NA	10.0009	10.0125	10.0125
Institutional Option - Weekly Dividend	NA	NA	NA	NA	NA	NA	10.0403	10.0403	10.0432
Institutional Option - Monthly Dividend	NA	NA	NA	NA	NA	NA	10.1546	10.1446	10.1476
Institutional Option - Fortnightly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Quarterly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Half Yearly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Plus Option - Growth	NA	NA	NA	NA	NA	NA	-	12.7669	12.2294
Institutional Plus Option - Daily Dividend	NA	NA	NA	NA	NA	NA	10.1107	10.1094	10.0506
Institutional Plus Option - Weekly Dividend	NA	NA	NA	NA	NA	NA	10.1708	10.1708	10.0447
Institutional Plus Option - Monthly Dividend	NA	NA	NA	NA	NA	NA	10.3446	10.3343	10.3369
Net Assets at end of year/period (Rs. Crores)	224.12	391.28	357.55	138.69	177.24	93.67	139.76	512.32	984.19
Ratio of Recurring Expenses to Average Daily Net Assets (%) (Annualised)	2.59@	2.58%@	2.52%@	2.40%	2.41%	2.40%	0.92%	1.07%	0.46%
Date of Allotment	23 February, 2006			19 May, 2005			17 October, 2006		
Benchmark Index	BSE 200			BSE Midcap			Composite Index^^		

^^ The Benchmark for HUSBF has been revised from CRISIL Liquid Fund Index to a Composite of CRISIL Liquid Fund Index and CRISIL Short Term Bond Fund Index with weightage of 90% and 10% respectively w.e.f. May 8, 2009.

Statement of Additional Information

HISTORICAL PER UNIT STATISTICS	HSBC Tax Saver Equity Fund			HSBC Unique Opportunities Fund			HSBC Fixed Term Series 30 †		
	01-Apr-10 31-Mar-11	01-Apr-09 31-Mar-10	01-Apr-08 31-Mar-09	01-Apr-10 31-Mar-11	01-Apr-09 31-Mar-10	01-Apr-08 31-Mar-09	01-Apr-10 31-Mar-11	01-Apr-09 31-Mar-10	01-Apr-08 31-Mar-09
NAV at the beginning of the period (Rs.)									
Dividend Option	12.7190	7.3692	10.5427	10.1983	5.6683	10.7715	NA	NA	NA
Growth Option	13.7906	7.3692	10.5427	10.1983	5.6683	10.7715	NA	NA	NA
Regular Option - Dividend	NA	NA	NA	NA	NA	NA	10.1491	10.0762	10.4450
Regular Option - Growth	NA	NA	NA	NA	NA	NA	12.9466	11.6034	10.9311
Regular Option - Weekly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Regular Option - Fortnightly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Regular Option - Half Yearly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Monthly Option - Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Quarterly Option - Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Dividend	NA	NA	NA	NA	NA	NA	NA†	-	10.4346
Institutional Option - Growth	NA	NA	NA	NA	NA	NA	12.9466	11.6034	10.9311
Institutional Option - Daily Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Weekly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Monthly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Fortnightly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Quarterly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Half Yearly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Plus Option - Growth	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Plus Option - Daily Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Plus Option - Weekly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Plus Option - Monthly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Dividends paid out (Rs. per unit) #									
Regular Option - Dividend	-	1.03	-	-	-	-	0.55	1.05	1.09
Regular Option - Weekly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Regular Option - Fortnightly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Regular Option - Half Yearly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Monthly Option - Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Quarterly Option - Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Daily Dividend	NA	NA	NA	NA	NA	NA	NA	NA	-!
Institutional Option - Weekly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Monthly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Fortnightly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Quarterly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Half Yearly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Plus Option - Daily Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Plus Option - Weekly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Plus Option - Monthly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
NAV at the end of the year/period (Rs.)									
Dividend Option	13.4571	12.7190	7.3692	11.2158	10.1983	5.6683	NA	NA	NA
Growth Option	14.5908	13.7906	7.3692	11.2158	10.1983	5.6683	NA	NA	NA
Regular Option - Dividend	NA	NA	NA	NA	NA	NA	NA†	10.1491	10.0762
Regular Option - Growth	NA	NA	NA	NA	NA	NA	NA†	12.9466	11.6034
Regular Option - Weekly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Regular Option - Fortnightly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Regular Option - Half Yearly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Monthly Option - Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Quarterly Option - Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Dividend	NA	NA	NA	NA	NA	NA	NA†	NA†	-!
Institutional Option - Growth	NA	NA	NA	NA	NA	NA	NA†	12.9466	11.6034
Institutional Option - Daily Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Weekly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Monthly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Fortnightly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Quarterly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Half Yearly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Plus Option - Growth	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Plus Option - Daily Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Plus Option - Weekly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Plus Option - Monthly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Net Assets at end of year/period (Rs. Crores)	248.29	301.54	180.58	96.50	214.98	219.50	92.06	91.29	87.08
Ratio of Recurring Expenses to Average Daily Net Assets (%) (Annualised)	2.34%	2.33%	2.38%	2.43%	3.82% @	3.84% @	1.86%*	1.80%	1.18%
Date of Allotment	5 January, 2007			21 March, 2007			11 June, 2007		
Benchmark Index	BSE 200			BSE 200			CRISIL Short-Term Bond Fund Index		

HISTORICAL PER UNIT STATISTICS	HSBC Dynamic Fund			HSBC Flexi Debt Fund ^^^^			HSBC Small Cap Fund		
	01-Apr-10 31-Mar-11	01-Apr-09 31-Mar-10	01-Apr-08 31-Mar-09	01-Apr-10 31-Mar-11	01-Apr-09 31-Mar-10	01-Apr-08 31-Mar-09	01-Apr-10 31-Mar-11	01-Apr-09 31-Mar-10	01-Apr-08 31-Mar-09
NAV at the beginning of the period (Rs.)									
Dividend Option	9.5876	6.3088	9.6659	NA	NA	NA	10.8342	4.8404	10.1334
Growth Option	9.5876	6.3088	9.6659	NA	NA	NA	10.8342	4.8404	10.1334
Regular Option - Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Regular Option - Growth	NA	NA	NA	12.4521	11.6483	10.4155	NA	NA	NA
Regular Option - Weekly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Regular Option - Fortnightly Dividend	NA	NA	NA	10.8639	10.3662	10.0315	NA	NA	NA
Regular Option - Half Yearly Dividend	NA	NA	NA	10.2541	9.8005	10.0000	NA	NA	NA
Monthly Option - Dividend	NA	NA	NA	10.3129	10.2553	10.0065	NA	NA	NA
Quarterly Option - Dividend	NA	NA	NA	11.1163	10.7885	NA	NA	NA	NA
Institutional Option - Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Growth	NA	NA	NA	12.5608	11.7088	10.4333	NA	NA	NA
Institutional Option - Daily Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Weekly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Monthly Dividend	NA	NA	NA	10.5441	10.5214	10.0706	NA	NA	NA
Institutional Option - Fortnightly Dividend	NA	NA	NA	10.0751	9.7535	10.0302	NA	NA	NA
Institutional Option - Quarterly Dividend	NA	NA	NA	10.9411	10.6734	NA	NA	NA	NA
Institutional Option - Half Yearly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Plus Option - Growth	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Plus Option - Daily Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Plus Option - Weekly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Plus Option - Monthly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Dividends paid out (Rs. per unit) #									
Regular Option - Dividend	-	-	-	NA	NA	NA	1.06	-	-
Regular Option - Weekly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Regular Option - Fortnightly Dividend	NA	NA	NA	2.33	0.33	0.24	NA	NA	NA
Regular Option - Half Yearly Dividend	NA	NA	NA	78.32	0.17	NA	NA	NA	NA
Monthly Option - Dividend	NA	NA	NA	0.73	2.11	0.39	NA	NA	NA
Quarterly Option - Dividend	NA	NA	NA	0.97	0.58	0.12	NA	NA	NA
Institutional Option - Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Daily Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Weekly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Monthly Dividend	NA	NA	NA	4.71	2.03	0.35	NA	NA	NA
Institutional Option - Fortnightly Dividend	NA	NA	NA	1.79	0.70	0.70	NA	NA	NA
Institutional Option - Quarterly Dividend	NA	NA	NA	0.82	0.60	0.19	NA	NA	NA
Institutional Option - Half Yearly Dividend	NA	NA	NA	0.06	NA	NA	NA	NA	NA
Institutional Plus Option - Daily Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Plus Option - Weekly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Plus Option - Monthly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
NAV at the end of the year/period (Rs.)									
Dividend Option	10.4765	9.5876	6.3088	NA	NA	NA	10.0806	10.8342	4.8404
Growth Option	10.4765	9.5876	6.3088	NA	NA	NA	10.8382	10.8342	4.8404
Regular Option - Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Regular Option - Growth	NA	NA	NA	13.1704	12.4521	11.6483	NA	NA	NA
Regular Option - Weekly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Regular Option - Fortnightly Dividend	NA	NA	NA	10.7895	10.8639	10.3662	NA	NA	NA
Regular Option - Half Yearly Dividend	NA	NA	NA	10.6013	10.2541	9.8005	NA	NA	NA
Monthly Option - Dividend	NA	NA	NA	10.3414	10.3129	10.2553	NA	NA	NA
Quarterly Option - Dividend	NA	NA	NA	11.1421	11.1163	10.7885	NA	NA	NA
Institutional Option - Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Growth	NA	NA	NA	13.3320	12.5608	11.7088	NA	NA	NA
Institutional Option - Daily Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Weekly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Monthly Dividend	NA	NA	NA	10.5730	10.5441	10.5214	NA	NA	NA
Institutional Option - Fortnightly Dividend	NA	NA	NA	10.1124	10.0751	9.7535	NA	NA	NA
Institutional Option - Quarterly Dividend	NA	NA	NA	10.9965	10.9411	10.6734	NA	NA	NA
Institutional Option - Half Yearly Dividend	NA	NA	NA	10.2815	NA	NA	NA	NA	NA
Institutional Plus Option - Growth	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Plus Option - Daily Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Plus Option - Weekly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Plus Option - Monthly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Net Assets at end of year/period (Rs. Crores)	114.78	238.73	234.13	54.23	102.42	316.84	34.60	60.91	35.50
Ratio of Recurring Expenses to Average Daily Net Assets (%) (Annualised)	2.41%	2.34%	2.33%	1.54%	1.57%	1.53%	4.07% @	4.81% @	5.19% @
Date of Allotment	24 September, 2007			5 October, 2007			24 March, 2008		
Benchmark Index	BSE 200			CRISIL Composite Bond Fund Index			BSE Smallcap Index		

Statement of Additional Information

HISTORICAL PER UNIT STATISTICS	HSBC Emerging Market Fund			HSBC Fixed Term Series 66 †			HSBC Equity Fund		
	01-Apr-10 31-Mar-11	01-Apr-09 31-Mar-10	01-Apr-08 31-Mar-09	01-Apr-10 05-Apr-10	01-Apr-09 31-Mar-10	03-Oct-08 31-Mar-09	01-Apr-10 31-Mar-11	01-Apr-09 31-Mar-10	01-Apr-08 31-Mar-09
NAV at the beginning of the period (Rs.)									
Dividend Option	9.3107	6.2553	10.0301	NA	NA	NA	27.2661	18.8099	27.6287
Growth Option	9.3107	6.2553	10.0301	NA	NA	NA	95.3300	60.1737	88.3814
Regular Option - Dividend	NA	NA	NA	10.0215	10.1051	10.0000	NA	NA	NA
Regular Option - Growth	NA	NA	NA	11.3548	10.5506	10.0000	NA	NA	NA
Regular Option - Weekly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Regular Option - Fortnightly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Regular Option - Half Yearly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Monthly Option - Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Quarterly Option - Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Dividend	NA	NA	NA	NA	NA	-!	NA	NA	NA
Institutional Option - Growth	NA	NA	NA	11.3548	10.5506	10.0000	NA	NA	NA
Institutional Option - Daily Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Weekly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Monthly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Fortnightly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Quarterly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Half Yearly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Plus Option - Growth	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Plus Option - Daily Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Plus Option - Weekly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Plus Option - Monthly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Dividends paid out (Rs. per unit) #									
Regular Option - Dividend	-	-	-	0.57	0.80	0.46	4.16	2.75	NA
Regular Option - Weekly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Regular Option - Fortnightly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Regular Option - Half Yearly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Monthly Option - Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Quarterly Option - Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Dividend	NA	NA	NA	NA	NA †	NA	NA	NA	NA
Institutional Option - Daily Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Weekly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Monthly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Fortnightly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Quarterly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Half Yearly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Plus Option - Daily Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Plus Option - Weekly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Plus Option - Monthly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
NAV at the end of the year/period (Rs.)									
Dividend Option	10.5662	9.3107	6.2553	NA	NA	NA	26.4788	27.2661	18.8099
Growth Option	10.5662	9.3107	6.2553	NA	NA	NA	105.2689	95.3300	60.1737
Regular Option - Dividend	NA	NA	NA	NA †	10.0215	10.1051	NA	NA	NA
Regular Option - Growth	NA	NA	NA	NA †	11.3548	10.5506	NA	NA	NA
Regular Option - Weekly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Regular Option - Fortnightly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Regular Option - Half Yearly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Monthly Option - Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Quarterly Option - Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Growth	NA	NA	NA	NA †	11.3548	10.5506!	NA	NA	NA
Institutional Option - Daily Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Weekly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Monthly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Fortnightly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Quarterly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Half Yearly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Plus Option - Growth	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Plus Option - Daily Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Plus Option - Weekly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Plus Option - Monthly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Net Assets at end of year/period (Rs. Crores)	59.69	87.09	84.59	70.86	69.15	65.80	966.68	1,382.78	1,092.09
Ratio of Recurring Expenses to Average Daily Net Assets (%) (Annualised)	1.10%	0.75%	0.75%	1.02%*	1.02%	1.02%	2.01%	1.95%	2.02%
Date of Allotment	17 March, 2008			03 October, 2008			10 December, 2002		
Benchmark Index	MSCI Emerging Markets Index			CRISIL Short-Term Bond Fund Index			BSE 200		

HISTORICAL PER UNIT STATISTICS	HSBC Cash Fund [^]			HSBC Income Fund - Short Term Plan †			HSBC Income Fund - Investment Plan		
	01-Apr-10 31-Mar-11	01-Apr-09 31-Mar-10	01-Apr-08 31-Mar-09	01-Apr-10 31-Mar-11	01-Apr-09 31-Mar-10	01-Apr-08 31-Mar-09	01-Apr-10 31-Mar-11	01-Apr-09 31-Mar-10	01-Apr-08 31-Mar-09
NAV at the beginning of the period (Rs.)									
Dividend Option	NA	NA	NA	NA	NA	NA	NA	NA	NA
Growth Option	NA	NA	NA	NA	NA	NA	NA	NA	NA
Regular Option - Dividend	10.1930	10.1930	10.1930	10.9030	10.8304	11.3355	11.1693	11.1795	10.7078
Regular Option - Growth	14.8892	14.5744	13.5907	15.6284	14.8706	13.5866	15.9383	14.8409	13.6093
Regular Option - Weekly Dividend	10.0217	10.0227	10.0104	10.1440	10.0712	10.1026	NA	NA	NA
Regular Option - Fortnightly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Regular Option - Half Yearly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Monthly Option - Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Quarterly Option - Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Dividend	NA	NA	NA	10.5488	10.4456	NA	-	NA	10.6682
Institutional Option - Growth	15.0262	14.6717	13.6539	12.3381	11.6871	10.6310	-	9.5776	9.5776
Institutional Option - Daily Dividend	10.4401	10.4401	10.4401	NA	NA	NA	NA	NA	NA
Institutional Option - Weekly Dividend	10.4688	10.4699	10.4565	10.4400	10.2542	NA	NA	NA	NA
Institutional Option - Monthly Dividend	10.5267	10.5277	10.4599	NA	NA	NA	NA	NA	NA
Institutional Option - Fortnightly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Quarterly Dividend	NA	NA	NA	NA	NA	NA	NA	10.6682	NA
Institutional Option - Half Yearly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Plus Option - Growth	14.1546	13.7655	12.7707	NA !	10.1070	NA	NA	NA	NA
Institutional Plus Option - Daily Dividend	10.0056	10.0056	10.0056	NA	NA	NA	NA	NA	NA
Institutional Plus Option - Weekly Dividend	10.2401	10.2411	10.0440	10.0620	NA	NA	NA	NA	NA
Institutional Plus Option - Monthly Dividend	10.0819	10.0829	10.0154	10.1482	10.0362	NA	NA	NA	NA
Dividends paid out (Rs. per unit) #									
Regular Option - Dividend	0.63	0.28	1.04	0.34	1.33	0.37	1.22	1.84	0.16
Regular Option - Weekly Dividend	0.77	0.29	1.12	0.17	0.93	0.20	NA	NA	NA
Regular Option - Fortnightly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Regular Option - Half Yearly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Monthly Option - Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Quarterly Option - Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Dividend	NA	NA	NA	0.89	26.70	0.36	NA	NA	NA
Institutional Option - Daily Dividend	0.24	0.96	1.52	NA	NA	NA	NA	NA	NA
Institutional Option - Weekly Dividend	838.50	0.95	0.85	23.18	0.41	0.31	NA	NA	NA
Institutional Option - Monthly Dividend	0.57	0.27	3.12	NA	NA	NA	NA	NA	NA
Institutional Option - Fortnightly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Quarterly Dividend	NA	NA	NA	NA	NA	NA	NA	NA!	0.24
Institutional Option - Half Yearly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Plus Option - Daily Dividend	0.92	0.27	2.76	NA	NA	NA	NA	NA	NA
Institutional Plus Option - Weekly Dividend	163.95	0.25	1.11	1.23	0.94	NA †	NA	NA	NA
Institutional Plus Option - Monthly Dividend	0.32	0.32	0.48	0.63	16.39	NA	NA	NA	NA
NAV at the end of the year/period (Rs.)									
Dividend Option	NA	NA	NA	NA	NA	NA	NA	NA	NA
Growth Option	NA	NA	NA	NA	NA	NA	NA	NA	NA
Regular Option - Dividend	10.1930	10.1930	10.1930	10.9778	10.9030	10.8304	10.9288	11.1693	11.1795
Regular Option - Growth	15.6956	14.8892	14.5744	16.5419	15.6284	14.8706	16.8254	15.9383	14.8409
Regular Option - Weekly Dividend	10.0300	10.0217	10.0227	10.1886	10.1440	10.0712	NA	NA	NA
Regular Option - Fortnightly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Regular Option - Half Yearly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Monthly Option - Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Quarterly Option - Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Dividend	NA	NA	NA	10.2283	10.5488	10.4456	-	-!	NA
Institutional Option - Growth	15.8794	15.0262	14.6717	13.0988	12.3381	11.6871	-	-!	9.5776
Institutional Option - Daily Dividend	10.4401	10.4401	10.4401	NA	NA	NA	NA	NA	NA
Institutional Option - Weekly Dividend	10.4777	10.4688	10.4699	10.4701	10.4400	10.2542	NA	NA	NA
Institutional Option - Monthly Dividend	10.5355	10.5267	10.5277	NA	NA	NA	NA	NA	NA
Institutional Option - Fortnightly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Quarterly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	10.6682
Institutional Option - Half Yearly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Plus Option - Growth	15.0184	14.1546	13.7655	NA !	NA !	10.1070	NA	NA	NA
Institutional Plus Option - Daily Dividend	10.0056	10.0056	10.0056	NA	NA	NA	NA	NA	NA
Institutional Plus Option - Weekly Dividend	10.2488	10.2401	10.2411	10.1027	10.0620	NA	NA	NA	NA
Institutional Plus Option - Monthly Dividend	10.0905	10.0819	10.0829	10.0540	10.1482	10.0362	NA	NA	NA
Net Assets at end of year/period (Rs. Crores)	270.82	470.59	492.65	164.21	165.26	151.55	21.11	32.66	114.90
Ratio of Recurring Expenses to Average Daily Net Assets (%) (Annualised)	0.54%	0.55%	0.55%	0.82%	1.02%	0.64%	1.80%	1.79%	1.37%
Date of Allotment	04 December, 2002			10 December, 2002			10 December, 2002		
Benchmark Index	CRISIL Liquid Fund Index			CRISIL Short-Term Bond Fund Index			CRISIL Composite Bond Fund Index		

Statement of Additional Information

HISTORICAL PER UNIT STATISTICS	HSBC Gilt Fund Plan			HSBC MIP Regular Plan			HSBC MIP Savings Plan		
	01-Apr-10 31-Mar-11	01-Apr-09 31-Mar-10	01-Apr-08 31-Mar-09	01-Apr-10 31-Mar-11	01-Apr-09 31-Mar-10	01-Apr-08 31-Mar-09	01-Apr-10 31-Mar-11	01-Apr-09 31-Mar-10	01-Apr-08 31-Mar-09
NAV at the beginning of the period (Rs.)									
Dividend Option	10.2186	9.4995	10.7428	NA	NA	NA	NA	NA	NA
Growth Option	11.5879	10.7725	11.6677	NA	NA	NA	NA	NA	NA
Regular Option - Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Regular Option - Growth	NA	NA	NA	16.3418	14.1825	13.7856	18.4006	15.0356	15.0714
Regular Option - Weekly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Regular Option - Fortnightly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Regular Option - Half Yearly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Monthly Option - Dividend	NA	NA	NA	11.4773	10.7325	10.7999	12.0933	10.7242	11.2228
Quarterly Option - Dividend	NA	NA	NA	11.6340	10.8919	10.9470	12.1196	10.7209	11.2540
Institutional Option - Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Growth	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Daily Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Weekly Dividend	9.5097	8.8405	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Monthly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Fortnightly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Quarterly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Half Yearly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Plus Option - Growth	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Plus Option - Daily Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Plus Option - Weekly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Plus Option - Monthly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Dividends paid out (Rs. per unit) #									
Regular Option - Dividend	NA	NA	2.84	NA	NA	NA	NA	NA	NA
Regular Option - Weekly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Regular Option - Fortnightly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Regular Option - Half Yearly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Monthly Option - Dividend	NA	NA	NA	1.27	0.48	0.57	0.97	0.56	0.67
Quarterly Option - Dividend	NA	NA	NA	0.82	0.61	0.40	0.84	0.70	0.55
Institutional Option - Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Daily Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Weekly Dividend	0.21	NA	1.65	NA	NA	NA	NA	NA	NA
Institutional Option - Monthly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Fortnightly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Quarterly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Half Yearly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Plus Option - Daily Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Plus Option - Weekly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Plus Option - Monthly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
NAV at the end of the year/period (Rs.)									
Dividend Option	11.0164	10.2186	9.4995	NA	NA	NA	NA	NA	NA
Growth Option	12.4926	11.5879	10.7725	NA	NA	NA	NA	NA	NA
Regular Option - Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Regular Option - Growth	NA	NA	NA	16.9989	16.3418	14.1825	19.2049	18.4006	15.0356
Regular Option - Weekly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Regular Option - Fortnightly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Regular Option - Half Yearly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Monthly Option - Dividend	NA	NA	NA	10.7617	11.4773	10.7325	11.3836	12.0933	10.7242
Quarterly Option - Dividend	NA	NA	NA	11.2192	11.6340	10.8919	11.7079	12.1196	10.7209
Institutional Option - Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Growth	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Daily Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Weekly Dividend	10.0490	9.5097	8.8405	NA	NA	NA	NA	NA	NA
Institutional Option - Monthly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Fortnightly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Quarterly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Half Yearly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Plus Option - Growth	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Plus Option - Daily Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Plus Option - Weekly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Plus Option - Monthly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Net Assets at end of year/period (Rs. Crores)	0.70	0.42	17.96	222.57	219.32	57.26	676.10	358.31	103.38
Ratio of Recurring Expenses to Average Daily Net Assets (%) (Annualised)	0.75%	0.76%	0.75%	2.10%	2.16%	2.07%	1.96%	2.12%	2.05%
Date of Allotment	5 December, 2003			24 February, 2004			24 February, 2004		
Benchmark Index	ISEC Si-BEX			CRISIL MIP Blended Index			CRISIL MIP Blended Index		

HISTORICAL PER UNIT STATISTICS	HSBC India Opportunities Fund			HSBC Floating Rate Fund - Short Term Plan †			HSBC Floating Rate Fund - Long Term Plan + ^^^^		
	01-Apr-10 31-Mar-11	01-Apr-09 31-Mar-10	01-Apr-08 31-Mar-09	01-Apr-10 31-Mar-11	01-Apr-09 31-Mar-10	01-Apr-08 31-Mar-09	01-Apr-10 31-Mar-11	01-Apr-09 31-Mar-10	01-Apr-08 31-Mar-09
NAV at the beginning of the period (Rs.)									
Dividend Option	15.9300	10.4365	16.4584	NA	NA	NA	NA	NA	NA
Growth Option	31.9597	19.6995	31.0700	NA	NA	NA	NA	NA	NA
Regular Option - Dividend	NA	NA	NA	10.0000	10.0000	10.0000	10.0126	10.0114	NA
Regular Option - Growth	NA	NA	NA	13.6668	13.3675	12.4236	14.1925	13.5781	12.4936
Regular Option - Weekly Dividend	NA	NA	NA	10.0204	10.0205	10.0079	10.0110	10.0066	NA
Regular Option - Fortnightly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Regular Option - Half Yearly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Monthly Option - Dividend	NA	NA	NA	NA	NA	NA	10.0063	10.0064	10.0069
Quarterly Option - Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Growth	NA	NA	NA	13.8138	13.5003	12.5158	14.4137	13.7348	12.5862
Institutional Option - Daily Dividend	NA	NA	NA	10.1360	10.0623	10.0368	10.1799	10.0980	NA
Institutional Option - Weekly Dividend	NA	NA	NA	-	10.4999	10.0562	11.2377	11.2348	11.2291
Institutional Option - Monthly Dividend	NA	NA	NA	10.1346	10.1350	10.0658	10.1891	10.0614	10.0346
Institutional Option - Fortnightly Dividend	NA	NA	NA	NA	NA	NA	10.2129	10.2245	10.0332
Institutional Option - Quarterly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Half Yearly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Plus Option - Growth	NA	NA	NA	11.7344	11.4592	10.6182	NA	NA	NA
Institutional Plus Option - Daily Dividend	NA	NA	NA	NA	NA	10.0262	NA	NA	NA
Institutional Plus Option - Weekly Dividend	NA	NA	NA	-	10.0373	10.0098	NA	NA	NA
Institutional Plus Option - Monthly Dividend	NA	NA	NA	NA †	NA †	NA †	NA	NA	NA
Dividends paid out (Rs. per unit) #									
Regular Option - Dividend	1.07	1.13	NA	0.75	0.31	1.17	4.37	0.57	0.46
Regular Option - Weekly Dividend	NA	NA	NA	0.61	0.24	0.75	0.50	0.50	0.03
Regular Option - Fortnightly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Regular Option - Half Yearly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Monthly Option - Dividend	NA	NA	NA	NA	NA	NA	0.84	0.72	0.46
Quarterly Option - Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Daily Dividend	NA	NA	NA	NA	4.69	0.67	NA	0.45	5.45
Institutional Option - Weekly Dividend	NA	NA	NA	-	!!	0.61	1.08	0.91	0.28
Institutional Option - Monthly Dividend	NA	NA	NA	NA †	0.28	0.73	3.98	1.11	0.97
Institutional Option - Fortnightly Dividend	NA	NA	NA	NA	NA	NA	0.15	0.99	NA
Institutional Option - Quarterly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Half Yearly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Plus Option - Daily Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Plus Option - Weekly Dividend	NA	NA	NA	-	!!	1.91	NA	NA	NA
Institutional Plus Option - Monthly Dividend	NA	NA	NA	NA †	NA †	NA †	NA	NA	NA
NAV at the end of year/period (Rs.)									
Dividend Option	16.8246	15.9300	10.4365	NA	NA	NA	NA	NA	NA
Growth Option	35.7138	31.9597	19.6995	NA	NA	NA	NA	NA	NA
Regular Option - Dividend	NA	NA	NA	10.0000	10.0000	10.0000	10.0417	10.0126	10.0114
Regular Option - Growth	NA	NA	NA	14.3458	13.6668	13.3675	15.0072	14.1925	13.5781
Regular Option - Weekly Dividend	NA	NA	NA	10.0275	10.0204	10.0205	10.0180	10.0110	10.0066
Regular Option - Fortnightly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Regular Option - Half Yearly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Monthly Option - Dividend	NA	NA	NA	NA	NA	NA	10.0135	10.0063	10.0064
Quarterly Option - Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Growth	NA	NA	NA	14.5096	13.8138	13.5003	15.3477	14.4137	13.7348
Institutional Option - Daily Dividend	NA	NA	NA	NA †	10.1360	10.0623	NA †	10.1799	10.0980
Institutional Option - Weekly Dividend	NA	NA	NA	-	!	10.4999	11.2462	11.2377	11.2348
Institutional Option - Monthly Dividend	NA	NA	NA	NA †	10.1346	10.1350	10.3119	10.1891	10.0614
Institutional Option - Fortnightly Dividend	NA	NA	NA	NA	NA	NA	10.0312	10.2129	10.2245
Institutional Option - Quarterly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Option - Half Yearly Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Plus Option - Growth	NA	NA	NA	NA †	11.7344	11.4592	NA	NA	NA
Institutional Plus Option - Daily Dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA
Institutional Plus Option - Weekly Dividend	NA	NA	NA	-	!	10.0373	NA	NA	NA
Institutional Plus Option - Monthly Dividend	NA	NA	NA	NA	NA †	NA †	NA	NA	NA
Net Assets at end of year/period (Rs. Crores)	189.90	283.80	279.93	21.23	72.22	87.85	279.80	597.50	454.44
Ratio of Recurring Expenses to Average Daily Net Assets (%) (Annualised)	2.36%	2.33%	2.32%	0.47%	0.49%	0.52%	0.35%	0.64%	0.68%
Date of Allotment	24 February, 2004			16 November, 2004			16 November, 2004		
Benchmark Index	BSE 500			CRISIL Liquid Fund Index			CRISIL Liquid Fund Index		

HISTORICAL PER UNIT STATISTICS	HSBC Fixed Term Series 79
	22-Mar-11 - 31-Mar-11
NAV at the beginning of the period (Rs.)	NA
Dividends paid out (Rs. per unit) #	
Regular Option - Dividend	NA
Regular Option - Weekly Dividend	NA
Regular Option - Fortnightly Dividend	NA
Regular Option - Half Yearly Dividend	NA
Monthly Option - Dividend	NA
Quarterly Option - Dividend	NA
Institutional Option - Dividend	NA
Institutional Option - Daily Dividend	NA
Institutional Option - Weekly Dividend	NA
Institutional Option - Monthly Dividend	NA
Institutional Option - Fortnightly Dividend	NA
Institutional Option - Quarterly Dividend	NA
Institutional Option - Half Yearly Dividend	NA
Institutional Plus Option - Daily Dividend	NA
Institutional Plus Option - Weekly Dividend	NA
Institutional Plus Option - Monthly Dividend	NA
NAV at the end of the year/period (Rs.)	
Dividend Option	10.0806
Growth Option	10.0806
Regular Option - Dividend	NA
Regular Option - Growth	NA
Regular Option - Weekly Dividend	NA
Regular Option - Fortnightly Dividend	NA
Regular Option - Half Yearly Dividend	NA
Monthly Option - Dividend	NA
Quarterly Option - Dividend	NA
Institutional Option - Dividend	NA
Institutional Option - Growth	NA
Institutional Option - Daily Dividend	NA
Institutional Option - Weekly Dividend	NA
Institutional Option - Monthly Dividend	NA
Institutional Option - Fortnightly Dividend	NA
Institutional Option - Quarterly Dividend	NA
Institutional Option - Half Yearly Dividend	NA
Institutional Plus Option - Growth	NA
Institutional Plus Option - Daily Dividend	NA
Institutional Plus Option - Weekly Dividend	NA
Institutional Plus Option - Monthly Dividend	NA
Net Assets at end of year/period (Rs. Crores)	524.04
Ratio of Recurring Expenses to Average Daily Net Assets (%) (Annualised)	0.15%*
Date of Allotment	25 March, 11
Benchmark Index	CRISIL Short-Term Bond Fund Index

Notes :

- 1) # The dividend paid out is calculated based upon the total amount of dividend declared during the period including the distribution tax wherever applicable divided by the number of units as on the last day of the relevant period
- 2) ^ HSBC Cash Fund - Institutional Plus Options were launched on 2 June, 2004 and the HSBC Cash Fund - Regular Option - Weekly Dividend was launched on 20 April, 2005
- 3) ^^ HSBC Flexi Debt Fund - Institutional - Fortnightly Dividend Option, Regular Fortnightly Dividend Option, Regular Quarterly Dividend, Regular Half Yearly Dividend and Institutional Half Yearly Dividend were launched on October 10, 2007, October 17, 2007, April 10, 2008, December 17, 2008 and April 7, 2010 respectively.
- 4) † HSBC Income Fund - Short Term Plan Institutional Plus Weekly Dividend, HSBC Floating Rate Short Term Institutional Plus Monthly Dividend, HSBC Floating Rate Short Term Institutional Monthly Dividend, HSBC Fixed Term Series 66 Institutional Dividend, HSBC Fixed Term Series 30 Institutional Dividend, HSBC Income Fund - Short Term Plan Institutional Plus Daily Dividend, HSBC Income Fund - Short Term Plan Institutional Plus Monthly Dividend and HSBC -Floating Rate Fund - Long Term Plan Institutional Plus Daily Dividend plans were closed on 4 September, 2008, 2 March, 2006, 27 February, 2011, 7 October, 2008, 28 November, 2008, 23 February, 2011, 28 February, 2011 and 6 December, 2010 respectively.
- 5) ! Indicates there are no investors in the Option.
- 6) !! Dividend declared for the period, however there are no investor as of 31st March, 2010
- 7) * Annualized
- 8) @ Includes amortization of initial issue cost
- 9) *** Composite Index of CRISIL Liquid Fund Index (90%) and CRISIL Short Term Bond Fund Index (10%)

IIB. COMPARATIVE PERFORMANCE OF SCHEMES

Fund Manager - Tushar Pradhan

Date of Inception : 10 Dec '02	HSBC Equity Fund			
	Scheme Name & Benchmarks	Oct '10 - Sep '11	Oct '09 - Sep '10	Oct '08 - Sep '09
HSBC Equity Fund - Growth	-18.82	19.96	22.36	28.51
BSE 200 (Scheme Benchmark)	-21.42	20.75	33.15	20.76
S&P Nifty (Standard Benchmark)	-19.58	18.68	28.77	19.05
Rs. 10,000, if invested in HEF, would have become	Rs. 8,118	Rs. 11,996	Rs. 12,236	Rs. 91,181
Rs. 10,000, if invested in BSE 200, would have become	Rs. 7,858	Rs. 12,075	Rs. 13,315	Rs. 52,685
Rs. 10,000, if invested in S&P Nifty, would have become	Rs. 8,042	Rs. 11,868	Rs. 12,877	Rs. 46,472

Past performance may or may not be sustained in the future. Please refer to the Note below.

Data for the period 01 October - 30 September has been considered in all cases, except for Since Inception returns. All percentage returns are compounded annualised. 'Since Inception' returns are calculated on Rs. 10 invested at inception. Standard benchmark as prescribed by SEBI for long-term equity schemes is used for comparison purposes. Returns on Rs. 10,000 are point-to-point returns for the specific time period, invested at the start of the period.

Fund Manager - Tushar Pradhan

Date of Inception : 24 Feb '04	HSBC India Opportunities Fund			
	Scheme Name & Benchmarks	Oct '10 - Sep '11	Oct '09 - Sep '10	Oct '08 - Sep '09
HSBC India Opportunities Fund - Growth	-14.57	20.31	21.85	16.66
BSE 500 (Scheme Benchmark)	-21.56	21.85	32.38	14.68
S&P Nifty (Standard Benchmark)	-19.58	18.68	28.77	14.03
Rs. 10,000, if invested in HIOF, would have become	Rs. 8,543	Rs. 12,031	Rs. 12,185	Rs. 32,367
Rs. 10,000, if invested in BSE 500, would have become	Rs. 7,844	Rs. 12,185	Rs. 13,238	Rs. 28,323
Rs. 10,000, if invested in S&P Nifty, would have become	Rs. 8,042	Rs. 11,868	Rs. 12,877	Rs. 27,141

Past performance may or may not be sustained in the future. Please refer to the Note below.

Data for the period 01 October - 30 September has been considered in all cases, except for Since Inception returns. All percentage returns are compounded annualised. 'Since Inception' returns are calculated on Rs. 10 invested at inception. Standard benchmark as prescribed by SEBI for long-term equity schemes is used for comparison purposes. Returns on Rs. 10,000 are point-to-point returns for the specific time period, invested at the start of the period.

Fund Manager - Tushar Pradhan (for Equity portion) and Sanjay Shah (for Debt portion)

Date of Inception : 24 Sep '07	HSBC Dynamic Fund			
	Scheme Name & Benchmarks	Oct '10 - Sep '11	Oct '09 - Sep '10	Oct '08 - Sep '09
HSBC Dynamic Fund - Growth	-17.66	19.19	11.81	-2.08
BSE 200 (Scheme Benchmark)	-21.42	20.75	33.15	-0.52
S&P Nifty (Standard Benchmark)	-19.58	18.68	28.77	0.06
Rs. 10,000, if invested in HDF, would have become	Rs. 8,234	Rs. 11,919	Rs. 11,181	Rs. 8,829
Rs. 10,000, if invested in BSE 200, would have become	Rs. 7,858	Rs. 12,075	Rs. 13,315	Rs. 9,795
Rs. 10,000, if invested in S&P Nifty, would have become	Rs. 8,042	Rs. 11,868	Rs. 12,877	Rs. 10,022

Past performance may or may not be sustained in the future. Please refer to the Note below.

Data for the period 01 October - 30 September has been considered in all cases, except for Since Inception returns. All percentage returns are compounded annualised. 'Since Inception' returns are calculated on Rs. 10 invested at inception. Standard benchmark as prescribed by SEBI for long-term equity schemes is used for comparison purposes. Returns on Rs. 10,000 are point-to-point returns for the specific time period, invested at the start of the period.

Fund Manager - Tushar Pradhan

Date of Inception : 21 Mar '07	HSBC Unique Opportunities Fund			
	Scheme Name & Benchmarks	Oct '10 - Sep '11	Oct '09 - Sep '10	Oct '08 - Sep '09
HSBC Unique Opportunities Fund - Growth	-22.85	26.51	18.46	-1.19
BSE 200 (Scheme Benchmark)	-21.42	20.75	33.15	6.27
S&P Nifty (Standard Benchmark)	-19.58	18.68	28.77	6.20
Rs. 10,000, if invested in HUOF, would have become	Rs. 7,715	Rs. 12,651	Rs. 11,846	Rs. 9,322
Rs. 10,000, if invested in BSE 200, would have become	Rs. 7,858	Rs. 12,075	Rs. 13,315	Rs. 13,176
Rs. 10,000, if invested in S&P Nifty, would have become	Rs. 8,042	Rs. 11,868	Rs. 12,877	Rs. 13,131

Past performance may or may not be sustained in the future. Please refer to the Note below.

Data for the period 01 October - 30 September has been considered in all cases, except for Since Inception returns. All percentage returns are compounded annualised. 'Since Inception' returns are calculated on Rs. 10 invested at inception. Standard benchmark as prescribed by SEBI for long-term equity schemes is used for comparison purposes. Returns on Rs. 10,000 are point-to-point returns for the specific time period, invested at the start of the period.

Fund Manager - Aditya Khemani

Date of Inception : 05 Jan '07	HSBC Tax Saver Equity Fund			
Scheme Name & Benchmarks	Oct '10 - Sep '11	Oct '09 - Sep '10	Oct '08 - Sep '09	Since Inception
HSBC Tax Saver Equity Fund - Growth	-20.07	26.33	37.36	5.47
BSE 200 (Scheme Benchmark)	-21.42	20.75	33.15	4.27
S&P Nifty (Standard Benchmark)	-19.58	18.68	28.77	4.66
Rs. 10,000, if invested in HTSF, would have become	Rs. 7,993	Rs. 12,633	Rs. 13,736	Rs. 12,670
Rs. 10,000, if invested in BSE 200, would have become	Rs. 7,858	Rs. 12,075	Rs. 13,315	Rs. 12,193
Rs. 10,000, if invested in S&P Nifty, would have become	Rs. 8,042	Rs. 11,868	Rs. 12,877	Rs. 12,410

Past performance may or may not be sustained in the future. Please refer to the Note below.

Data for the period 01 October - 30 September has been considered in all cases, except for Since Inception returns. All percentage returns are compounded annualised. 'Since Inception' returns are calculated on Rs. 10 invested at inception. Standard benchmark as prescribed by SEBI for long-term equity schemes is used for comparison purposes. Returns on Rs. 10,000 are point-to-point returns for the specific time period, invested at the start of the period.

Fund Manager - Gaurav Mehrotra

Date of Inception : 17 Mar '08	HSBC Emerging Markets Fund			
Scheme Name & Benchmarks	Oct '10 - Sep '11	Oct '09 - Sep '10	Oct '08 - Sep '09	Since Inception
HSBC Emerging Markets Fund - Growth	-15.52	2.03	17.71	-5.35
MSCI Emerging Market Index (Scheme Benchmark)	-14.52	13.56	15.56	-2.84
S&P Nifty (Standard Benchmark)	-19.58	18.68	28.77	2.67
Rs. 10,000, if invested in HMEF, would have become	Rs. 8,448	Rs. 10,203	Rs. 11,771	Rs. 8,080
Rs. 10,000, if invested in MSCI Emerging Market Index, would have become	Rs. 8,548	Rs. 11,356	Rs. 11,556	Rs. 9,031
Rs. 10,000, if invested in S&P Nifty, would have become	Rs. 8,042	Rs. 11,868	Rs. 12,877	Rs. 10,977

Past performance may or may not be sustained in the future. Please refer to the Note below.

Data for the period 01 October - 30 September has been considered in all cases, except for Since Inception returns. All percentage returns are compounded annualised. 'Since Inception' returns are calculated on Rs. 10 invested at inception. Standard benchmark as prescribed by SEBI for long-term equity schemes is used for comparison purposes. Returns on Rs. 10,000 are point-to-point returns for the specific time period, invested at the start of the period.

Fund Manager - Dhiraj Sachdev

Date of Inception : 19 May '05	HSBC Midcap Equity Fund			
Scheme Name & Benchmarks	Oct '10 - Sep '11	Oct '09 - Sep '10	Oct '08 - Sep '09	Since Inception
HSBC Midcap Equity Fund - Growth	-37.39	37.69	27.72	8.56
BSE Midcap (Scheme Benchmark)	-25.43	28.37	31.19	10.49
S&P Nifty (Standard Benchmark)	-19.58	18.68	28.77	15.35
Rs. 10,000, if invested in HMEF, would have become	Rs. 6,261	Rs. 13,769	Rs. 12,772	Rs. 16,230
Rs. 10,000, if invested in BSE Midcap, would have become	Rs. 7,457	Rs. 12,837	Rs. 13,119	Rs. 18,877
Rs. 10,000, if invested in S&P Nifty, would have become	Rs. 8,042	Rs. 11,868	Rs. 12,877	Rs. 24,830

Past performance may or may not be sustained in the future. Please refer to the Note below.

Data for the period 01 October - 30 September has been considered in all cases, except for Since Inception returns. All percentage returns are compounded annualised. 'Since Inception' returns are calculated on Rs. 10 invested at inception. Standard benchmark as prescribed by SEBI for long-term equity schemes is used for comparison purposes. Returns on Rs. 10,000 are point-to-point returns for the specific time period, invested at the start of the period.

Fund Manager - Dhiraj Sachdev

Date of Inception : 23 Feb '06	HSBC Progressive Themes Fund			
Scheme Name & Benchmarks	Oct '10 - Sep '11	Oct '09 - Sep '10	Oct '08 - Sep '09	Since Inception
HSBC Progressive Themes Fund - Growth	-35.13	16.19	14.85	-0.15
BSE 200 (Scheme Benchmark)	-21.42	20.75	33.15	8.57
S&P Nifty (Standard Benchmark)	-19.58	18.68	28.77	8.92
Rs. 10,000, if invested in HPTF, would have become	Rs. 6,487	Rs. 11,619	Rs. 11,485	Rs. 9,630
Rs. 10,000, if invested in BSE 200, would have become	Rs. 7,858	Rs. 12,075	Rs. 13,315	Rs. 15,852
Rs. 10,000, if invested in S&P Nifty, would have become	Rs. 8,042	Rs. 11,868	Rs. 12,877	Rs. 16,143

Past performance may or may not be sustained in the future. Please refer to the Note below.

Data for the period 01 October - 30 September has been considered in all cases, except for Since Inception returns. All percentage returns are compounded annualised. 'Since Inception' returns are calculated on Rs. 10 invested at inception. Standard benchmark as prescribed by SEBI for long-term equity schemes is used for comparison purposes. Returns on Rs. 10,000 are point-to-point returns for the specific time period, invested at the start of the period.

Fund Manager - Dhiraj Sachdev

Date of Inception : 24 Mar '08	HSBC Small Cap Fund			
Scheme Name & Benchmarks	Oct '10 - Sep '11	Oct '09 - Sep '10	Oct '08 - Sep '09	Since Inception
HSBC Small Cap Fund - Growth	-35.23	54.48	21.33	-1.81
BSE Small Cap (Scheme Benchmark)	-33.93	35.15	35.48	-0.28
S&P Nifty (Standard Benchmark)	-19.58	18.68	28.77	2.00
Rs. 10,000, if invested in HSCF, would have become	Rs. 6,477	Rs. 15,448	Rs. 12,133	Rs. 9,255
Rs. 10,000, if invested in BSE Smallcap, would have become	Rs. 6,607	Rs. 13,515	Rs. 13,548	Rs. 9,901
Rs. 10,000, if invested in S&P Nifty, would have become	Rs. 8,042	Rs. 11,868	Rs. 12,877	Rs. 10,723

Past performance may or may not be sustained in the future. Please refer to the Note below.

Data for the period 01 October - 30 September has been considered in all cases, except for Since Inception returns. All percentage returns are compounded annualised. 'Since Inception' returns are calculated on Rs. 10 invested at inception. Standard benchmark as prescribed by SEBI for long-term equity schemes is used for comparison purposes. Returns on Rs. 10,000 are point-to-point returns for the specific time period, invested at the start of the period.

Fund Manager - Ruchir Parekh, Kedar Karnik

Date of Inception : 04 Dec '02	HSBC Cash Fund						
Scheme Name & Benchmarks	Last 7 Days as on 29 Sep '11	Last 15 Days as on 29 Sep '11	Last 30 Days as on 29 Sep '11	Oct '10 - Sep '11	Oct '09 - Sep '10	Oct '08 - Sep '09	Since Inception
HSBC Cash Fund - Growth	7.56	7.61	7.52	7.08	3.33	3.94	5.68
CRISIL Liquid Fund Index (Scheme Benchmark)	8.40	8.43	8.29	7.77	4.05	6.83	5.83
CRISIL 91 Day T-Bill Index (Standard Benchmark)	0.08	0.26	0.55	5.22	2.64	4.29	4.85
Rs. 10,000, if invested in HCF, would have become	Rs. 10,756	Rs. 10,761	Rs. 10,752	Rs. 10,708	Rs. 10,333	Rs. 10,394	Rs. 16,283
Rs. 10,000, if invested in CRISIL Liquid Fund Index, would have become	Rs. 10,840	Rs. 10,843	Rs. 10,829	Rs. 10,777	Rs. 10,405	Rs. 10,683	Rs. 16,488
Rs. 10,000, if invested in CRISIL 91 Day T-Bill Index, would have become	Rs. 10,008	Rs. 10,026	Rs. 10,055	Rs. 10,522	Rs. 10,264	Rs. 10,429	Rs. 15,191

Past performance may or may not be sustained in the future. Please refer to the Note below.

Data for the period 01 October - 30 September has been considered in all cases, except for Since Inception returns. All percentage returns are compounded annualised. 'Since Inception' returns are calculated on Rs. 10 invested at inception. Standard benchmark as prescribed by SEBI for short-term / long-term debt schemes is used for comparison purposes. Returns on Rs. 10,000 are point-to-point returns for the specific time period, invested at the start of the period.

Fund Manager - Sanjay Shah, Ruchir Parekh

Date of Inception : 05 Oct '07	HSBC Flexi Debt Fund			
Scheme Name & Benchmarks	Oct '10 - Sep '11	Oct '09 - Sep '10	Oct '08 - Sep '09	Since Inception
HSBC Flexi Debt Fund - Ret - Growth	7.47	4.84	14.09	8.28
CRISIL Composite Bond Fund Index (Scheme Benchmark)	5.62	5.48	10.06	6.11
CRISIL 10 Year Gilt Index (Standard Benchmark)	3.56	4.14	11.89	5.82
Rs. 10,000, if invested in HFDF, would have become	Rs. 10,747	Rs. 10,484	Rs. 11,409	Rs. 13,732
Rs. 10,000, if invested in CRISIL Composite Bond Fund Index, would have become	Rs. 10,562	Rs. 10,548	Rs. 11,006	Rs. 12,667
Rs. 10,000, if invested in CRISIL 10 Year Gilt Index, would have become	Rs. 10,356	Rs. 10,414	Rs. 11,189	Rs. 12,533

Past performance may or may not be sustained in the future. Please refer to the Note below.

Data for the period 01 October - 30 September has been considered in all cases, except for Since Inception returns. All percentage returns are compounded annualised. 'Since Inception' returns are calculated on Rs. 10 invested at inception. Standard benchmark as prescribed by SEBI for short-term / long-term debt schemes is used for comparison purposes. Returns on Rs. 10,000 are point-to-point returns for the specific time period, invested at the start of the period.

Fund Manager - Sanjay Shah, Kedar Karnik

Date of Inception : 16 Nov '04	HSBC FRF - LTP			
Scheme Name & Benchmarks	Oct '10 - Sep '11	Oct '09 - Sep '10	Oct '08 - Sep '09	Since Inception
HSBC FRF - LTP - Regular Plan - Growth	7.72	4.11	6.62	6.68
CRISIL Liquid Fund Index (Scheme Benchmark)	7.77	4.05	6.83	6.28
CRISIL 1 Year T-Bill Index (Standard Benchmark)	5.36	2.41	7.30	5.12
Rs. 10,000, if invested in HFRF - LTP, would have become	Rs. 10,772	Rs. 10,411	Rs. 10,662	Rs. 15,594
Rs. 10,000, if invested in CRISIL Liquid Fund Index, would have become	Rs. 10,777	Rs. 10,405	Rs. 10,683	Rs. 15,197
Rs. 10,000, if invested in CRISIL 1 Year T-Bill Index, would have become	Rs. 10,536	Rs. 10,241	Rs. 10,730	Rs. 14,092

Past performance may or may not be sustained in the future. Please refer to the Note below.

Data for the period 01 October - 30 September has been considered in all cases, except for Since Inception returns. All percentage returns are compounded annualised. 'Since Inception' returns are calculated on Rs. 10 invested at inception. Standard benchmark as prescribed by SEBI for short-term / long-term debt schemes is used for comparison purposes. Returns on Rs. 10,000 are point-to-point returns for the specific time period, invested at the start of the period.

Fund Manager - Sanjay Shah

Date of Inception : 05 Dec '03	HSBC Gilt Fund			
Scheme Name & Benchmarks	Oct '10 - Sep '11	Oct '09 - Sep '10	Oct '08 - Sep '09	Since Inception
HSBC Gilt Fund - Growth	7.58	7.26	-6.67	3.33
I-Sec Composite Bond Fund Index (Scheme Benchmark)	6.43	5.69	15.28	6.07
CRISIL 10 Year Gilt Index (Standard Benchmark)	3.56	4.14	11.89	3.97
Rs. 10,000, if invested in HGF, would have become	Rs. 10,758	Rs. 10,726	Rs. 9,333	Rs. 12,920
Rs. 10,000, if invested in I-Sec Composite Bond Fund Index, would have become	Rs. 10,643	Rs. 10,569	Rs. 11,528	Rs. 15,856
Rs. 10,000, if invested in CRISIL 10 Year Gilt Index, would have become	Rs. 10,356	Rs. 10,414	Rs. 11,189	Rs. 13,565

Past performance may or may not be sustained in the future. Please refer to the Note below.

Data for the period 01 October - 30 September has been considered in all cases, except for Since Inception returns. All percentage returns are compounded annualised. 'Since Inception' returns are calculated on Rs. 10 invested at inception. Standard benchmark as prescribed by SEBI for short-term / long-term debt schemes is used for comparison purposes. Returns on Rs. 10,000 are point-to-point returns for the specific time period, invested at the start of the period.

Fund Manager - Ruchir Parekh, Sanjay Shah

Date of Inception : 10 Dec '02	HSBC Income Fund - Investment Plan			
Scheme Name & Benchmarks	Oct '10 - Sep '11	Oct '09 - Sep '10	Oct '08 - Sep '09	Since Inception
HSBC Income Fund - Investment Plan - Reg - Growth	7.39	5.17	12.26	6.57
CRISIL Composite Bond Fund Index (Scheme Benchmark)	5.62	5.48	10.06	5.29
CRISIL 10 Year Gilt Index (Standard Benchmark)	3.56	4.14	11.89	5.07
Rs. 10,000, if invested in HIF - IP, would have become	Rs. 10,739	Rs. 10,517	Rs. 11,226	Rs. 17,515
Rs. 10,000, if invested in CRISIL Composite Bond Fund Index, would have become	Rs. 10,562	Rs. 10,548	Rs. 11,006	Rs. 15,747
Rs. 10,000, if invested in CRISIL 10 Year Gilt Index, would have become	Rs. 10,356	Rs. 10,414	Rs. 11,189	Rs. 15,459

Past performance may or may not be sustained in the future. Please refer to the Note below.

Data for the period 01 October - 30 September has been considered in all cases, except for Since Inception returns. All percentage returns are compounded annualised. 'Since Inception' returns are calculated on Rs. 10 invested at inception. Standard benchmark as prescribed by SEBI for short-term / long-term debt schemes is used for comparison purposes. Returns on Rs. 10,000 are point-to-point returns for the specific time period, invested at the start of the period.

Fund Manager - Ruchir Parekh, Sanjay Shah

Date of Inception : 10 Dec '02	HSBC Income Fund - Short Term Plan			
Scheme Name & Benchmarks	Oct '10 - Sep '11	Oct '09 - Sep '10	Oct '08 - Sep '09	Since Inception
HSBC Income Fund - S T P - Reg. - Growth	8.14	3.70	8.14	6.37
CRISIL Short Term Bond Fund Index (Scheme Benchmark)	6.81	4.91	10.46	6.01
CRISIL 1 Year T-Bill Index (Standard Benchmark)	5.36	2.41	7.30	4.94
Rs. 10,000, if invested in HIF -ST, would have become	Rs. 10,814	Rs. 10,370	Rs. 10,814	Rs. 17,228
Rs. 10,000, if invested in CRISIL Short Term Bond Fund Index, would have become	Rs. 10,681	Rs. 10,491	Rs. 11,046	Rs. 16,721
Rs. 10,000, if invested in CRISIL 1 Year T-Bill Index, would have become	Rs. 10,536	Rs. 10,241	Rs. 10,730	Rs. 15,293

Past performance may or may not be sustained in the future. Please refer to the Note below.

Data for the period 01 October - 30 September has been considered in all cases, except for Since Inception returns. All percentage returns are compounded annualised. 'Since Inception' returns are calculated on Rs. 10 invested at inception. Standard benchmark as prescribed by SEBI for short-term / long-term debt schemes is used for comparison purposes. Returns on Rs. 10,000 are point-to-point returns for the specific time period, invested at the start of the period.

Fund Manager - Aditya Khemani (for Equity portion) and Sanjay Shah & Ruchir Parekh (for Debt portion)

Date of Inception : 24 Feb '04	HSBC MIP - Regular Plan			
Scheme Name & Benchmarks	Oct '10 - Sep '11	Oct '09 - Sep '10	Oct '08 - Sep '09	Since Inception
HSBC MIP - Regular Plan - Growth	1.35	6.89	16.76	7.40
CRISIL MIP Blended Index (Scheme Benchmark)	1.84	7.56	14.20	6.78
CRISIL 1 Year T-Bill Index (Standard Benchmark)	5.36	2.41	7.30	4.87
CRISIL 10 Year Gilt Index (Standard Benchmark)	3.56	4.14	11.89	3.98
Rs. 10,000, if invested in HMIP - R, would have become	Rs. 10,135	Rs. 10,689	Rs. 11,676	Rs. 17,204
Rs. 10,000, if invested in CRISIL MIP Blended Index, would have become	Rs. 10,184	Rs. 10,756	Rs. 11,420	Rs. 16,464
Rs. 10,000, if invested in CRISIL 1 Year T-Bill Index, would have become	Rs. 10,536	Rs. 10,241	Rs. 10,730	Rs. 14,356
Rs. 10,000, if invested in CRISIL 10 Year Gilt Index, would have become	Rs. 10,356	Rs. 10,414	Rs. 11,189	Rs. 13,454

Past performance may or may not be sustained in the future. Please refer to the Note below.

Data for the period 01 October - 30 September has been considered in all cases, except for Since Inception returns. All percentage returns are compounded annualised. 'Since Inception' returns are calculated on Rs. 10 invested at inception. Standard benchmark as prescribed by SEBI for short-term / long-term debt schemes is used for comparison purposes. Returns on Rs. 10,000 are point-to-point returns for the specific time period, invested at the start of the period.

Fund Manager - Aditya Khemani (for Equity portion) and Sanjay Shah & Ruchir Parekh (for Debt portion)

Date of Inception : 24 Feb '04	HSBC MIP - Savings Plan			
Scheme Name & Benchmarks	Oct '10 - Sep '11	Oct '09 - Sep '10	Oct '08 - Sep '09	Since Inception
HSBC MIP - Savings Plan - Growth	-1.00	9.48	20.57	8.96
CRISIL MIP Blended Index (Scheme Benchmark)	1.84	7.56	14.20	6.78
CRISIL 1 Year T-Bill Index (Standard Benchmark)	5.36	2.41	7.30	4.87
CRISIL 10 Year Gilt Index (Standard Benchmark)	3.56	4.14	11.89	3.98
Rs. 10,000, if invested in HMIP - S, would have become	Rs. 9,900	Rs. 10,948	Rs. 12,057	Rs. 19,197
Rs. 10,000, if invested in CRISIL MIP Blended Index, would have become	Rs. 10,184	Rs. 10,756	Rs. 11,420	Rs. 16,464
Rs. 10,000, if invested in CRISIL 1 Year T-Bill Index, would have become	Rs. 10,536	Rs. 10,241	Rs. 10,730	Rs. 14,356
Rs. 10,000, if invested in CRISIL 10 Year Gilt Index, would have become	Rs. 10,356	Rs. 10,414	Rs. 11,189	Rs. 13,454

Past performance may or may not be sustained in the future. Please refer to the Note below.

Data for the period 01 October - 30 September has been considered in all cases, except for Since Inception returns. All percentage returns are compounded annualised. 'Since Inception' returns are calculated on Rs. 10 invested at inception. Standard benchmark as prescribed by SEBI for short-term / long-term debt schemes is used for comparison purposes. Returns on Rs. 10,000 are point-to-point returns for the specific time period, invested at the start of the period.

Fund Manager - Sanjay Shah, Kedar Karnik

Date of Inception : 17 Oct '06	HSBC Ultra Short Term Bond Fund			
Scheme Name & Benchmarks	Oct '10 - Sep '11	Oct '09 - Sep '10	Oct '08 - Sep '09	Since Inception
HSBC Ultra Short Term Bond Fund - Regular - Growth	6.70	4.04	5.50	6.57
Customised Benchmark Index Fund (Scheme Benchmark)	7.67	4.14	7.19	6.73
CRISIL 1 Year T-Bill Index (Standard Benchmark)	5.36	2.41	7.30	5.08
Rs. 10,000, if invested in HUSTBF, would have become	Rs. 10,670	Rs. 10,404	Rs. 10,550	Rs. 13,705
Rs. 10,000, if invested in Customised Benchmark Index, would have become	Rs. 10,767	Rs. 10,414	Rs. 10,719	Rs. 13,808
Rs. 10,000, if invested in CRISIL 1 Year T-Bill Index, would have become	Rs. 10,536	Rs. 10,241	Rs. 10,730	Rs. 12,783

Past performance may or may not be sustained in the future. Please refer to the Note below.

Data for the period 01 October - 30 September has been considered in all cases, except for Since Inception returns. All percentage returns are compounded annualised. 'Since Inception' returns are calculated on Rs. 10 invested at inception. Standard benchmark as prescribed by SEBI for short-term / long-term debt schemes is used for comparison purposes. Returns on Rs. 10,000 are point-to-point returns for the specific time period, invested at the start of the period.

III. 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.com/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 Eighth 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
Up to Rs. 10,000	At actuals, subject to a maximum of Rs. 65/-
Above Rs. 10,000	At Rs. 3.5 per Rs. 1,000/- Minimum Rs. 65/- and Maximum Rs. 12,500/-

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 also not been issued from any of such locations. 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 Combined Scheme Information Document.
- All cheques and bank drafts must be drawn in the name of the Scheme / Plan or their abbreviations e.g. "HSBC Equity Fund" or "HEF" 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 Plan of the Scheme subject to the minimum subscription requirements under each Plan.
- All cheques and bank drafts accompanying the application form should contain the application form number / folio number on its reverse.
- **Option to hold Units in Demat mode:** In terms of SEBI circular dated May 19, 2011, 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 and for investments made through Systematic Investment Plan (SIP).

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 incase 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.

Incise, 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 alongwith a Demat/Remat Request Form to their Depository Participants. Rematerialization of Units will be in accordance with the provisions of SEBI (Depositories & Participants) Regulations, 1996 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, 1996 and the SEBI (Depositories and Participants) Regulations, 1996 as may be amended from time to time. All expenses in connection with demat account/demat/ 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). Investors desirous of transacting through the stock exchange mode are required to have a demat account with NSDL/CDSL. Investors may note that the facility of transacting through the stock exchange mode is currently 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 (redemption requests only) for transacting through BSE StAR MF. 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/ update / 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.
- **ASBA facility :** In respect of NFO of Schemes launched on or after October 1, 2010, an investor can subscribe to the 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. For details please refer to the section "Applications Supported by Blocked Amount (ASBA)" in this document and in the KIM.
- 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 CVL.
- **Transactions through Facsimile/Electronic Mode:** The AMC, Mutual Fund, Registrar or any other agent or representative of the AMC, Mutual Fund, Registrar ("Recipient") may accept certain transactions via facsimile or through any electronic mode ("fax / electronic transactions"), subject to the investor fulfilling certain terms and conditions as stipulated by the AMC from time to time. Acceptance of fax / electronic transactions will be as permitted by SEBI or other regulatory authorities from time to time and will be solely at the risk of the transmitter of the fax / electronic transaction ("Transmitter") and the Recipient shall not in any way be liable or responsible for any loss, damage caused to the Transmitter directly or indirectly, as a result of the Transmitter sending or purporting to send such fax / electronic transactions including where a fax / electronic transaction sent / purported to be sent is not processed on account of the fact that it was not received by the Recipient. The Transmitter acknowledges that fax / electronic transaction is not a secure means of giving instructions / transaction requests and that the Transmitter is aware of the risks involved including those arising out of such transmission being inaccurate, imperfect, ineffective, illegible, having a lack of quality or clarity, garbled, altered, distorted, not timely etc. and that the Transmitter's request to the Recipient to act on any fax /

electronic transaction is for the Transmitter's convenience and the Recipient shall not be obliged or bound to act on the same. The Transmitter authorizes the Recipient to accept and act on any fax / electronic transaction which the Recipient believes in good faith to be given by the Transmitter and the Recipient shall be entitled to treat any such fax / electronic transaction as if the same was given to the Recipient under the Transmitter's original signature. The Transmitter agrees that security procedures adopted by the Recipient may include signature verification, telephone callbacks or a combination of the same. Callbacks may be recorded by tape recording device and the Transmitter consents to such recording and agrees to co-operate with the Recipient to enable confirmation of such fax / electronic transaction requests. The Transmitter further accepts that the fax / electronic transaction shall not be considered until time stamped appropriately as a valid transaction request in the Scheme in line with the SEBI Regulations. In consideration of the Recipient from time to time accepting and at its sole discretion (including but not limited to the AMC extending / discontinuing such facilities from time to time) acting on any fax / electronic transaction request received / purporting to be received from the Transmitter, the Transmitter agrees to indemnify and keep indemnified the AMC, Directors, employees, agents, representatives of the AMC, Mutual Fund and Trustees (indemnified parties) from and against all actions, claims, demands, liabilities, obligations, losses, damages, costs (including without limitation, interest and legal fees) and expenses of whatever nature (whether actual or contingent) directly or indirectly suffered or incurred sustained by or threatened against the indemnified parties whatsoever arising from or in connection with or any way relating to the indemnified parties in good faith accepting and acting on fax / electronic transaction requests including relying upon such fax / electronic transaction requests purporting to come from the Transmitter even though it may not come from the Transmitter. The AMC reserves the right to discontinue the above mentioned facilities at any point in time.

On-line investment facility may also be available to the investors in future. Please visit our website at www.assetmanagement.hsbc.com/in. Applications not complete in any respect are liable to be rejected.

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 IMD/CIR/No. 6/4213/04 dated March 1, 2004, 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 for subscription or repurchase of Units. Applications without this information shall be rejected.

Necessary supporting documents required with the Forms are to be submitted by the investor. As per SEBI circular no. MRD/DoP/MF Cir - 08/2008 dated April 3, 2008 and circular no. MRD/DoP/Cir-20/2008 dated June 30, 2008 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, 1961.

Change of bank account along with Redemption request placed with the 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:

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 endeavour 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.

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. SEBI vide Circulars dated March 15, 2010 and July 28, 2010, has extended the ASBA facility to investors subscribing to NFOs of Mutual Fund Schemes launched on or after October 1, 2010. 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.

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 acknowledgment. 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 Pvt. Limited (CAMS), Coimbatore with a copy to Ms. Rheitu Bansal, Vice President - Client Servicing, who can be contacted at 16, Veer Nariman Road, Fort, Mumbai 400 001 at telephone number (91) (22) 66668819. E-mail can be sent on : hbscmf@hbsc.co.in

The Mutual Fund, AMC and Trustees shall not be responsible for any acts, mistakes, errors, omissions and commissions etc. in relation to the ASBA facility.

Systematic Investment Plans (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) and subsequent guidelines issued by AMFI vide circulars dated July 14, 2009 and December 23, 2010 and in this regard, 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 SIP") 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. Micro SIP investors will require to be KYC compliant by submitting requisite documents to the AMC / RTA. Micro SIP investors will not be subject to common KYC process through CVL as KYC will be handled by AMCs / RTA directly.

This exemption shall not be applicable to normal purchase transactions upto Rs. 50,000/- which will continue to be subject to the PAN requirement.

Along with proof of address, any one of the following photo identification documents can be submitted along with Micro SIP applications as proof of identification in lieu of PAN:

- Voter Identity Card;
- Driving License;
- Government / Defense identification card;
- Passport;
- Photo Ration Card;

- Photo Debit Card;
- Employee ID cards issued by companies registered with Registrar of Companies;
- Photo Identification issued by Bank Managers of Scheduled Commercial Banks / Gazetted Officer / Elected Representatives to the Legislative Assembly / Parliament;
- ID card issued to employees of Scheduled Commercial / State / District Co-operative Banks;
- Senior Citizen / Freedom Fighter ID card issued by Government;
- Cards issued by Universities / deemed Universities or institutes under statutes like ICAI, ICWA, ICSI;
- Permanent Retirement Account No (PRAN) card issued to New Pension System (NPS) subscribers by CRA (NSDL);
- Any other photo ID card issued by Central Government / State Governments /Municipal authorities / Government organizations like ESIC / EPFO.

The photo identification document has to be current and valid and also to be either self attested or attested by the ARN holder (AMFI Registered Distributor) mentioning the ARN number. While making subsequent Micro SIP applications with a mutual fund, investor can quote the existing folio number where a Micro SIP has been registered and therefore need not resubmit the supporting document. The Micro SIP application will be rejected by the AMC where it is found that the registration of the application will result in the aggregate of Micro SIP installments 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 Micro SIP installment is processed (as the cheque may be banked), and the application is found to be defective, the Micro 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.

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 / dividend reinvestment 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 investors / 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 / FIIs

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 FII to purchase, on repatriation basis, units of domestic mutual funds provided the FII restricts allocation of its total investment between equity and debt instruments in the ratio as applicable at the time of investments. Payment by the FII 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 FII 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.

Applications under Power of Attorney / Body Corporate / Registered Society / Trust / Partnership

The original Power of Attorney or a duly notarised 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) authorising 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.

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 recognise 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

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.

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 accompany the application form. In case of court appointed legal guardian, supporting documentary evidence shall be required.

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.

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 by a manager of a scheduled bank / Bank Certificate / Letter,
- iv) KYC acknowledgement of the major.

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. In case 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 continue to be processed beyond the date of minor attaining majority, until an instruction to terminate the existing instructions is received by the AMC / RTA from the major. However, for fresh SIP, STP or SWP registered post April 01, 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

The Fund wishes to take optimum advantage of the modern techniques of communication and transactions to serve its investors in a more efficient manner.

As a step towards the same, the Fund may introduce in future certain online transactions, including subscription and redemption / repurchase of the Units of the Fund or any other transaction such as change in address, change in bank details, change in mode of payment etc., as may be specified by the Mutual Fund from time to time. Online transactions will save cost & 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.

ELECTRONIC PAYOUTS

Electronic Clearing Service (ECS) / Electronic payout (NECS / EFT / NEFT / SEFT / RTGS / Debit Credit / Wired Transfer) 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 minimise 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 despatch to the Unit holders the dividend proceeds within 30 days of the declaration of the dividend and the redemption proceeds within 10 Business Days.

PREVENTION OF MONEY LAUNDERING AND KNOW YOUR CUSTOMER (KYC)

With effect from January 1, 2011, standard KYC norms under the Prevention of Money Laundering Act, 2002 through CDSL Ventures Limited (CVL) shall be made mandatory. Accordingly, KYC will be mandatory for all investors in case of any investments (including switch, SIP / STP registered from January 1, 2011) irrespective of the amount of investment. This is also applicable for investors including Power of Attorney holder, guardian in case of a minor and Joint holders in a folio.

However, investments made by investors through a Micro SIP (i.e. SIPs upto Rs. 50,000 per year per investor) or by investors residing in Sikkim or by Central Government / State Government officials and officials appointed by the courts e.g. Official liquidator, Court receiver etc. (under the category of Government) shall not be subject to standard KYC norms as stated herein.

The KYC requirements can be completed by filling up the prescribed form and submitting the same along with the other requisite details / proof (attested true copies of supporting documents relating to proof of identity and address or verification with the original) to a designated Point of Service (PoS) of CVL. PoS are the designated centres appointed by CVL for receiving application forms, processing the same and issuance of KYC Acknowledgement Letter.

Subsequently, any change to Address, Pin Code, Country, Nationality, Occupation, Income details, Date of Birth, Proof of Identity needs to be communicated to CVL only.

For details of the process and list of PoS, please visit the Fund's website www.assetmanagement.hsbc.com/in or cvlindia.com or www.amfiindia.com.

NON ACCEPTANCE OF THIRD PARTY INSTRUMENTS

In accordance with PMLA and AMFI guidelines dated August 16, 2010 on 'Risk mitigation process against Third-Party Cheques in mutual fund subscriptions', applications to schemes of the Fund accompanied by a Third Party payment will be rejected on and after November 15, 2010, except in the following cases :

- Payments not exceeding Rs. 50,000/- (regular purchase or single SIP installment) made by Parents/Grand Parents/Related Person* on behalf of minor in consideration of natural love and affection or as gift.
- Payment made by an Employer on behalf of employee under SIP or lump sum / one time subscription, through payroll deductions.
- Custodian making investments on behalf of a FII / Client.

- * 'Related Persons' means any person investing on behalf of minor in consideration of natural love or affection or as a gift. "Third Party Payment" refers to payment made from a bank account other than that of the investor. For a payment to be not considered as a third party payment, the sole holder or the 1st holder of the folio (depending upon whether the folio is 'singly' or 'jointly' held) must be one of the joint holders of the bank account from which payment is made.

In case the payment falls under the abovementioned exceptions, the following additional documents will be required to be provided together with the application form, failing which the application will be rejected/not processed/refunded without interest:

- a. KYC Acknowledgment letter (as issued by CDSL Ventures Limited) of the Investor and the person making the payment; and
- b. A duly filled "Third Party Payment Declaration Form" from the Investor (guardian in case of a minor) and the person making the payment. The said form shall be available on the Fund's website and at Investor Service Centers (ISCs). Investors are requested to use the standard forms available and not make any changes to the forms. Any form that is not in the prescribed format will not be accepted as valid.

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 or signature of the first applicant with the name, account number or signature available on the cheque. If the name is not pre-printed on the cheque or signature on the cheque does not match, then the first named applicant/investor should submit any one of the following documents:

- (a) a attested # copy of the bank passbook or a statement of bank account having the name and address of the account holder and account number
- (b) a letter* (in original) from the bank on its letterhead certifying that the investor maintains an account with the bank, along with information like bank account number, bank branch, account type, the MICR code of the branch & IFSC Code (where available).

bank manager / authorized signatory of the Bank with his/her full signature, name, employee code, designation and bank seal.

* In respect of (b) above, it should be certified by the bank manager / authorized signatory of the Bank with his / her full signature, name, employee code, designation and bank seal. Investors can also avail of the facility of registering multiple bank accounts, by filling in the Multiple Bank Accounts Registration/Deletion Form, which is available on the website and at our ISCs.

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.

\$ Investors are requested to use the standard forms (available on our website and at our ISCs), and not make any changes to the forms. Any form that is not in the prescribed format will not be accepted as valid.

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 reject/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 sepecified in 2 (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. .

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 - Neeraj Mehra”.

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 to any of the Point of Services (PoS) appointed by CDSL Ventures Ltd. 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, and any interim financial transactions like purchase, redemption, switch, payment of dividend etc. will be effected with the previously registered details only.

If any change in static information is submitted along with a financial transaction, the change will be handled separately and the financial transaction may be 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 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.
- Cancelled cheque leaf of the new bank account (where the account number and name is printed on the cheque) or
- Attested copy of Bank Passbook / Bank account statement (attested by banker with Name, Designation, Seal & Signature) or
- A letter from the new bank certifying the bank account details, including the MICR code & IFSC Code (where available)
- Any request for change of bank mandate details without the above mentioned documents will be considered invalid and will not be processed.
- Any change in dividend sub option due to additional investment or Unit Holder request will be applicable to the entire Units in the dividend option of the scheme / plan concerned.

IV. RIGHTS OF UNITHOLDERS OF THE SCHEME

1. Unitholders of the Scheme have a proportionate right in the beneficial ownership of the assets of the Scheme and in case of Dividend sub-option(s), wherever applicable, to the dividend declared, if any, by the Fund under the Scheme.
2. When the Mutual Fund declares a dividend under the Scheme, the dividend warrants shall be dispatched within 30 days of the declaration of the dividend. Account Statement reflecting the new or additional subscription as well as Redemption / Switch of Units shall be dispatched to the Unit holder, as soon as possible, but not later than 30 days from date of receipt of request from the unit holder. Provided if a Unit holder so desires the Mutual Fund shall issue a Unit certificate (non-transferable) within 30 days of the receipt of request for the certificate.
3. The Fund shall despatch the redemption proceeds to the Unitholders within 10 Business Days from the date of acceptance of the request for the same. In the event of failure to despatch the redemption proceeds within the above time, interest @ 15% per annum or such rate as may be specified by SEBI, would be paid to the unitholders for the period of delay.
4. The Trustees are bound to make such disclosures to the Unitholders as are essential in order to keep them informed about any information known to Trustees which may have an adverse bearing on their investments.
5. The appointment of the AMC for the Fund can be terminated by a majority of the Trustees or by 75% of the Unitholders of any one or more of the Scheme of the Fund and any change in the appointment of the AMC shall be subject to the prior approval of SEBI and the Unitholders of the respective Schemes.
6. The Trustees are obliged to convene a meeting on a requisition of 75% of the Unitholders of a Scheme.
7. 75% of the Unitholders of a Scheme can pass a resolution to wind up the Scheme.
8. Unitholders have the right to inspect all the documents listed under "Documents Available for Inspection" in the respective Offer Document / Combined Scheme Information Document.
9. The Trustees shall obtain the consent of the Unitholders:
 - Whenever required to do so by SEBI, in the interest of the Unitholders
 - Whenever required to do so on a requisition made by three-fourths of the Unitholders of the Scheme
 - When the Trustees decide to wind-up or prematurely redeem the Units.
10. The Trustees shall ensure that no change in the fundamental attributes of any Scheme or the Trust or fees and expenses payable or any other change which would modify the Scheme and affect the interests of Unitholders is carried out unless:
 - A written communication about the proposed change is sent to each Unitholder and
 - An advertisement is given in one English daily newspaper having nationwide circulation as well as in newspaper published in the language of the region where the Head Office of the Mutual Fund is situated and
 - Unitholders are given an option to exit at the prevailing Net Asset Value without any exit load.
11. Subject to the Regulations and the guidelines issued by SEBI, the consent of the Unitholders of the Scheme will be obtained through voting by mail or by way of a postal ballot or such other means as may be approved by SEBI. Detailed modalities of the same, including the principles for entitlement of votes for each Unitholder will be finalised in consultation with and after obtaining the approval of SEBI and the Trustees. 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.
12. The annual report containing accounts of the AMC would be displayed on the website of the AMC (i.e. www.assetmanagement.hsbc.com/in). Unitholders, if they so desire, may request for the annual report of the AMC.

V. INVESTMENT VALUATION NORMS FOR SECURITIES AND OTHER ASSETS

The valuation of the investment in the units / securities issued by overseas mutual funds or unit trusts will be based on the NAV of the overseas mutual funds or unit trusts on the date of valuation converted into Indian rupees. The NAV of the overseas mutual funds / unit trusts available may be more than 24 hours old depending upon the time zone differences and laws applicable to overseas mutual fund.

The NAV of the Units of the Scheme will be computed by dividing the net assets of the Scheme by the number of Units outstanding on the valuation date. The Fund shall value its investments according to the valuation norms, as specified in the Eighth Schedule of the Regulations, or such norms as may be prescribed by SEBI from time to time. The broad valuation norms are detailed below:

Traded Securities

- Traded securities shall be valued at the last quoted closing price on the Stock Exchange.
- When the securities are traded on more than one recognised stock exchange, the securities shall be valued at the official closing price on the stock exchange where the security is principally traded. It would be left to the AMC to select the appropriate stock exchange, and the AMC shall record the reasons for the selection and change, if any, in writing. There should, however, be no objection for all scrips being valued at the prices quoted on the stock exchange where a majority of the investments are principally traded.
- When on a particular valuation day, a security has not been traded on the principal stock exchange; the value at which it is traded on another stock exchange will be used.

Trades in ADRs / GDRs shall be accounted for on the day following the trade on the relevant stock exchanges where such ADRs / GDRs are listed viz. New York Stock Exchange, NASDAQ, London Stock Exchange (LSE), Luxembourg Stock Exchange etc. The valuation of such investments shall be done at the last traded price of the previous day on the relevant exchange where the ADR / GDR is listed and traded. For instance, in case of GDR listed on LSE, the last traded price on LSE shall be used for the purpose of valuation. In case of GDRs listed on more than one foreign stock exchange, the scheme shall use the last traded price on LSE, in the absence of which last traded price on Luxembourg stock exchange shall be used. If the GDR was not traded on Luxembourg stock exchange too, the last traded price on such other stock exchange as the AMC may deem appropriate shall be used for portfolio valuation, the intention being to provide fair valuation to the investors of the Scheme. In case of an ADR listed on more than one stock exchange the last traded price on NYSE shall be used for valuation. If the ADR is not traded on NYSE, the last traded price on NASDAQ shall be used for valuation and if the ADR is not traded on NASDAQ too, the last traded price on such other stock exchange as the AMC may deem appropriate shall be used for portfolio valuation, the intention being to provide fair valuation to the investors of the Scheme.

In the absence of prices on any exchange on the concerned valuation date, the price prevailing at the close of business on the previous date of trade in such ADR / GDR shall be used

for valuation provided that such previous date is not more than 30 days prior to the date of valuation.

However, the AMC reserves the right to choose the price for valuation of ADRs / GDRs which may be different from the procedure given above depending upon the prevailing circumstances, the intention being to provide fair valuation to the investors of the Scheme. Such valuation procedure shall be ratified by the Trustees of the Fund.

The AMC shall use the rates released by Reuters / Bloomberg / RBI (rate as on the date of portfolio valuation) for the purpose of conversion of the last traded price for the purpose of portfolio valuation. The AMC retains the right to use the average of TT buy and sell USD / INR rates as released by banks / rates released by other sources as the AMC may deem reasonable in the absence of appropriate release from Reuters / Bloomberg / RBI. In case such quotes are not available on any day, the foreign exchange rates as available for the immediately preceding day may be used. The AMC also reserves the right to choose appropriate rates for conversion of the last traded price for the purpose of valuation, depending upon the prevailing circumstances, the intention being to provide fair valuation to the investors of the Scheme.

- When a security (other than debt securities) is not traded on any stock exchange on a particular valuation day, the value at which it was traded on the selected stock exchange, as the case maybe, on the earliest previous day maybe used provided such date is not more than 30 days prior to valuation date.
- When a debt security (other than Government Securities) is not traded on any stock exchange on a particular valuation day, the value at which it was traded on the principal stock exchange or any other stock exchange, as the case may be, on the earliest previous day may be used, provided such date is not more than 15 days prior to the valuation date.
- When a debt security (other than Government Securities) is purchased by way of private placement, the value at which it was bought may be used for a period of 15 days beginning from the date of purchase.

Thinly Traded Securities

Thinly Traded Equity / Equity Related Securities

Thinly traded securities as defined in the Regulations shall be valued in the manner as specified in the guidelines issued by SEBI, as follows:

When trading in an equity / equity related security (such as convertible debentures, equity warrants, etc.) in a month is both less than Rs. 5 lacs (Rupees Five Lakhs Only) and the total volume is less than 50,000 (Fifty Thousand Only) shares, it shall be considered as a thinly traded security and valued accordingly.

For example, if the volume of trade is 1,00,000 and value is Rs. 4,00,000, the share does not qualify as thinly traded. Also if the volume traded is 40,000, but the value of trades is Rs. 6,00,000, the share does not qualify as thinly traded. In order to determine whether a security is thinly traded or not, the volumes traded in all recognized stock exchanges in India may be taken into account.

Where a stock exchange identifies the “thinly traded” securities by applying the above parameters for the preceding calendar month and publishes / provides the required information along with the daily quotations, the same can be used by the Mutual Fund.

If the share is not listed on the stock exchanges which provide such information, then it will be obligatory on the part of the mutual fund to make its own analysis in line with the above criteria to check whether such securities are thinly traded which would then be valued accordingly.

In case trading in an equity security is suspended upto 30 days, then the last traded price would be considered for valuation of that security. If an equity security is suspended for more than 30 days, then the AMC / Trustees will decide the valuation norms to be followed and such norms would be documented and recorded.

Thinly Traded Debt Securities

Thinly traded securities as defined in the Regulations shall be valued in the manner as specified in the guidelines issued by SEBI, as follows:

- A debt security (other than Government Securities) shall be considered as a thinly traded security if on the valuation date, there are no individual trades in that security in marketable lots (currently Rs. 5 crores) on the principal stock exchange or any other stock exchange.
- A thinly traded debt security as defined above would be valued as per the norms set for non-traded debt security.

Non-Traded Securities

When a security (other than Government Securities) is not traded on any stock exchange for a period of 30 days prior to the valuation date, the scrip must be treated as a ‘non-traded’ security.

Valuation of Non-Traded / Thinly Traded Securities

Non-traded / thinly traded securities shall be valued “in good faith” by the AMC on the basis of the valuation principles laid down below:

Non-traded / Thinly Traded Equity / Equity Related Securities

Based on the latest available Balance Sheet, net worth shall be calculated as follows:

Net Worth per share = [share capital reserves (excluding revaluation reserves) - miscellaneous expenditure and debit balance in P&L A/c] divided by number of paid-up shares.

- Average capitalisation rate (P/E ratio) for the industry based upon either BSE or NSE data (which should be followed consistently and changes, if any, noted with proper justification thereof) shall be taken and discounted by 75% i.e. only 25% of the industry average P/E shall be taken as capitalisation rate (P/E ratio). Earnings per share of the latest audited annual accounts will be considered for this purpose.
- The value as per the net worth value per share and the capital earning value calculated as above shall be averaged and further discounted by 10% for ill-liquidity so as to arrive at the fair value per share.
- In case the EPS is negative, EPS value for that year shall be taken as zero for arriving at capitalised earning.

- In case where the latest balance sheet of the company is not available within 9 months from the close of the year, unless the accounting year is changed, the shares of such companies shall be valued at zero.
- In case an individual security accounts for more than 5% of the total assets of the Scheme, an independent valuer shall be appointed for the valuation of the said security.

To determine if a security accounts for more than 5% of the total assets of the Scheme, it should be valued by the procedure above and the proportion which it bears to the total net assets of the Scheme to which it belongs would be compared on the date of valuation.

Fixed Income and Money Market Securities

Debt instruments shall generally be valued on a yield to maturity basis on the basis of the capitalisation factor for comparable traded securities and with an appropriate discount for a lower liquidity.

Investments in call money, bills purchased under rediscounting scheme and short term deposits with banks shall be valued at cost plus accrual.

With effect from August 01, 2010, all money market and debt securities, including floating rate securities are valued at the weighted average price at which they are traded on a particular valuation day.

Non-Traded / Thinly Traded Debt Securities, Floating Rate Securities and Money Market Securities of Upto 91 Days to Maturity

Non-traded / thinly traded Debt securities, Floating rate securities and Money market securities (excluding treasury bills) with residual maturity of upto 91 days are valued on amortization basis. Floating rate securities with floor and caps on coupon rate and residual maturity of upto 91 days are valued on amortization basis taking the coupon rate as floor. In case of a debt security, floating rate securities and money market securities (excluding treasury bills) with maturity greater than 91 days at the time of purchase, the last valuation price plus accrued interest should be used instead of purchase cost. All other non-traded Non-Government debt instruments, floating rate instruments and Money Market instruments shall be valued using the method suggested below.

Non-Traded / Thinly Traded Debt Securities, Floating Rate Securities and Money Market Securities of Over 91 Days to Maturity

For the purpose of valuation, all non-traded debt securities, floating rate securities and money market securities would be classified into “investment grade” and “non-investment grade” securities based on their credit ratings. The non-investment grade securities would further be classified as “performing” and “non-performing” assets.

- All non-government investment grade debt securities, floating rate securities and money market securities classified as not traded, shall be valued on yield to maturity basis as described below.
- All non-government non-investment grade performing debt securities would be valued at a discount of 25% to the face value.
- All non-government non-investment grade non-performing debt securities would be valued based on the provisioning norms.

The approach in valuation of non-traded debt securities, floating rate securities and money market securities is based on the concept of using spreads over the benchmark rate to arrive at the yields for pricing the non-traded security.

The yields for pricing the non-traded debt security would be arrived at using the process as defined below:

Step A

A risk free benchmark yield is built using the government securities (GoI Securities) as the base. GoI Securities are used as the benchmarks as they are traded regularly, free of credit risk and traded across different maturity spectrums every week.

Step B

A matrix of spreads (based on the credit risk) are built for marking up the benchmark yields. The matrix is built based on traded corporate paper on the wholesale debt segment of an appropriate stock exchange and the primary market issuances. The matrix is restricted only to investment grade corporate paper.

Step C

The yields as calculated above are marked-up / marked-down for illiquidity risk.

Step D

The yields so arrived are used to price the portfolio.

Methodology

Construction of Risk Free Benchmark

Using Government of India dated securities, the benchmark shall be constructed as below:

Government of India dated securities will be grouped into the following duration buckets viz., 0.25-0.5 year, 0.5-1 year, 1-2 years, 2-3 years, 3-4 years, 4-5 years, 5-6 years and 6 years and the volume weighted yield would be computed for each bucket.

These duration buckets may be changed to reflect the market value more closely by any agency suggested by AMFI giving benchmark yield / matrix of spreads over benchmark yield. Accordingly, there will be a benchmark YTM for each duration bucket.

The benchmark as calculated above will be set at least weekly, and in the event of any significant movement of prices of Government securities on account of any event impacting interest rates on any day such as change in the RBI policies, the benchmark will be reset to reflect any change in the market conditions.

Note: The concept of duration over tenor has been chosen in order to capture the reinvestment risk. It is intended to gradually move towards a methodology that incorporates the continuous curve approach for valuation of such securities. However, in view of the current lack of liquidity in the corporate bond markets, a continuous curve approach to valuation would be necessarily based on limited data points, and this would result in out of line valuations. As an interim methodology therefore it is proposed that the Duration Bucket approach be adopted and continuously tracked in order to fine-tune the duration buckets on a periodic basis. Over the next few years it is expected that with the deepening of the secondary market trading, it would be possible to make a gradual move from the Duration Bucket approach towards a continuous curve approach.

Building a Matrix of Spreads for Marking-up the Benchmark Yield

Mark-up for credit risk over the risk free benchmark YTM as calculated in Step A, will be determined using the trades of corporate debentures / bonds of different ratings. All trades on appropriate stock exchange during the fortnight prior to the benchmark date will be used in building the corporate YTM and spread matrices. Initially these matrices will be built only for corporate securities of investment grade. The matrices are dynamic and the spreads will be computed every week. The matrix will be built for all duration buckets for which the benchmark GoI matrix is built to effectively link the corporate matrix with the GoI securities matrix. Accordingly:

- All traded paper (with minimum traded value of Rs. 1 crore) (Rupees One Crore Only) will be classified by their ratings and grouped into 7 duration buckets; for rated securities, the most conservative publicly available rating will be used;
- For each rating category, average volume weighted yield will be obtained both from trades on the appropriate stock exchange and from the primary market issuances;
- Where there are no secondary trades on the appropriate stock exchange in a particular rating category and no primary market issuances during the fortnight under consideration, then trades on appropriate stock exchange during the 30 days period prior to the benchmark date will be considered for computing the average YTM for such rating category;
- If the matrix cannot be populated using any or all of the above steps, then credit spreads from trades on appropriate stock exchange of the relevant rating category over the AAA trades will be used to populate the matrix;
- In each rating category, all outliers will be removed for smoothening the YTM matrix;
- Spreads will be obtained by deducting the YTM in each duration category from the respective YTM of the GoI securities;
- In the event of lack of trades in the secondary market and the primary market the gaps in the matrix would be filled by extrapolation. If the spreads cannot be extrapolated for the reason of practicality, carrying the spreads from the last matrix will fill the gaps in the matrix.

Mark-up / Mark-down Yield

The Yields calculated would be marked-up / marked-down to account for the ill-liquidity risk, promoter background, finance company risk and the issuer class risk. As the level of ill-liquidity risk would be higher for non-rated securities the marking process for rated and non-rated securities would be differentiated as follows:

Adjustments for Securities rated by External Rating Agencies

The Yields so derived out of the above methodology could be adjusted to account for risk mentioned above by an appropriate discount or premium as may be required. SEBI has revised the discretionary mark up and mark down limits vide SEBI Circular SEBI / IMD / CIR No. 2/166256/ 2009 dated June 12, 2009 as given below.

In case of rated debt securities:

Category	Discretionary Mark Up & Mark Down Limit	
	+	-
Rated instruments with duration upto 2 years	100 bps	50 bps
Rated instruments with duration over 2 years	75 bps	25 bps

Adjustments for Internally Rated Securities

To value an unrated security, the fund manager has to assign an internal credit rating, which will be used for valuation. The discretionary mark up will be as given below.

In case of unrated debt securities :

Category	Discretionary Mark Up & Mark Down Limit
Unrated instruments with duration upto 2 years	Discretionary discount of upto +50 bps over and above mandatory discount of +50 bps
Unrated instruments with duration over 2 years	Discretionary discount of upto +50 bps over and above mandatory discount of +25 bps

Chief Executive Officer (whatever his designation may be) of the Asset Management Company shall give prior approval to the use of discretionary mark up or down limit.

The benchmark yield / matrix of spreads over benchmark yield obtained from any agency suggested by AMFI as a provider of benchmark yield / matrix of spreads over benchmark yield to mutual funds, must be applied for valuation of securities on the day on which the benchmark yield / matrix of spreads over benchmark yield is released by the aforesaid agency.

Valuation of securities with Put / Call options

The option embedded securities would be valued as follows:

Securities with Call option

The securities with call option shall be valued at the lower of the value as obtained by valuing the security to final maturity and valuing the security to call option.

In case there are multiple call options, the lowest value obtained by valuing to the various call dates and valuing to the is to be taken as the value of the instrument.

Securities with Put option

The securities with put option shall be valued at the higher of the value as obtained by valuing the security to final maturity and valuing the security to put option.

In case there are multiple put options, the highest value obtained by valuing to the various put dates and valuing to the is to be taken as the value of the instruments.

Securities with both Put and Call option on the same day

The securities with both Put and Call option on the same day would be deemed to mature on the Put / Call day and would be valued accordingly.

Government Securities and Treasury Bills

All Government Securities and Treasury Bills are to be valued as per the average of prices released by agency/ies (as notified by AMFI) on a daily basis. The agencies so notified by AMFI is CRISIL and ICRA. In the event of non availability of the CRISIL and ICRA prices for any reason whatsoever prices released by FIMMDA will be used. When prices from both the aforesaid sources are not available, Reuters or Bloomberg price quotes (bid price quotes) will be used, failing which the average of the indicative bid price quotes obtained from two Government securities brokers will be used.

Illiquid Securities

- All funds shall disclose as on March 31 and September 30 the scheme-wise total illiquid securities in value and percentage of the net assets while making disclosures of half yearly portfolios to the Unitholders. In the list of investments, an asterisk mark shall also be given against all such investments, which are recognised as illiquid securities.
- The Mutual Fund is not allowed to transfer illiquid securities among its Scheme.

Valuation of "Repo"

Where instruments have been bought on 'repo' basis, the instrument must be valued at the resale price after deduction of applicable interest up to date of resale. Where an instrument has been sold on a 'repo' basis, adjustment must be made for the difference between the repurchase price (after deduction of applicable interest up to date of repurchase) and the value of the instrument. If the repurchase price exceeds the value, the depreciation must be provided for and if the repurchase price is lower than the value, credit must be taken for the appreciation.

Valuation of unlisted equity shares

Unlisted equity shares of a company shall be valued "in good faith" on the basis of the valuation principles laid down below:

- Based on the latest available audited balance sheet, net worth shall be calculated as lower of the following:
- Net worth per share = [share capital plus free reserves (excluding revaluation reserves) minus Miscellaneous expenditure not written off or deferred revenue expenditure, intangible assets and accumulated losses] divided by Number of Paid-up Shares.
- After taking into account the outstanding warrants and options, net worth per share shall again be calculated and shall be = [share capital plus consideration on exercise of Option / Warrants received / receivable by the Company plus free reserves (excluding revaluation reserves) minus Miscellaneous expenditure not written off or deferred revenue expenditure, intangible assets and accumulated losses] divided by {Number of Paid-up Shares plus Number of Shares that would be obtained on conversion / exercise of Outstanding Warrants and Options}.

The lower of the above shall be used for calculation of net worth per share and for further calculation to arrive at the fair value per share as stated below.

- Average capitalisation rate (P/E ratio) for the industry based upon either BSE or NSE data (which shall be followed consistently and changes, if any, noted with proper justification thereof) shall be taken and discounted by 75% i.e. only 25% of the Industry average P/E shall be taken as capitalisation rate (P/E ratio). Earnings per share of the latest audited annual accounts will be considered for this purpose.
- The value as per the net worth value per share and the capital earning value calculated as above shall be averaged and further discounted by 15% for illiquidity so as to arrive at the fair value per share.

The above methodology for valuation shall be subject to the following conditions:

- All calculations as aforesaid shall be based on audited accounts.
- In case where the latest balance sheet of the company is not available within 9 months from the close of the year, unless the accounting year is changed, the shares of such companies shall be valued at zero.
- If the net worth of the company is negative, the share would be marked down to zero.
- In case the EPS is negative, EPS value for that year shall be taken as zero for arriving at capitalised earning.
- In case an individual security accounts for more than 5% of the total assets of the Scheme, an independent valuer shall be appointed for the valuation of the said security. To determine if a security accounts for more than 5% of the total assets of the Scheme, it should be valued in accordance with the procedure as mentioned above on the date of valuation.

At the discretion of the AMC and with the approval of the Trustees, an unlisted equity share may be valued at a price lower than the value derived using the aforesaid methodology.

Valuation of convertible debentures and bonds

In respect of convertible debentures and bonds, the non-convertible and convertible components shall be valued separately. The non-convertible component shall be valued on the same basis as would be applicable to a debt instrument. The convertible component shall be valued on the same basis as would be applicable to an equity instrument. If, after conversion the resultant equity instrument would be traded *pari passu* with an existing instrument which is traded, the value of the latter instrument can be adopted after an appropriate discount for the non-tradability of the instrument during the period preceding the conversion. While valuing such instruments, the fact whether the conversion is optional will also be factored in.

Valuation of warrants

In respect of warrants to subscribe for shares attached to instruments, the warrants shall be valued at the value of the share which would be obtained on exercise of the warrant as reduced by the amount which would be payable on exercise of the warrant. A discount similar to the discount to be determined in respect of convertible debentures (as referred in valuation of convertible debentures and bonds above) shall be deducted to account for the period which must elapse before the warrant can be exercised.

Valuation of Rights shares

Until they are traded, the value of "rights" shares shall be calculated as:

$$V_r = n \div m \times (P_{ex} - P_{of})$$

Where V_r = Value of rights,

n = no. of rights offered

m = no. of original shares held

P_{ex} = Ex-rights price

P_{of} = Rights Offer Price

Where the rights are not treated *pari passu* with the existing shares, suitable adjustments shall be made to the value of the rights. Where it is decided not to subscribe for the rights but to renounce them and renunciations are being traded, the rights can be valued at the renunciation value.

Valuation of Derivative Products

- The traded derivatives shall be valued at market price in conformity with the stipulations of sub clauses (i) to (v) of clause 1 of the Eighth Schedule to the Regulations 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 clauses (i) and (ii) of clause 2 of the Eighth Schedule to the Regulations as amended from time to time.

Valuation of Foreign Securities

There are no specific SEBI guidelines on valuation of foreign securities at present. In the absence of any guidelines, the following policy would be followed:

- On a particular valuation day, the foreign equities will be valued at the last available traded or quoted price on the relevant stock exchange around the time of closure of Indian stock markets (which is currently 3.30 p.m. IST). If it is determined that market quotations (last traded / quoted prices) are not readily available or reliable for a particular security the Valuation Committee of the AMC shall value the same. Additionally, if it is determined that a significant market event has occurred after security prices were established for a particular market or exchange but prior to the time of the NAV computation (3.30 p.m. IST) the AMC reserves the right to apply fair valuation in accordance with the judgement of the valuation committee.
- Valuation of Foreign Exchange Conversion:
On the valuation day, all the assets and liabilities in foreign currency will be valued in Indian Rupees on the basis of Foreign Exchange rate quoted on Reuters / Bloomberg / RBI reference Rate around the time such assets and liabilities are valued (which is currently around 3.30 p.m. IST). The Trustees / AMC reserves the right to change the source for determining the exchange rate. The reasons for the change in the source for determining the exchange rate will be recorded in writing. The Rupee value of Investments valued in the manner described above and other assets and liabilities represented in foreign currency shall be obtained by multiplying the aforesaid rate.
- In case of subscription in subsequent public offer of an existing listed foreign security, we shall value the share at lower of cost or listed price till the new shares are listed.

In line with SEBI circular dated February 2, 2010 on valuation of securities, in case any foreign security purchased by the Mutual Fund does not have a ready price available, the same shall be informed to AMFI. AMFI shall ensure that the valuation agencies cover valuation of such securities in the valuation framework within six weeks from the date of receipt of such intimation from mutual fund. In the interim period, till AMFI makes provisions to cover such securities in the valuation of securities framework, the AMC valuation committee shall fair value such securities.

Valuation of securities not covered under the current valuation policy

In case of securities purchased by mutual funds do not fall within the current framework of the valuation of securities then such mutual fund shall report immediately to AMFI regarding the same. Further, at the time of investment AMCs shall ensure that the total exposure in such securities does not exceed 5% of the total AUM of the scheme.

AMFI has been advised that the valuation agencies should ensure that the valuation of such securities gets covered in the valuation framework within six weeks from the date of receipt of such intimation from mutual fund.

In the interim period, till AMFI makes provisions to cover such securities in the valuation of securities framework, the mutual funds shall value such securities using their proprietary model which has been approved by their independent trustees and the statutory auditors.

Expenses and Incomes Accrued

All expenses and incomes accrued up to the valuation date shall be considered for computation of NAV. For this purpose, major expenses like management fees and other periodic expenses would be accrued on a day to day basis. The minor expenses and income will be accrued on a periodic basis, provided the non-daily accrual does not affect the NAV calculations by more than 1%.

Changes in securities and in number of Units

Any changes in securities and in the number of Units will be recorded in the books not later than the first valuation date following the date of transaction. If this is not possible, given the frequency of NAV disclosure, the recording may be delayed up to a period of

7 days following the date of the transaction, provided as a result of such non-recording, the NAV calculation shall not be affected by more than 1%.

In case the NAV of the Scheme differs by more than 1%, due to non-recording of transactions, the investors or Scheme as the case may be, shall be paid the difference in amount as follows:-

- If the investors are allotted units at a price higher than NAV or are given a price lower than NAV at the time of sale of their Units, they shall be paid the difference in amount by the Scheme.
- If the investors are charged lower NAV at the time of purchase of their Units or are given higher NAV at the time of sale of their Units, the AMC shall pay the difference in amount to the Scheme. The AMC may recover the difference from the investors.

The valuation guidelines as outlined above are as per prevailing Regulations and are subject to change from time to time in conformity with changes made by SEBI.

NAV of Units under the Scheme(s) shall be calculated as shown below

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

NAV of the Scheme(s) will be calculated as of the close of every Business Day. The NAVs of the schemes of HSBC Mutual Fund 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.

Policy on computation of NAV in case of investment in foreign securities

In case of investment in foreign securities the last available traded price at 6 p.m. ST and forex conversion rate at close of Indian forex market shall be taken from a reliable source for NAV computation purposes. In case of non-availability of price for a period upto or less than 30 days the AMC shall fair value such securities supported by quotes from brokers / market makers.

VI. ACCOUNTING POLICIES AND STANDARDS

In accordance with the Regulations, the AMC will follow the accounting policies and standards, as detailed below:

- The AMC, for the Scheme and its Plan(s), shall keep and maintain proper books of account, records and documents, so as to explain its transactions and to disclose at any point of time the financial position of the Scheme and, in particular, give a true and fair view of the state of affairs of the Fund.
- For the purposes of the financial statements, the Scheme and its Plan(s) shall mark all investments to market and carry investments in the balance sheet at market value. However, since the unrealised gain arising out of appreciation on investments cannot be distributed, provision shall be made for exclusion of this item when arriving at distributable income.
- In respect of all interest-bearing investments, income shall be accrued on a day to day basis as it is earned. Therefore, when such investments are purchased, interest paid for the period from the last interest due date up to the date of purchase should not be treated as a cost of purchase but shall be debited to Interest Recoverable Account. Similarly, interest received at the time of sale for the period from the last interest due date up to the date of sale must not be treated as an addition to sale value but shall be credited to Interest Recoverable Account.
- In determining the holding cost of investments and the gains or loss on sale of investments, the "average cost" method shall be followed for each security.
- Transactions for purchase or sale of investments shall be recognised as of the trade date and not as of the settlement date, so that the effect of all investments traded during a financial year are recorded and reflected in the financial statements for that year. Where investment transactions take place outside the stock market, for example, acquisition through private placement or purchases or sales through private treaty, the transaction would be recorded, in the event of a purchase, as of the date on which the Scheme obtains an enforceable obligation to pay the price or, in the event of a sale, when the Scheme obtains an enforceable right to collect the proceeds of sale or an enforceable obligation to deliver the instruments sold.
- Where income receivable on investments has accrued but has not been received for a period specified in the guidelines issued by SEBI, provision shall be made by debit to the revenue account the income so accrued in the manner specified by guidelines issued by SEBI.
- When Units are sold in the Scheme and its Plans, an appropriate part of the sale proceeds shall be credited to an Equalisation Account and when Units are repurchased an appropriate amount shall be debited to Equalisation Account. The net balance on this account shall be credited or debited to the Revenue Account. The balance on the Equalisation Account debited or credited to the Revenue Account shall not decrease or increase the net income of the Fund but is only an adjustment to the distributable surplus. It shall therefore be reflected in the Revenue Account only after the net income of the Fund is determined.
- When Units are sold, after considering the equalisation as above, the difference between the sale price and the face value of the Unit, if positive, shall be credited to reserves and if negative, shall be debited to reserve, the face value being credited to Capital Account. Similarly, when the Units are repurchased, after considering the equalisation as above, the difference between the purchase price and face value of the Unit, if positive, shall be debited to reserves and, if negative, shall be credited to reserves, the face value being debited to the Capital Account.
- The cost of investments acquired or purchased shall include brokerage, stamp charges and any charge customarily included in the broker's bought note. In respect of privately placed debt instruments any front-end discount offered shall be reduced from the cost of the investment.
- Underwriting commission shall be recognised as revenue only when there is no devolvement on the Scheme and its Plans. Where there is devolvement on the Scheme and the Plans thereunder, the full underwriting commission received and not merely the portion applicable to the devolvement shall be reduced from the cost of the investment.
- Bonus shares to which the Scheme and the Plans thereunder becomes entitled shall be recognized only when the original shares on which the bonus entitlement accrues are traded on the stock exchange on an ex-bonus basis. Similarly, rights entitlements shall be recognized only when the original shares on which the right entitlement accrues are traded on the stock exchange on an ex-right basis.
- Dividend income earned by the Scheme and its Plans shall be recognized, not on the date the dividend is declared, but on the date the share is quoted on an ex-dividend basis. For investments, which are not quoted on the stock exchange, dividend income would be recognized on the date of declaration of dividend / information about dividend / receipt of dividend proceeds.

The accounting policies and standards outlined above are as per the existing Regulations and are subject to change as per changes in the Regulations.

Guidelines for Identification and Provisioning for Non-Performing Assets (Debt Securities)

Definition of a Non-Performing Asset (NPA)

An 'asset' shall be classified as non-performing, if the interest and / or principal amount have not been received or remained outstanding for 1 quarter from the day such income / instalment has fallen due.

Effective date for classification and provisioning of NPAs

The definition of NPA may be applied after a quarter past due date of the interest. For e.g. if the due date for interest is 30.06.2001, it will be classified as NPA from 01.10.2001.

Treatment of income accrued on the NPA and further accruals

After the expiry of the 1st quarter from the date the income has fallen due, there will be no further interest accrual on the asset i.e. if for example, the due date for interest falls on 30.06.2001 and if the interest is not received, accrual will continue till 30.09.2001 after which there will be no further accrual of income. In short, taking the above example, from the beginning of the 2nd quarter there will be no further accrual on income.

On classification of the asset as NPA from a quarter past due date of interest, all interest accrued and recognised in the books of accounts of the Fund till the date, should be provided for. For e.g. if interest income falls due on 30.06.2001, accrual will continue till 30.09.2001 even if the income as on 30.06.2001 has not been received. Further, no accrual will be done from 01.10.2001 onwards. Full provision will also be made for interest accrued and outstanding as on 30.06.2001.

Provision for NPAs - Debt Securities

Both secured and unsecured investments once they are recognised as NPAs call for provisioning in the same manner.

The value of the asset must be provided in the following manner or earlier at the discretion of the Fund. The Fund will not have discretion to extend the period of provisioning. The provisioning against the

principal amount or instalments should be made at the following rates irrespective of whether the principal is due for repayment or not.

10% of the book value of the asset should be provided for after 6 months past due date of interest i.e. 3 months from the date of classification of the asset as NPA.

20% of the book value of the asset should be provided for after 9 months past due date of interest i.e. 6 months from the date of classification of the asset as NPA.

Another 20% of the book value of the assets should be provided for after 12 months past due date of interest i.e. 9 months from the date of classification of the asset as NPA.

Another 25% of the book value of the assets should be provided for after 15 months past due date of interest i.e. 12 months from the date of classification of the asset as NPA.

The balance 25% of the book value of the asset should be provided for after 18 months past due date of the interest i.e. 15 months from the date of classification of the assets as NPA.

Book value for the purpose of provisioning for NPAs shall be taken as a value determined as per the prescribed valuation method.

This can be explained by an illustration:

Let us consider that interest income is due on a half yearly basis and the due date falls on 30.06.2002 and the interest is not received till 1st quarter after due date i.e. 30.09.2002. This provisioning will be done in following phased manner:

10% provision	01.01.2003	6 months past due date of interest i.e. 3 months from the date of classification of asset as NPA (01.10.2002)
20% provision	01.04.2003	
20% provision	01.07.2003	
25% provision	01.10.2003	
25% provision	01.01.2004	

Thus, 1 1/2 years past the due date of income or 1 1/4 year from the date of classification of the 'asset' as an NPA, the 'asset' will be fully provided for. If any instalment is fallen due, during the period of interest default, the amount of provision should be instalment amount or above provision amount, whichever is higher.

Reclassification of assets

Upon reclassification of assets as 'performing assets':

- In case a company has fully cleared all the arrears of interest, the interest provisions can be written back in full.
- The asset will be reclassified as performing on clearance of all interest arrears and if the debt is regularly serviced over the next two quarters.
- In case the company has fully cleared all the arrears of interest, the interest not credited on accrual basis would be credited at the time of receipt.
- The provision made for the principal amount can be written back in the following manner:-
 - 100% of the asset provided for in the books will be written back at the end of the 2nd calendar quarter where the provision of principal was made due to the interest defaults only.
 - 50% of the asset provided for in the books will be written back at the end of the 2nd calendar quarter and 25% after every subsequent quarter where both instalments and interest were in default earlier.

- An asset is reclassified, as 'standard asset' only when both overdue interest and overdue instalments are paid in full and there is satisfactory performance for a subsequent period of 6 months.

Receipt of past dues

When the Fund has received income / principal amount after their classifications as NPAs:

- For the next 2 quarters, income should be recognised on cash basis and thereafter on accrual basis. The asset will be continued to be classified as NPA for these two quarters.
- During this period of two quarters although the asset is classified as NPA no provision needs to be made for the principal if the same is not due and outstanding.
- If part payment is received towards principal, the asset continues to be classified as NPA and provisions are continued as per the norms set at 'Provision for NPAs - Debt Securities' above. Any excess provision will be written back.

Classification of Deep Discount Bonds as NPAs

Investments in Deep Discount Bonds can be classified as NPAs, if any two of the following conditions are satisfied:

- If the rating of the Bond comes down to grade 'BB' or below.
- If the company is defaulting in their commitments in respect of other assets, if available.
- Full net worth erosion.

Provision should be made as per the norms set at 'Provision for NPAs - Debt Securities' above as soon as the asset is classified as NPA.

Full provision can be made if the rating comes down to grade 'D'.

Reschedulement of an asset

In case any company defaults either interest or principal amount and the Fund has accepted a Reschedulement of the schedule of payments, then the following practice may be adhered to:

- In case it is a first reschedulement and only interest is in default, the status of the asset namely, 'NPA' may be continued and existing provisions should not be written back. This practice should be continued for two quarters of regular servicing of the debt. Thereafter, this is classified as 'performing asset' and the interest provided may be written back.
- If the reschedulement is done due to default in interest and principal amount, the asset should be continued as non-performing for a period of 4 quarters, even though the asset is continued to be serviced during these 4 quarters regularly. Thereafter, this can be classified as 'performing asset' and all the interest provided till such date should be written back.
- If the reschedulement is done for a second / third time or thereafter, the characteristic of NPA should be continued for 8 quarters of regular servicing of the debt. The provision should be written back only after it is reclassified as 'performing asset'.

Disclosure in the Half Yearly Portfolio Reports

The Mutual Fund shall make scripwise disclosures of NPAs on half yearly basis along with the half yearly portfolio disclosure.

The total amount of provisions made against the NPAs shall be disclosed in addition to the total quantum of NPAs and their proportion of the assets of the Mutual Fund Scheme. In the list of investments an asterisk mark shall be given against such investments which are recognised as NPAs. Where the date of redemption of an investment has lapsed, the amount not redeemed shall be shown as 'Sundry Debtors' and not investment provided that where an investment is redeemable by instalments that will be shown as an investment until all instalments have become overdue.

VII. TAX & LEGAL AND GENERAL INFORMATION

A. TAX BENEFITS OF INVESTING IN THE MUTUAL FUND

As per the taxation laws in force as amended by the Finance Act, 2011 ("the FA") tax benefits that are available to the investors investing in the Units of the Schemes are stated herein below. The information so stated is based on the Mutual Fund's understanding of such tax laws in force as of the date of this Offer Document, which have been vetted by the tax consultants.

The following information is provided for only general information purposes. In view of the individual nature of tax benefits, each investor is advised to consult with his or her own tax consultant with respect to the specific tax implications arising out of their participation in the scheme.

The following benefits may accrue to the Unitholders with effect from the financial year commencing from April 1, 2011 (*unless otherwise stated*).

A. INCOME TAX

1. Exemption u/s. 10(35)

Under the provisions of Section 10(35) of the Act income received in respect of the units of a mutual fund specified u/s. 10(23D) will be exempt from income tax in the hands of all unitholders. In view of this position, no tax needs to be deducted at source from such distribution by the fund. However, by virtue of the proviso to section 10(35), this exemption does not apply to income arising on "transfer" of units of a mutual fund.

2 Long Term Capital Gains

a. On units of equity oriented funds

Section 10(38) exempts long term capital gains arising from the transfer of units of an equity oriented fund provided the transaction of sale is entered into on or after the date on which the securities transaction tax is made applicable and such transaction is chargeable to the securities transaction tax.

However such long term capital gains arising to a company shall be taken into account in computing the book profit and income tax payable under section 115JB.

b. On units of funds other than the equity oriented funds

- For Individuals and Hindu Undivided Families ("HUFs"): Long-term capital gains in respect of units held for a period of more than 12 months will be chargeable u/s.112 at the rate of 20%. Capital gains would be computed after reducing the aggregate of cost of acquisition (as adjusted by cost inflation index notified by the Central Government) and expenditure incurred wholly and exclusively in connection with transfer.

An assessee will have an option to apply concessional rate of tax of 10% provided the long term capital gains are computed without substituting indexed cost in place of cost of acquisition.

Further, in the case of Individuals and HUFs, being resident, where taxable income as reduced by long-term capital gains, is below the basic exemption limit, the long-term capital gains will be reduced to the extent of the shortfall and only the balance long-term capital gains will be subjected to income tax at 20% or 10% as the case may be.

- For Firms, Indian Companies and other residents
 - (a) Firms and other residents:

Long term capital gains will be subjected to the income tax at the rate of 20% or 10% as the case may be.

(b) Indian Companies:

Long term capital gains will be subjected to the income tax at the rate of 20% (plus surcharge) or 10% (plus surcharge) as the case may be.

- For non-residents and foreign companies
 - (a) Non-residents other than foreign companies: Long-term capital gains will be subjected to the income tax at the rate of 20%. However, no benefit of Cost Inflation Indexation is available.
 - (b) Foreign companies: Long-term capital gains will be subjected to the income tax at the rate of 20% (plus surcharge). However, no benefit of Cost Inflation Indexation is available.
- For Non-Resident Indians ("NRIs")

Under section 115E of the Act for NRIs, income by way of long-term capital gains in respect of Units is chargeable at the rate of 10%. However, no benefit of Cost Inflation Indexation is available.

NRIs may opt for computation of long-term capital gains as per section 112, if it is more beneficial.

- For Overseas Financial Organizations, including Overseas Corporate Bodies fulfilling conditions laid down under section 115AB (Offshore Funds)

Under section 115AB of the Act, long term capital gains in respect of units held for a period of more than 12 months will be chargeable at the rate of 10% (plus surcharge in case Offshore Funds are corporate bodies). Such gains would be calculated without indexation of cost of acquisition.

- For Foreign Institutional Investors ("FIIs")

Under section 115AD of the Act, long term capital gains in respect of units held for more than 12 months would be taxed at the rate of 10% plus surcharge (in case FIIs are corporate bodies). Such gains would be calculated without indexation of cost of acquisition.

Tax on long term capital gains in all the above cases will be further increased by the Education Cess ("EC") calculated @ 2% on tax plus surcharge (as may be applicable) and Secondary and Higher Secondary Cess calculated @ 1% on tax plus surcharge (as may be applicable) as per the FA.

3. Short Term Capital Gains

i. On units of equity oriented funds

Section 111A provides that the short term capital gains arising from the transfer of units of an equity oriented fund will be taxed at 15% (plus applicable surcharge in case of domestic companies and foreign companies) provided the transaction of sale is entered into on or after the date on which the securities transaction tax is made applicable and such transaction is chargeable to the securities transaction tax.

ii. On units of funds other than equity oriented funds

Short Term Capital Gains in respect of Units held for a period of not more than 12 months is added to the total income. Total

income including short-term capital gains is chargeable to tax as per the relevant slab rates. The maximum tax rates applicable to different categories of assesses are as follows:

Resident Individuals and HUF	30%
Firms	30%
Indian companies	30% plus surcharge
Non Resident Indians	30%
Foreign Companies	40% plus surcharge
Overseas financial Organisations	30% plus surcharge if the entity is a corporate body 30% in other cases
FII's	30% plus surcharge if the entity is a corporate body 30% in other cases

Tax on short term capital gains in all the above cases will be further increased by the EC calculated @ 2% on tax plus surcharge (as may be applicable) and Secondary and Higher Secondary Cess calculated @ 1% on tax plus surcharge (as may be applicable) as per the FA.

4. Capital Loss

- Section 94(7) disallows any capital loss, arising to a unitholder if he acquires units of a mutual fund within a period of three months prior to the record date fixed for declaration of dividend or distribution of income and sells or transfers such units within a period of nine months from such record date, to the extent of dividend or income received or receivable on such units.
- Section 94(8) provides that if a person buys or acquires units ("the original units") of a mutual fund within a period of three months prior to the record date fixed for allotment of bonus units and sells the original units within nine months from the date of allotment of bonus units then the loss arising on such sale or transfer shall be ignored. Further, such loss shall be deemed to be the cost of acquisition or purchase of the bonus units.

5. Tax Deduction at Source on Capital Gains

- (i) No tax is required to be deducted at source on capital gains arising to any resident unit holder.
- (ii) Under section 195 of Act, tax shall be deducted at source in respect of capital gains as under:

a. In case of a non-resident other than a company -

- Long term capital gains on units of equity oriented funds nil
- Long term capital gains on units of funds other than equity oriented funds 20%
- Short term capital gains on units of equity oriented funds 15%
- Short term capital gains on units of funds other than equity oriented funds 30%

Note : Indexation benefit will be applied based on the Cost Inflation Index last available with the AMC/RTA of AMC at the time of deducting TDS. Any refund post declaration of CII, the investor may apply for refund of the same from the authorities.

b. In case of a foreign company -

- Long term capital gains on units of equity oriented funds nil
- Long term capital gains on units of funds other than equity oriented funds 20% plus surcharge
- Short term capital gains on units of equity oriented funds 15% plus surcharge
- Short term capital gains on units of funds other than equity oriented funds 40% plus surcharge

Tax Deducted at Source on short term and long term capital gains in all the above cases will be further increased by the EC calculated @ 2% on tax plus surcharge (as may be applicable) and Secondary and Higher Secondary Cess calculated @ 1% on tax plus surcharge (as may be applicable) as per the FA.

- (iii) Under section 196B of the Act tax at 10% plus surcharge and EC calculated @ 2% on tax plus surcharge and Secondary and Higher Secondary Cess calculated @ 1% on tax plus surcharge as per the FA shall be deducted at source from long term capital gains on units other than the units of equity-oriented mutual funds earned by Overseas Financial Organisation. The Surcharge will apply when the Overseas Financial Organisation is a body corporate and the income paid or likely to be paid exceeds Rs. One crore.

- (iv) Under Section 196D of the Act, no deduction shall be made from any income by way of capital gains, in respect of transfer of securities referred to in Section 115AD of the Act.

As per circular no. 728 dated October 1995 by CBDT, in the case of a remittance to a country with which a Double Taxation Avoidance Agreement (DTAA) is in force, tax should be deducted at the rate provided in the Finance Act of the relevant year or at the rate provided in DTAA whichever is more beneficial to the assessee.

In order for the unitholder to obtain the benefit of a lower rate under the DTAA, the unitholder would be required to provide the fund with a certificate obtained from his Assessing Officer stating his eligibility for the lower rate.

6. Investments by Charitable and Religious Trusts

Units of Mutual Fund Schemes referred to in clause 23D of section 10 of the Act constitute an eligible avenue for investment by charitable or religious trusts per rule 17C of the Income Tax Rules, 1962, read with clause (xii) of sub-section (5) of section 11 of the Income Tax Act, 1961.

B. WEALTH TAX

Units held under the Schemes of Mutual Fund are not treated as assets within the meaning of section 2(ea) of the Wealth Tax Act, 1957 and are, therefore, not liable to Wealth-Tax.

C. GIFT TAX

If units of Mutual Fund Scheme are gifted, no gift tax shall be payable either by the donor or the donee as the Gift Tax has been abolished.

Notes:

- (i) All tax benefits will be available to the Sole Unitholder or the first named holder in case the Units are held in the names of more than one person, as the case may be.

- (ii) HSBC AMC also confirms that the Income Tax / Wealth Tax / Capital Gains Tax and investment by NRIs / FIIs / OCBs are subject to relevant requirements under the Income Tax, FEMA and RBI Directions.
- (iii) With effect from June 1, 2006 an investor who sells units of an equity oriented fund to the mutual fund will have to pay 0.25% of the sale price of the units as securities transaction tax which tax would be collected by the prescribed person in case of every mutual fund.
- (iv) Section 36(1)(xv) grants a deduction in respect of the securities transaction tax paid by a person if the income arising from sale of units of equity oriented funds is chargeable under the head "Profits and gains of business or profession".
- (v) Section 80C provides that an individual or HUF shall get a deduction, in respect of a contribution to any units of any Mutual Funds notified under clause 10(23D) of section 10 or from the Administrator or the specified company under any plan formulated in accordance with such scheme as the Central Government may, by notification in the Official gazette, specify in this behalf and in respect of any contribution by an individual to any pension fund set up by the Mutual Fund notified under clause (23D) of section 10 or by the Administrator or the specified company, as the Central Government may, by notification in the Official Gazette, specify in this behalf, out of his income chargeable to tax provided the aggregate sum does not exceed one lakh rupees.
- (vi) Section 206AA provides that where tax is deductible at source under the Act and the payee does not furnish his Permanent Account Number or furnishes an invalid Permanent Account Number to the person responsible for deducting tax at source, tax shall be deducted at the higher of the following rates:
- Rate specified in the relevant provisions of the Act;
 - Rates in force;
 - Rate of 20%.

B. LEGAL INFORMATION

1. Nomination Facility

The AMC will provide an option to the Unitholder to 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, all the joint Unitholders may together nominate a person by signing the nomination form 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.

The investors / Unitholders are requested to note that a maximum of three nominees can be registered for a Folio. In case of multiple nominees, the 'Share / Ratio' of nomination has to be clearly specified in the nomination form / request letter. If the 'Share / Ratio' of nomination is not explicitly stated, then the nomination shall be treated at 'Equal Share / Ratio'.

The nomination can be made only by individuals applying for / holding Units on their own behalf singly or jointly. Non-individuals including society, trust, body corporate, partnership firm, Karta of Hindu Undivided Family, holder of Power of Attorney cannot nominate.

A minor can be nominated and in that event, the name and address of the Guardian of the minor Nominee shall be provided by the Unitholder.

The Nominee shall not be a 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. However, a resident of USA/ Canada cannot be a nominee. 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.

Where a folio has joint holders, all joint holders should sign the request for nomination / cancellation of nomination, 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.

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 / Trustees against the legal heirs of the Unitholder(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 / Trustees 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.

Investors / Unitholders are advised to read the instructions carefully before nominating.

The Mutual Fund can call for such documents from the Nominee as deemed necessary.

2. Transfer & Transmission of Units

Units in physical form : As the Scheme stands ready to redeem Units on a continuous basis as laid down herein, the transfer facility is found redundant. Units of the Scheme shall therefore be non transferable, unless they are in electronic (demat) form. However,

if a transferee becomes a holder of Units by operation of law including upon enforcement of a pledge, then the Trustees shall, subject to production of such evidence, which in their opinion is sufficient, proceed to effect the transfer within 30 days from the date of lodgement if the intended transferee is otherwise eligible to hold the Units.

Units in electronic (demat) form : Units of all schemes of the Fund which are held in electronic (demat) form are, freely transferable and subject to the transmission facility in accordance with the provisions of SEBI (Depositories and Participants) Regulations, 1996 as may be amended from time to time. However, such units will be transferable subject to the investor being eligible to hold the units as mentioned in the SID.

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 favour of the Fund and the AMC, shall be registered as a Unitholder. It may be noted that the nominee / legal heir is required to provide a copy of his / her PAN card as well as fulfil the Know Your Customer (KYC) requirements which is a pre-requisite for the transmission process. The list of documents required in order to place a request for transmission of units can be obtained directly from the AMC / RTA of AMC. The AMC reserves the right to see additional documents where it may deem necessary.

In case of HSBC Tax Saver Equity Fund (HTSF), unitholders should, however, note that in the event of death of the Unitholder, the legal heir, subject to production of requisite documentary evidence, will be able to redeem the investment only after the completion of one year or anytime thereafter, from the date of allotment of Units to the deceased Unitholder. Units issued under HTSF can be transferred, assigned or pledged after a period of 3 years from the date of allotment.

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.com/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. 1 lakh, on a case to case basis or depending upon the circumstances of each case.

Processing of Transmission-cum-transaction requests

If an investor submits either a financial or non financial transaction request alongwith transmission request, then transmission requests will be processed only 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, will the financial / non-financial transaction request be processed. The AMC reserves the right to insist on transmission along with redemption request by the claimant at any point deemed necessary. Under normal circumstances, the Fund will endeavour to process the transmission request within 10 business days, subject to receipt of complete documentation as applicable.

3. Pledge

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 Tax Saver Equity Fund, unitholders 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 Pledgor will not be able to redeem / switch Units that are pledged until the entity to which the Units are pledged provides written authorisation to the Mutual Fund that the pledge / lien charge may be removed. As long as Units are pledged, the pledgee will have complete authority to redeem such Units.

The distributions in the nature of dividends which are paid out on pledged 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 Unitholders as the joint holders of any Units, the AMC shall not be bound to recognise 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. Request for pledging of units is required to be signed by all holder(s), irrespective of mode of holding.

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 / Combined Scheme Information Document. In case of HSBC Unique Opportunities Fund (HUOF) and HSBC Small Cap Fund (HSCF), the duration of the scheme(s) was three years from the date of allotment of units and the schemes were automatically converted into open ended equity schemes at the end of three years from their respective dates of allotment of units. Upon conversion, the duration of the schemes are perpetual.

The AMC, the Fund and the Trustees 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 Scheme Information Documents / Combined Scheme Information Document to the extent permitted by the applicable Regulations. However, in terms of the Regulations a scheme may be wound up after repaying the amount due to the Unitholders:

- On the happening of any event, which in the opinion of the Trustees, requires the Scheme to be 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.

Where the Scheme is so wound up, the Trustees shall give notice 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.

On and from the date of the publication of notice of winding up, the Trustees 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 Trustees 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 Trustees or any other person to take steps for the winding up of the Scheme.

The Trustees 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 Trustees 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 cease 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, the investment management fee charged by the AMC for managing unclaimed amounts shall not exceed 50 basis points.

7. Suspension of Sale / Repurchase / Switch of Units

The Mutual Fund at its sole discretion reserves the right to withdraw sale and / or repurchase and / or switch 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, the suspension of sale / repurchase / switch either temporarily or indefinitely will be with the approval of the Trustees.

The sale / repurchase / switch 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.
- When, as a result of political, economic or monetary events or any circumstances outside the control of the Trustees and the AMC, the disposal of the assets of the Scheme is not reasonable, or would not reasonably be practicable without being detrimental to the interests of the Unitholders.
- 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.

In the above eventualities, the time limits indicated above, for processing of requests for purchase, switch and redemption of Units will not be applicable. Further, an order to purchase Units is not binding on and may be rejected by the Trustees, the AMC or their respective agents, until it has been confirmed in writing by the AMC or its agents and payment has been received.

Suspension or restriction of repurchase / redemption 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 Trustees giving details of circumstances and justification for the proposed action shall also be informed to SEBI in advance.

HMEF: The Trustees / AMC reserve the right to temporarily suspend subscriptions, switches into the Scheme, if the asset under management of the Scheme exceeds Rs. 700 crores. However, as it may not be possible to ensure that the assets under management does not exceed Rs. 700 crores at the point of time of subscription, any excess amounts collected in the Scheme would be retained until the suspension of subscriptions, switches into the Scheme takes effect. The suspension will be for a minimum period of 1 month or until the assets under management fall below Rs. 700 crores, due to redemptions, market forces or for any other reason, whichever is later. The suspension will not however affect Dividend reinvestment options, Systematic Investment Plans (SIP), SIP Plus, Systematic Transfer Plans (STP) or other standing instructions which have been entered into by the investors at any time prior to the date from which the suspension takes effect. The Trustees / AMC also reserve the right to review the amount, frequency and methodology by which the suspension of further sale of units will be enforced. All decisions of the Trustees / AMC will take effect prospectively and be communicated to the investors from time to time by arranging to display a notice in the Investor Service Centres and issuing advertisements in 2 newspapers, at least 1 day prior to the decision taking effect. All decisions of the Trustees / AMC will be made in the interest of the investors and will be subject to the SEBI Regulations.

HEMF: The Trustees / AMC reserve the right to temporarily suspend subscriptions, switches including SIP/STP into the Scheme, if the asset under management of the Scheme exceed the maximum

permissible limit as mentioned under the heading on “Policy on Offshore Investments by the Scheme(s) and the Plan(s) thereunder” of this Combined Scheme Information Document.

HBFB : The AMC / Trustee reserves the right to temporarily suspend subscriptions in / switches into the Scheme or the subsequent installments of HSBC SIP/HSBC STP will be stopped from the month in which the subscriptions exceed the maximum permissible limits prescribed by SEBI for overseas investments as mentioned in the Combined Scheme Information Document.

HSCF: The maximum subscription that can be mobilized in the Scheme, will be Rs. 500 crores. Once the maximum subscription amount is mobilized in the Scheme, fresh subscriptions into the Scheme will be suspended till further notice and a communication in this regard will be made to investors.

8. Requirements of Know Your Customer (KYC) under Prevention of Money Laundering Act (PMLA)

The investors are requested to refer “Prevention of Money Laundering and Know Your Customer (KYC)” of the document, for details pertaining to requirements of KYC and PMLA.

9. Freezing / Seizure of Accounts

Investors may note that under the following circumstances the

2. Associate Transactions

INVESTMENT IN ASSOCIATE COMPANIES

During the period 1 April, 2008 to 31 March, 2011, HSBC Mutual Fund had invested in the following associate companies of the Sponsor

(Rs. in crores)

Name of the Investing Scheme	Name of the Associate	Particulars	Amount of Investment
HSBC Dynamic Fund	The Hongkong and Shanghai Banking Corporation Limited	Fixed Deposit	96.20
HSBC Equity Fund	The Hongkong and Shanghai Banking Corporation Limited	Fixed Deposit	285.00
HSBC India Opportunities Fund	The Hongkong and Shanghai Banking Corporation Limited	Fixed Deposit	91.00
HSBC Midcap Equity Fund	The Hongkong and Shanghai Banking Corporation Limited	Fixed Deposit	32.40
HSBC MIP - Regular Plan	The Hongkong and Shanghai Banking Corporation Limited	Fixed Deposit	6.00
HSBC MIP - Savings Plan	The Hongkong and Shanghai Banking Corporation Limited	Fixed Deposit	9.60
HSBC Progressive Themes Fund	The Hongkong and Shanghai Banking Corporation Limited	Fixed Deposit	104.00
HSBC Small Cap Fund	The Hongkong and Shanghai Banking Corporation Limited	Fixed Deposit	2.20
HSBC Unique Opportunities Fund	The Hongkong and Shanghai Banking Corporation Limited	Fixed Deposit	59.00

The above investments were considered sound. Before making the investments, the AMC evaluated the same on merits and on arm's length basis and in accordance with the objectives of the Scheme.

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.

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

NIL

Trustee / 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 Trustee / AMC is directed and/or ordered) under the Scheme(s):

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

C. GENERAL INFORMATION

1. Inter-Scheme Transfer of Investments

Transfer of investments from one Scheme to another Scheme in the Mutual Fund shall be permitted provided:

- Such transfers are done at the prevailing market price for quoted instruments on spot basis;
- The securities so transferred shall be in conformity with the investment objective of the transferee Scheme and
- Inter-Scheme transfers shall be done in accordance with the SEBI (Mutual Fund) Regulations.

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 commissions payable are at similar rates offered to other collecting bankers and distributors by the Scheme.

The Hongkong and Shanghai Banking Corporation Limited and HSBC Primary Dealership (India) Private Limited are 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.

DEALING WITH ASSOCIATE COMPANIES (PERIOD 01/04/2008 to 31/03/2011)

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	HDF	HEF	HIOF	HMEF	HMIP-R	HMIP-S	HPTF	HSCF	HUOF
The Hongkong and Shanghai Banking Corporation Limited	Fixed Deposit	2008-09	-	-	-	3.2	-	-	-	1.1	-
		2009-10	52.8	113	39	16.4	2	2	40	1.1	29
		2010-11	43.4	172	52	12.8	4	7.6	64	-	30

BORROWINGS BY HSBC MUTUAL FUND FROM ASSOCIATE COMPANIES

(Rs. in crores)

Name of the Associates	Particulars	Period	HCF	HGF	HMP - S	HFRF - LT	HUSBF
The Hongkong and Shanghai Banking Corporation Limited	Borrowings for redemptions / switch-outs	2008-09	100.13	12.48	2.50	81.00	4,115.07
		2009-10	-	-	-	-	-
		2010-11	-	-	-	-	-

(Rs. in crores)

Name of the Associates	Particulars	Period	HFTS						
			24	30	41	44	45	46	50
The Hongkong and Shanghai Banking Corporation Ltd.	Borrowings for redemptions / switch-outs	2008-09	25.20	83.97	36.73	9.00	1.31	50.45	0.82
		2009-10	-	-	-	-	-	-	-
		2010-11	-	-	-	-	-	-	-

(Rs. in crores)

Name of the Associates	Particulars	Period	HFTS								
			52	53	54	56	57	59	61	63	Total
The Hongkong and Shanghai Banking Corporation Ltd.	Borrowings for redemptions / switch-outs	2008-09	475.61	1,311.77	880.12	98.00	0.30	907.17	87.26	18.00	8,296.89
		2009-10	-	-	-	-	-	-	-	-	-
		2010-11	-	-	-	-	-	-	-	-	-

Note : All the borrowings of the Schemes of HSBC Mutual Fund are in accordance with SEBI (Mutual Funds) Regulations, 1996.

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
2010-11	HSBC Securities and Capital Markets (India) Private Limited	Sponsor	435.750	2.70	0.360	3.40
2009-10	HSBC InvestDirect Securities (India) Limited	Associate	4.377	0.71	0.009	1.24
2009-10	HSBC Securities and Capital Markets (India) Private Limited	Sponsor	451.780	28.45	0.378	21.20
2008-09	HSBC InvestDirect Securities (India) Limited	Associate	31.723	2.54	0.063	4.77
2008-09	HSBC Securities and Capital Markets (India) Private Limited	Sponsor	582.340	30.70	0.512	25.10

AMOUNT PAID BY HSBC MUTUAL FUND TO ASSOCIATE COMPANIES (Contd.)
Distribution Commission Paid to Associates Companies

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 paid (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
2010-11	HSBC InvestDirect Securities (India) Limited	Associate	929.193	2.95	0.101	0.33
2010-11	Hongkong & Shanghai Banking Corporation Limited	Associate	1,080.316	3.43	7.024	23.19
2009-10	HSBC InvestDirect Securities (India) Limited	Associate	1,771.90	0.89	14.16	10.26
2009-10	Hongkong & Shanghai Banking Corporation Limited	Associate	671.17	1.01	0.19	0.41
2008-09	Hongkong & Shanghai Banking Corporation Limited	Associate	6,839.54	2.48	17.43	10.19

HEF : HSBC Equity Fund, **HIF-IP** : HSBC Income Fund -Investment Plan, **HIF-ST** : HSBC Income Fund -Short Term Plan, **HCF** : HSBC Cash Fund, **HIF-IP** : HSBC Income Fund -Investment Plan -Institutional, **HIF-ST** : HSBC Income Fund -Short Term Plan -Institutional, **HGF** : HSBC Gilt Fund, **HIOF** : HSBC India Opportunities Fund, **HMIP-R** : HSBC MIP -Regular, **HMIP-S** : HSBC MIP -Savings, **HFRF-LT** : HSBC Floating Rate Fund - Long Term Plan, **HFRF-ST** : HSBC Floating Rate Fund - Short Term Plan, **HMEF** : HSBC Midcap Equity Fund, **HPTF** : HSBC Prograssive Themes Fund, **HUSBF** : HSBC Ultra Short Term Bond Fund, **HTSF** : HSBC Tax Saver Equity Fund, **HUOF** : HSBC Unique Opportunities Fund, **HFTS** : HSBC Fixed Term Series, **HDF** : HSBC Dynamic Fund, **HFDF** : HSBC Flexi Debt Fund, **HSCF** : HSBC Small Cap Equity Fund, **HEMF** : HSBC Emerging Markets Fund, **HINF-I** : HSBC Interval Fund-Plan I and **HINF-II** : HSBC Interval Fund-Plan II

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 subsidiaries of the Sponsor on the date of this Document are:

- **HSBC Asset Management (India) Private Limited**

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.

3. 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.

4. Securities / Stock Lending by the Mutual Fund

Subject to the Regulations and the applicable guidelines, the Scheme(s) and the Plan(s) thereunder may, if the Trustees permit, 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 Combined Scheme Information Document. The Scheme(s), under normal circumstances, shall not have exposure of more than 50% of its net assets in securities / stock lending. The Scheme(s) may also not lend more than 50% of its net assets to any one intermediary to whom securities / stocks will be lent. Securities / Stock Lending could be considered for the purpose of generating additional income to unit holders on the longer term holdings 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.

5. 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 Trustees 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 Trustees. Such borrowings, if raised, may result in a cost, which would be dealt with in consultation with the Trustees.

6. 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.

7. 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.

8. 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.

9. 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 Offer (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 \$ 300 million. This would be revised in terms of SEBI approvals / guidelines from time to time. All the provisions of SEBI / IMD / CIR No.7/104753/07 dated 26 September, 2007 will be adhered to including appointment of dedicated fund manager for investment in foreign securities.

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.

Offshore 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 offshore 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 Trustees, 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.

10. Power to make Rules

Subject to the Regulations and other applicable laws, the Trustees 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.

11. Power to remove Difficulties

If any difficulty arises in giving effect to the provisions of the Scheme and the Plans thereunder, the Trustees 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.

12. Scheme to be binding on the Unitholders

Subject to the Regulations, the Trustees 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.

13. 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 Trustee / AMC reserve the right to reject the same and in such a case the Trustee / 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 / Trustee / 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 / Trustee / 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.

14. 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, Trustee 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.

15. 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.

16. Client Information

The Mutual Fund shall presume that the identity of the investor and the information disclosed by him is true and correct. It will also be presumed that the funds invested by the investor in the Schemes of the Mutual Fund come from legitimate sources / manner and the investor is duly entitled to invest the said funds.

The Mutual Fund will not, in any way, be responsible for correctness of the information provided by the investor to the Mutual Fund, as to his identity or any other information, and also his sources of income. The Mutual Fund is not under any obligation to carry out any investigation / inquiry as to the identity of the investor and the sources of the moneys invested by the investor into the schemes of the Mutual Fund. The Fund shall not undertake any such investigation / inquiry since it does not possess adequate resources to undertake such activity.

Where the funds invested are for the benefit of a person (beneficiary) other than the person in whose name the units are issued and registered, the Mutual Fund shall assume that the investor holding the Units in his name is legally authorized / entitled to invest the

said funds in the Units of the Mutual Fund, for the benefit of the beneficiaries.

Units of the Schemes are not offered, nor is the Fund managed or intended to serve, as a vehicle for frequent trading that seeks to take advantage of short-term fluctuations in the securities market. This type of trading activity, often referred to as "market timing", could result in actual or potential harm to the Unit Holders. Accordingly, the Mutual Fund (MF) at its sole discretion may reject any purchase or exchange of Units that the MF reasonably believes may represent a pattern of market timing activity involving the Schemes of the MF.

The AMC may share investors' personal information with the following third parties:

- Registrar, Banks and / or authorised external third parties who are involved in transaction processing, despatches, etc. of investors' investment in any scheme;
- Distributors through whom applications of investors are received for the Schemes; or
- Any other organisations for compliance with any legal or regulatory requirements or to verify the identity of investors for complying with anti-money laundering requirements.

17. Website

The website of HSBC Mutual Fund (the said Website) is intended solely for the use of Resident Indians, Non Resident Indians, persons of Indian Origin and Foreign Institutional Investors registered with Securities and Exchange Board of India. It should not be regarded as a solicitation for business in any jurisdiction other than India. In particular the information 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 resident 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.

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.

18. 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

19. 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 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.

20. Documents Available for Inspection

The following documents will be available for inspection at the office of the Mutual Fund at 16, Veer Nariman Road, Fort, Mumbai 400 001 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, 1996 and amendments from time to time thereto.
- Indian Trusts Act, 1882.

21. 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.

F.Y. 2008-2009:

Type of complaint	(a) No. of complaints pending at the beginning of the year	(b) No. of complaints received during the year	Action on (a) and (b)								
			Resolved				Non Action-able	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
Non-receipt of Dividend on Units	20	961	980	0	0	0	0	1	0	0	0
Interest on delayed payment of Dividend	0	0	0	0	0	0	0	0	0	0	0
Non-receipt of Redemption Proceeds	9	464	471	0	0	0	0	2	0	0	0
Interest on delayed payment of Redemption	0	0	0	0	0	0	0	0	0	0	0
Non-receipt of Statement of Account/Unit Certificate	0	390	390	0	0	0	0	0	0	0	0
Discrepancy in Statement of Account	0	0	0	0	0	0	0	0	0	0	0
Non-receipt of Annual Report/Abridged Summary	0	0	0	0	0	0	0	0	0	0	0
Wrong switch between Schemes	0	0	0	0	0	0	0	0	0	0	0
Unauthorized switch between Schemes	0	0	0	0	0	0	0	0	0	0	0
Deviation from Scheme attributes	0	0	0	0	0	0	0	0	0	0	0
Wrong or excess charges/load	0	0	0	0	0	0	0	0	0	0	0
Non-updation of changes viz. address, PAN, bank details, nomination, etc.	0	0	0	0	0	0	0	0	0	0	0
Others **	5	1779	1774	0	0	0	0	10	0	0	0
Total	34	3594	3615	0	0	0	0	13	0	0	0

** Includes Correction in investor details

F.Y. 2009-2010:

Type of complaint	(a) No. of complaints pending at the beginning of the year	(b) No. of complaints received during the year	Action on (a) and (b)								
			Resolved				Non Action-able	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
Non-receipt of Dividend on Units	1	61	62	0	0	0	0	0	0	0	0
Interest on delayed payment of Dividend	0	0	0	0	0	0	0	0	0	0	0
Non-receipt of Redemption Proceeds	2	57	59	0	0	0	0	0	0	0	0
Interest on delayed payment of Redemption	0	0	0	0	0	0	0	0	0	0	0
Non-receipt of Statement of Account/Unit Certificate	0	101	101	0	0	0	0	0	0	0	0
Discrepancy in Statement of Account	0	0	0	0	0	0	0	0	0	0	0
Non-receipt of Annual Report/Abridged Summary	0	0	0	0	0	0	0	0	0	0	0
Wrong switch between Schemes	0	0	0	0	0	0	0	0	0	0	0
Unauthorized switch between Schemes	0	0	0	0	0	0	0	0	0	0	0
Deviation from Scheme attributes	0	3	3	0	0	0	0	0	0	0	0
Wrong or excess charges/load	0	1	1	0	0	0	0	0	0	0	0
Non-updation of changes viz. address, PAN, bank details, nomination, etc.	0	2	2	0	0	0	0	0	0	0	0
Others **	10	1621	1631	0	0	0	0	0	0	0	0
Total	13	1846	1859	0	0	0	0	0	0	0	0

** Includes Correction in investor details

F.Y. 2010-2011:

Type of complaint	(a) No. of complaints pending at the beginning of the year	(b) No. of complaints received during the year	Action on (a) and (b)								
			Resolved				Non Action-able	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
Non-receipt of Dividend on Units	0	7	6	1	0	0	0	0	0	0	0
Interest on delayed payment of Dividend	0	0	0	0	0	0	0	0	0	0	0
Non-receipt of Redemption Proceeds	0	13	12	0	0	0	0	1	0	0	0
Interest on delayed payment of Redemption	0	5	5	0	0	0	0	0	0	0	0
Non-receipt of Statement of Account/Unit Certificate	0	1	1	0	0	0	0	0	0	0	0
Discrepancy in Statement of Account	0	5	5	0	0	0	0	0	0	0	0
Non-receipt of Annual Report/Abridged Summary	0	0	0	0	0	0	0	0	0	0	0
Wrong switch between Schemes	0	0	0	0	0	0	0	0	0	0	0
Unauthorized switch between Schemes	0	0	0	0	0	0	0	0	0	0	0
Deviation from Scheme attributes	0	0	0	0	0	0	0	0	0	0	0
Wrong or excess charges/load	0	1	1	0	0	0	0	0	0	0	0
Non-updation of changes viz. address, PAN, bank details, nomination, etc.	0	15	15	0	0	0	0	0	0	0	0
Others **	0	1114	1108	3	0	0	1	2	0	0	0
Total	0	1161	1153	4	0	0	1	3	0	0	0

** Includes Correction in investor details

Number of pending complaints for year ended March 2011 taken as on April 5, 2011.

From April 1, 2011 to November 30, 2011

Type of complaint	(a) No. of complaints pending at the beginning of the year	(b) No. of complaints received during the year	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
Non receipt of Dividend on Units		1	0	1	0	0	0	0	0	0	0
Interest on delayed payment of Dividend		0	0	0	0	0	0	0	0	0	0
Non receipt of Redemption Proceeds	1	26	13	6	4	0	0	4	0	0	0
Interest on delayed payment of Redemption		0	0	0	0	0	0	0	0	0	0
Non receipt of Statement of Account / Unit Certificate		3	3	0	0	0	0	0	0	0	0
Discrepancy in Statement of Account		2	2	0	0	0	0	0	0	0	0
Non receipt of Annual Report / Abridged Summary		0	0	0	0	0	0	0	0	0	0
Wrong switch between Schemes		0	0	0	0	0	0	0	0	0	0
Unauthorized switch between Schemes		0	0	0	0	0	0	0	0	0	0
Deviation from Scheme attributes		0	0	0	0	0	0	0	0	0	0
Wrong or excess charges / load		0	0	0	0	0	0	0	0	0	0
Non updation of changes viz. address, PAN, bank details, nomination, etc.		46	45	1	0	0	0	0	0	0	0
Others **	2	481	479	1	0	1	0	2	0	0	0
TOTAL	3	559	542	9	4	1	0	6	0	0	0

** Includes Correction in investor details & Not allotment of units.

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 endeavours 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 12 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 Combined Scheme Information Document. Over a period of time, the Fund will endeavour 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 despatch to the Unitholders, the dividend proceeds within 30 days of the date of declaration of dividend 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 despatch the redemption proceeds within the above time, interest @ 15% per annum or such rate as may be specified by SEBI, would be paid to the unitholders for the period of delay.

Under normal circumstances, the Fund will endeavour to despatch the redemption proceeds within 3 Business Days (in case of equity schemes except HEMF), 7 business days (in case of HEMF and HBF) & 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 endeavour to resolve them promptly.

For this purpose, Ms. Rheitu Bansal is currently designated as the Investor Relations Officer of the Fund. She can be contacted at the Corporate Office of the AMC. The address and phone numbers are:

16, Veer Nariman Road, Fort, Mumbai 400 001.
Tel.: (91) (22) 66668819. Fax : (91) (22) 40029600
E-mail: hsbcmf@hsbc.co.in

Note:

Notwithstanding anything contained in this Statement of Additional Information, the provisions of the SEBI (Mutual Funds) Regulations, 1996 and the guidelines thereunder shall be applicable.

OFFICIAL POINTS OF ACCEPTANCE OF TRANSACTION REQUESTS

HSBC MUTUAL FUND

- **Ahmedabad** : Tel : 98983 77319 ● **Bengaluru** : Tel : 080 - 4118 6519 ● **Chandigarh** : Tel : 017 - 2500 8119 ● **Tamilnadu** : Tel : 044 - 4200 8719
- **Hyderabad** : Tel : 040 - 6667 4719 ● **Indore** : Tel : 98934 77319 ● **Kochi** : Tel : 98954 77319 ● **Kolkata** : Tel : 033 - 2213 9919
- **Lucknow**: Tel : 99367 97319 ● **Mumbai** : Tel : 022 - 6666 8819 ● **New Delhi** : Tel : 011 - 4149 0719 ● **Pune** : Tel : 020 - 2600 1119
- **Vadodara** : Tel : 98983 77319.

CAMS Service Centres

- Agartala ● Agra ● Ahmedabad ● Ajmer ● Akola ● Aligarh ● Allahabad ● Alleppey ● Alwar ● Amaravati ● Ambala ● Amritsar ● Anand ● Anantapur
- Ankleshwar ● Asansol ● Aurangabad ● Balasore ● Bengaluru ● Bareilly ● Belgaum ● Bellary ● Berhampur ● Bhagalpur ● Bhatinda ● Bhavnagar
- Bhilai ● Bhilwara ● Bhopal ● Bhubaneswar ● Bhuj ● Bikaner ● Bilaspur ● Bokaro ● Burdwan ● Calicut ● Chandigarh ● Chennai ● Cochin
- Coimbatore ● Cuttack ● Davenegere ● Dehradun ● Deoghar ● Dhanbad ● Durgapur ● Erode ● Faridhabad ● Ghaziabad ● Goa ● Gorakhpur
- Guntur ● Gurgaon ● Guwahati ● Gwalior ● Hazaribag ● Hisar ● Howrah ● Hubli ● Hyderabad ● Indore ● Jabalpur ● Jaipur ● Jalandhar ● Jalgaon
- Jammu ● Jamnagar ● Jamshepur ● Jhansi ● Jodhpur ● Junagadh ● Kadapa ● Kakinada ● Kalyani ● Kannur ● Kanpur ● Karimnagar ● Karnal
- Karur ● Kharagpur ● Kolhapur ● Kolkata ● Kollam ● Kota ● Kottayam ● Kumbakonam ● Kurnool ● Lucknow ● Ludhiana ● Madurai ● Mangalore
- Mapusa ● Margao ● Meerut ● Mehsana ● Moradabad ● Mumbai, Andheri ● Muzzafarpur ● Mysore ● Nagpur ● Nasik ● Navsari ● Nellore ● New Delhi ● Noida ● Palakkad ● Panipat ● Patiala ● Patna ● Pondicherry ● Pune ● Raipur ● Rajahmundry ● Rajkot ● Ranchi ● Rohtak ● Rourkela
- Saharanpur ● Salem ● Sambalpur ● Satara ● Shimla ● Shimoga ● Siliguri ● Solapur ● Sriganaganagar ● Surat ● Thane ● Thiruppur ● Thiruvalla
- Tirunelveli ● Tirupathi ● Trichur ● Trichy ● Trivandrum ● Udaipur ● Vadodara ● Valsad ● Vapi ● Varanasi ● Vellore ● Vijayawada ● Visakhapatnam
- Warangal ● Yamuna Nagar

*CAMS Limited Transaction Points

- Ahmednagar ● Angul ● Bagalkot ● Basti ● Bhiwani ● Chandrapur ● Chhindwara ● Chittorgarh ● Darbhanga ● Dharmapuri ● Dhule ● Eluru
- Faizabad ● Firozabad ● Gandhidham ● Gondia ● Gulbarga ● Haldia ● Haldwani ● Himmatnagar ● Hoshiarpur ● Hosur ● Jaunpur ● Kanchipuram
- Katni ● Khammam ● Khanna ● Latur ● Malda ● Manipal ● Mathura ● Moga ● Namakkal ● Nanded ● Nandyal ● Nizamabad ● Ongole ● Palanpur
- Pathankot ● Porbandar ● Proddatur ● Rae Bareli ● Rajapalayam ● Ratlam ● Ratnagiri ● Roorkee ● Ropar ● Sagar ● Satna ● Shahjahanpur ● Sirsa
- Sitapur ● Solan ● Sonapat ● Srikakulam ● Sultanpur ● Surendranagar ● Tanjore ● Tinsukia ● Tuticorin ● Ujjain ● Veraval ● Wardha ● Yavatmal

*CAMS Collection Centres

- Bharuch ● Bhusawal ● Chennai, OMR ● Gondal ● Howrah ● Ichalkarnaji ● Jalna ● Karnal ● Kestopur ● Kolkata-C.R.Avenue ● Mapusa
- Mumbai - Andheri ● Nadiad ● Sangli ● Unjha

*CAMS Limited Transaction Points and CAMS Collection Centres have limited operating hours from 12:00 p.m. to 3 p.m. Collection Centres only accept application forms and service requests. For any enquiries, customers transacting at these locations are requested to call the nearest CAMS Service Center or the National Toll Free Customer Support number.

For more details on CAMS Locations please contact : 1-800-200-2267

HSBC Asset Management (India) Private Limited

Registered Office

16, Veer Nariman Road, Fort, Mumbai 400 001.

Tel.: (91) (22) 66668819. **Fax :** (91) (22) 40029600

E-mail : hsbcmf@hsbc.co.in **Website :** (www.assetmanagement.hsbc.com/in)

HSBC  Mutual Fund