



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

Capitalised terms in this notice have the same meaning as in the Explanatory Memorandum of the Sub-Fund unless otherwise specified.

2 December 2013

Dear unitholder,

**HSBC Investment Funds Trust (the “Fund”) –
HSBC MultiAlpha China Fund (the “Sub-Fund”)**

We, as the Manager of the Sub-Fund, would like to inform you of changes concerning the Sub-Fund.

Changes relating to investment sub-advisers of the Sub-Fund

HSBC Global Asset Management (Hong Kong) Limited as the Investment Adviser of the Sub-Fund may at its discretion appoint one or more investment sub-advisers to manage the investment portfolio of the Sub-Fund. The Investment Adviser has determined with effect from 13 January 2014 (the “**Effective Date**”), the Sub-Fund will no longer appoint any investment sub-advisers. Accordingly, the Investment Adviser will terminate the appointment of existing investment sub-advisers currently managing the Sub-Fund’s portfolio and assume discretionary management functions in respect of the Sub-Fund’s entire portfolio.

It is anticipated that the removal of the layer of investment sub-advisers would benefit the Sub-Fund through implementing a more cost effective structure for managing the Sub-Fund. As a result of the termination of the use of investment sub-advisers, the management fee will accordingly be reduced (see below). As such, the Manager is of the view that the termination of the appointment of existing investment sub-advisers is in the best interest of unitholders of the Sub-Fund.

As a result of the above, the following changes and/or amendments will take effect on the Effective Date:

(I) Change of name of the Sub-Fund

The name of the Sub-Fund will be changed from HSBC Investment Funds Trust - HSBC MultiAlpha China Fund to HSBC Investment Funds Trust - HSBC China Growth Fund.

(II) Reduction of management fee

As a result of the termination of the use of investment sub-advisers, the management fee of the Sub-Fund will be reduced from 1.75% p.a. to 1.50% p.a. of the net asset value of the Sub-Fund.

(III) Amendments to investment policy

The investment policy of the Sub-Fund will be updated to remove references to the strategies in relation to selection of investment sub-advisers. The other investment objectives and investment strategies of the Sub-Fund will not be affected. Please see revised investment objective and policy of the Sub-Fund as set out in Appendix A.

(IV) Other ancillary amendments

As a result of the termination of the use of investment sub-advisers, changes will be made to the relevant risk disclosures in the offering document. The risk factor headed “Multi-manager fund risk disclosure in relation to the HSBC MultiAlpha China Fund” will be removed from the Explanatory Memorandum. The risk factor headed “Multimanager fund risk” will be removed from the Product Key Facts Statement.

As an existing unitholder of the Sub-Fund, due to the changes above you may take the opportunity to switch to any other HSBC funds available through your intermediary or fully redeem your investment from the Sub-Fund free of charge until 10 January 2014. Switches and redemptions will be carried out in accordance with the normal terms disclosed in the Explanatory Memorandum.

Enquiries

Copies of the offering documents containing information of the Sub-Funds will be updated to reflect the abovementioned changes. If you have any questions, please direct them to your financial adviser or usual HSBC contact or alternatively you should contact the Manager at Level 22, HSBC Main Building, 1 Queen's Road Central, Hong Kong (telephone number: (852) 2284 1229).

The Manager accepts full responsibility for the accuracy of the information contained in this letter as at the date of its issuance.

The Manager
HSBC Investment Funds (Hong Kong) Limited

APPENDIX A

HSBC INVESTMENT FUNDS TRUST - HSBC MULTIALPHA CHINA FUND¹

REVISED INVESTMENT OBJECTIVE AND POLICY

(marked-up against the current version)

Investment Objective

The Sub-Fund seeks long-term capital growth by mainly investing in a portfolio of equities issued by companies located in the mainland China (“China”) or deriving a preponderant part of their income and/or assets from China, and instruments linked to such investments. The Sub-Fund will be actively managed, aiming to achieve the investment objective without reference to market index weightings.

Investment Policy

The securities which the Sub-Fund will invest in may be listed or traded on one or more recognized exchanges located in China or the Hong Kong Special Administrative Region (“Hong Kong”). To some extent the Sub-Fund may also invest in securities listed or traded on recognised exchanges located outside China and Hong Kong. There are no capitalisation restrictions, and it is anticipated that the Sub-Fund will seek to invest across a range of capitalisations.

The Sub-Fund may invest in A- and B-shares (and such other securities as may be available) listed on stock exchanges in China, H-shares listed on the Hong Kong Stock Exchange and shares of red-chip companies listed on the Hong Kong Stock Exchange or on other exchanges outside of China (including but not limited to shares of Chinese private enterprises deriving a preponderant part of their income and/or assets from China (“P-chip companies”), shares of other companies deriving a preponderant part of their income and/or assets from China and securities linked to such shares. The intended initial allocation of the assets of the Sub-Fund is 5% to 30% in A-shares or securities linked to the A shares and the remaining assets in other assets in line with the Sub-Fund’s Investment Objective and Investment Restrictions. This allocation is indicative only and may be changed from time to time depending on market conditions and the availability of appropriate investment opportunities. The Sub-Fund will invest at least 70% of its non-cash assets in A-, B- and H shares, shares of red-chip companies, shares of companies deriving a preponderant part of their income and/or assets from China and securities linked to such shares.

Under the prevailing regulations in China, foreign investors can only invest in the A-share market through institutions that have obtained the relevant regulatory approval in China, such as the Qualified Foreign Institutional Investor status (“QFII”). The current QFII regulations impose strict restrictions (such as investment guidelines and minimum holding period) on A-share investment. As of the date of this Explanatory Memorandum, the Sub-Fund and the Manager are not QFIIs in China. Owing to the current QFII regulations, it is likely that the Sub-Fund will invest in the A-share market indirectly through Equity Linked Notes and other similar equity linked securities and instruments issued by institutions that have obtained the QFII status (collectively referred to as “ELN”). Where the Sub-Fund invests in the A-share market through ELN that are not listed nor quoted on any stock exchange or over-the-counter market or other organized securities market that is open to the international public and on which the ELN are regularly traded, such ELN should comprise no more than 15% of the Sub-Fund’s non-cash assets.

The investment portfolio held by the Sub-Fund will comprise mainly of equities and equity-related investments. The portfolio may also include deposits and other money market instruments up to 49% of the net asset value of the Sub-Fund. The intended asset allocation aforesaid is for indication only and may be changed as and when the Manager considers appropriate. The Sub-Fund may have up to 30% of its assets invested in equity linked instruments linked to China A-shares.

For efficient portfolio management, the Sub-Fund may acquire financial derivatives instruments and other investments vehicles allowed under the Investment Restrictions.

The Manager has appointed the Investment Adviser to assist in managing the assets of the Sub-Fund. The Investment Adviser will seek to achieve the objectives on behalf of the Sub-Fund through the careful selection of one or more investment sub-advisers. Such investment sub-adviser(s) may or may not be part of the HSBC Group. The Investment Adviser may also from time to time take part in managing the assets of the Sub-Fund.

¹ The Sub-Fund will change its name to “HSBC Investment Funds Trust - HSBC China Growth Fund”.

The Investment Adviser will be responsible for the selection and appointment of one or more investment sub-advisers in respect of the Sub-Fund and to delegate to such investment sub-advisers all or part of the day-to-day conduct of its investment management responsibilities and investment advisory services in respect of some or all of the assets of the Sub-Fund. If more than one investment sub-adviser is appointed in respect of the Sub-Fund, the Investment Adviser shall allocate the assets of the Sub-Fund between the investment sub-advisers in such proportions as it shall, at its discretion, determine. The Investment Adviser may determine to allocate the whole of the assets of the Sub-Fund to one of the investment sub-advisers.

The Investment Adviser will monitor the performance of the investment sub-adviser(s) in respect of the Sub-Fund in order to assess the need, if any, to make changes/replacements. The Investment Adviser may appoint or replace investment sub-advisers in respect of the Sub-Fund at any time without notice. The latest list of investment sub-advisers is available for inspection upon request at the office of the Manager.