



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

28 September 2018

Dear unitholder,

**HSBC Managed Funds Series –**

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

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

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

**1. Change in the manner of charging preliminary charge / switching fee**

Currently, it is disclosed in the offering documents of the Funds that the preliminary charge and the switching fee are charged as a percentage of and as part of the offer price of the units of the Funds to be subscribed and switched into respectively.

With effect from 16 November 2018, the preliminary charge and the switching fee of the Funds will be charged as a percentage of (and deducted from) the total subscription amount and total switch-out proceeds respectively. There will also be a reduction in the applicable rate of the preliminary charge. A summary of the changes is set out in the table below (and an illustrative worked example is included in the appendix).

Fund	Preliminary charge until 15 November 2018 (as a percentage of the offer price)		Preliminary charge from 16 November 2018 (as a percentage of the total subscription amount)		Switching fee until 15 November 2018 (as a percentage of the offer price of the units to be switched into)		Switching fee from 16 November 2018 (as a percentage of the switch-out proceeds)	
HSBC Managed Growth Fund					Switching between Funds: Up to 1.0%		Switching between Funds: Up to 1.0%	
HSBC Managed Stable Fund								
HSBC Managed Stable Growth Fund	Up to 5.5%		Up to 3.00%		Switching between different classes of units within the same Fund: Nil		Switching between different classes of units within the same Fund: Nil	
HSBC Managed Balanced Fund								

For the avoidance of doubt, as disclosed in the Explanatory Memorandum, the authorised distributors retain the preliminary charge and the switching fee of the Funds.

The reason of the above changes is to simplify the charging structure for investors.

The Trust Deeds and the offering documents of the Funds will be amended to reflect the changes set out above.

## 2. Other administrative changes

The Trust Deeds of the Funds will also be amended to:

- include provisions relating to the Manager's, the Trustee's and their affiliates' taxation obligations concerning the Funds;
- enhance the Manager's obligations when effecting transactions for the account of the Funds;
- elaborate on the procedures in relation to the derivative transactions the Manager enters into on behalf of the Funds; and
- reflect other miscellaneous amendments.

The Trust Deeds and the offering documents of the Funds will also be amended to update the address of the registered office of the Trustee.

### Effect of changes set out above

Save as set out above, there will be no change to the fee level / cost in managing the Funds (such as current and maximum trustee and management fees) or changes in the operation and/or manner in which the Funds are being managed. Further, there will be no impact on the features and risk profile of the Funds. The changes will not materially prejudice the unitholders' rights or interests.

The fees and expenses incurred in connection with the changes set out above (including the costs of preparing deeds supplemental to the Trust Deeds, the costs of preparing and printing the revised offering documents as well as the legal fees in relation to the foregoing) will be borne by the Manager.

The Trust Deeds (as amended), the revised Explanatory Memorandum and Product Key Facts Statements containing information of the Funds reflecting the above-mentioned amendments will be available for inspection, free of charge, at the registered office of the Manager stated below.

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

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

**The Manager**  
**HSBC Investment Funds (Hong Kong) Limited**

Appendix – Initial charge illustrative example: Offer price versus total subscription amount\*

	<b>Offer price method as disclosed in the offering document of the Funds (Until 15 November 2018)</b>	<b>Total subscription amount method (Effective from 16 November 2018)</b>
<b>Assumptions</b>	<b>Total subscription amount: \$10,000</b> <b>Maximum initial charge: 5.50%</b> <b>Issue Price: \$11.24</b>	
<b>Worked example</b>	<b>Offer price: <math>\\$11.24 / (1 - 5.50\%) = \\$11.89</math></b> <b>Units issued: <math>\\$10,000 / \\$11.89 = 841.043</math></b> <b>Invested amount: <math>841.043 * \\$11.24 = \\$9,453.32</math></b> <b>Preliminary charge: <math>\\$10,000 - \\$9,453.32 = \\$546.68</math></b>	<b>Preliminary charge: <math>5.50\% * \\$10,000 = \\$550</math></b> <b>Invested amount: <math>\\$10,000 - \\$550 = \\$9,450</math></b> <b>Units issued: <math>\\$9,450 / \\$11.24 = 840.747</math></b>

*\*This is an illustrative example for reference. In practice the rounding treatment and maximum preliminary charge depends on the Fund being subscribed into. Further, for comparability, the maximum preliminary charge is shown as remaining unchanged and it does not take into account any reduction in the applicable rate of the preliminary charge as set out in this notice.*