HSBC Global Asset Management (Singapore) Limited
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20 April 2016

Dear Shareholder,

HSBC Global Asset Management (Singapore) Limited, is the Representative of **HSBC Global Investment Funds - Indian Equity** (the "sub-fund"), which is registered as a Recognised Scheme in Singapore.

We are writing to inform you of an important change being made to the sub-fund.

The changes will be reflected in a new version of the Singapore Prospectus of the Company (the "Prospectus"), which will be available, free of charge, upon request from your local distributor/representative. The Singapore Prospectus will be available on 20 May 2016.

„ The Changes

The investment objective of the sub-fund is to seek long term capital growth by investing primarily in a diversified portfolio of equities and equity equivalent securities of companies which are domiciled in, based in, or carry out the larger part of their business activities in, India.

The board of directors of the Company (the "Board") has given consideration to the investment process of the sub-fund and has decided to change the way the sub-fund invests in India. The Board has also decided to enhance the wording in the investment objective.

The new and current investment objectives of the sub-fund are disclosed at the end of this letter.

1. Investment in India

To achieve its investment objective, the sub-fund currently invests part or all of the net proceeds of the issue of Shares in HSBC GIF Mauritius Limited (the "subsidiary company"), which is a Mauritian company wholly owned by the Company. Under normal market conditions, the subsidiary company invests substantially all of its assets in the target investments listed in the sub-fund's investment objective above. The subsidiary company currently benefits from a favourable tax treatment, due to the double taxation treaty between Mauritius and India, which in turn benefits the sub-fund and its investors.

The Board has decided that the sub-fund's investments will be made directly rather than through the subsidiary company. Consequently, the sub-fund will divest its holdings in the subsidiary company over a period of time at the end of which the subsidiary company will be liquidated.

2. Changes to the investment objective

The Board has also taken the opportunity of the change above to enhance the overall description of the investment strategy of the sub-fund. In particular, the Board has reviewed the use of financial derivative instruments and has decided to implement in the investment objective a standardised wording bringing further clarity as well as consistency throughout the investment objectives of HSBC Global Investment Funds' sub-funds. It will better describe the purposes of using financial derivative instruments and how extensively these instruments may be used by a sub-fund.

As a result, the investment objective of the sub-fund will be changed accordingly to introduce powers to use financial derivative instruments.

- **Background and Rationale for the Change to Investment in India**

The subsidiary company was incorporated on 3 October 1995 and benefits from the double taxation treaty between India and Mauritius which became effective on 1 July 1983. The taxation treaty allows Mauritian companies' exemption from short term capital gains tax payable on Indian securities sold within 12 months of purchase.

The Indian government introduced the General Anti-Avoidance Rule ("GAAR") into local tax legislation through the Direct Taxes Code (DTC) in 2009 and it is now a part of the Income-tax Act, 1961. It is anticipated that when the GAAR becomes effective, the subsidiary company will no longer benefit from the tax advantages available to it under the taxation treaty.

In recent years there has been a great deal of uncertainty as to whether the GAAR would come into force and also whether the proposed scope would be changed. The Indian government's budget in February 2015 postponed the coming into force of GAAR until 1 April 2017. However, the support for its implementation and the maintenance of its scope means that there is now clarity over the Indian government's view. The Board expects that, based on tax advice, GAAR will be implemented.

In order to ensure the certainty of the future tax treatment, the Board has taken the decision to no longer invest in India through the subsidiary company. This will provide a more efficient and clearer structure in the future; however it is possible that the sub-fund may be liable for any retrospective tax assessments levied on the subsidiary company post liquidation.

- **Implementation Process and Timeline**

There will be a transitional period during which the sub-fund will divest its holdings in the subsidiary company, and reinvest its assets in financial instruments directly in accordance with its investment objective. This will be undertaken in a number of tranches in order to minimise market impact and limit any risks. Following completion of the asset transition, the subsidiary company will be liquidated.

The transitional period is expected to begin in May 2016 and to be complete by the end of October 2016. There will be no suspension of shareholder dealing as a result of the transition. A further letter will be issued to advise the liquidation date of the subsidiary company at least one month prior to the liquidation.

- **Impact of the Changes**

The changes will have no impact on the aim and Profile of the Typical Investor Category of the sub-funds as defined in the Prospectus.

The change will not impact the number of shares you hold in the sub-fund.

There will be transitional costs incurred in divesting the holdings in the subsidiary company and investing directly, and liquidation costs in liquidating the subsidiary company in Mauritius. These costs will be borne by the sub-fund and will impact you if you remain as a Shareholder of the sub-fund. The estimated costs, based on the holdings of the sub-fund as of the end of March 2016 are 0.25% of the sub-fund's assets. The transitional costs will be incurred and charged to the sub-fund throughout the period of the transition.

In practice, these costs will be dependent on the sub-fund's holdings and the market conditions at the time of the transition, and may be higher.

Post transition the investments held directly in India will be subject to short term capital gains tax – this tax is currently set at 15% of any gains made on securities sold within 12 months of purchase. As per Indian tax rules, a payment for potential capital gains tax will be paid to the Indian tax authorities in December every year. The amount payable is 75% of the actual capital gains tax paid in the previous fiscal year, ending 31 March. In the event that the payment is used in a fiscal year, additional capital gains tax due will be payable to the Indian tax authorities when the gain is realised and before the sales proceeds are converted to the base currency of the sub-fund. However, the gain will be offset against any realised losses. Investments held for more than 12 months from purchase will continue to be exempt from tax on their capital gains.

Effective Date of Changes

The changes above will become effective from 20 May 2016.

Action to Be Taken

You do not need to take any action. However, if you wish to switch to any other sub-fund within the HSBC Global Investment Funds range or redeem your investment free of charge until 19 May, you can do so under the normal dealing terms disclosed in the Prospectus.

Please be assured that the Management Company and the Investment Adviser, HSBC Global Asset Management (Hong Kong) Limited, will seek to manage the implementation of the change as efficiently as possible.

If you have any questions about this change and would like to discuss it in more detail, please do not hesitate to contact your financial adviser.

The Board accepts responsibility for the accuracy of the information contained in this letter.

In case you have any queries, please feel free to contact us at (65) 6658 2900.

Yours faithfully,

On behalf of HSBC Global Asset Management (Singapore) Limited

Puneet Chaddha
Chief Executive Officer & Head of South East Asia

HSBC Global Asset Management (Singapore) Limited
Company Registration No. 198602036R
Robinson Road P O Box 1521, Singapore 900108

HSBC Global Investment Funds - Indian Equity
Investment Objective

From the Effective Date of Change

The sub-fund aims to provide long-term total return by investing in a portfolio of Indian equities.

The sub-fund invests, in normal market conditions, a minimum of 90% of its net assets in equities and equity equivalent securities of companies which are domiciled in, based in, or carry out the larger part of their business activities in, India.

When making new investments or reallocating the portfolio, the sub-fund will invest directly in equities and equity equivalent securities of companies which are domiciled in India and the sub-fund will no longer increase its holdings in the Subsidiary (as defined below). Holdings in the Subsidiary may decrease. During a transitional period, which is expected to begin in May 2016 and to be complete by the end of October 2016, the sub-fund will divest its holdings in the Subsidiary in order to reinvest these assets directly.

The sub-fund normally invests across a range of market capitalisations.

The sub-fund will not invest more than 30% of its net assets in a combination of participation notes and convertible securities.

The sub-fund may use financial derivative instruments for hedging and cash flow management (for example, Equitisation). However, the sub-fund will not use financial derivative instruments extensively for investment purposes. The financial derivative instruments the sub-fund is permitted to use include, but are not limited to, futures and foreign exchange forwards (including non-deliverable forwards). Financial derivative instruments may also be embedded in other instruments in which the sub-fund may invest.

Mauritius Subsidiary

HSBC GIF Mauritius Limited, HSBC Centre, 18 Cyber City, Ebene, Mauritius (the "Subsidiary") is a Mauritian company wholly-owned by the Company.

The investment objectives of the Subsidiary are in line with those of Indian Equity (i.e. investments in equities and equity equivalent securities of companies which are domiciled in India) and the Subsidiary will apply the Company's investment restrictions as outlined in this Prospectus.

The Subsidiary was incorporated in Mauritius on 3 October 1995. It is wholly-owned by the Company. It will issue ordinary Shares and redeemable preference Shares only to the Company's Indian Equity fund. The Subsidiary is registered with the Mauritius Financial Services Commission and has obtained a certificate of tax residency from the Mauritius Revenue Authority in Mauritius (Please refer to Section 2.18. "Taxation").

The directors of the Subsidiary are responsible, *inter alia*, for establishing the investment objectives and policy of the Subsidiary, for monitoring the Subsidiary's investments and performance and for providing advisory services to the exclusive benefit of the Company, including in relation to massive redemptions in the sub-fund.

The Subsidiary has appointed CIM Fund Services, Rogers House, 5 President John Kennedy Street, Port Louis, Mauritius, to provide administrative services to the Subsidiary in Mauritius, including maintenance of its accounts, books and records. The Subsidiary has appointed KPMG Mauritius of KPMG Centre, 30 St George Street, Port Louis, Mauritius, as auditors of the Subsidiary in Mauritius to perform the auditor's duties required by Mauritius law.

The Subsidiary has appointed the Depositary Bank as custodian over its assets. The Company has appointed HSBC Bank (Mauritius) Limited, a bank incorporated under the laws of Mauritius and a wholly owned subsidiary of the Hong Kong and Shanghai Banking Corporation Limited, and duly licensed to do business in Mauritius, and having an office at HSBC Centre, 18 Cybercity, Ebene, Mauritius, for the remittance of all cash and currency of the Subsidiary for the purpose of inward investment into India by the Subsidiary and in respect of remittances from such investments.

The Company and the Subsidiary shall issue consolidated accounts.

Until the Effective Date of Change

The sub-fund seeks long term capital growth by investing primarily in a diversified portfolio of investments in equity and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of India, as well as those companies which carry out a preponderant part of their business activities in India. Whilst there are no capitalisation restrictions, it is anticipated that the sub-fund will seek to invest across a range of market capitalisations with a bias to medium and large companies.

The sub-fund intends to invest part or all of the net proceeds of the issue of Shares in HSBC GIF Mauritius Limited, HSBC Centre, 18 Cyber City, Ebene, Mauritius (the "Subsidiary") which is a Mauritian company wholly-owned by the Company. Under normal market conditions, the Subsidiary will invest substantially all of its assets in Indian equities and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of India.

The remainder of the net proceeds of the issue of Shares will be invested directly in equity and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of India. The investment objectives of the Subsidiary are in line with those of Indian Equity and the Subsidiary will apply the Company's investment restrictions as outlined in this Prospectus.

The Subsidiary was incorporated in Mauritius on 3 October 1995. It is wholly-owned by the Company. It will issue ordinary Shares and redeemable preference Shares only to the Company's Indian Equity fund. The Subsidiary is registered with the Mauritius Financial Services Commission and has obtained a certificate of tax residency from the Mauritius Revenue Authority in Mauritius (Please refer to Section 2.18. "Taxation").

The directors of the Subsidiary are responsible, *inter alia*, for establishing the investment objectives and policy of the Subsidiary, for monitoring the Subsidiary's investments and performance and for providing advisory services to the exclusive benefit of the Company, including in relation to massive redemptions in the sub-fund.

The Subsidiary has appointed CIM Fund Services (previously known as Multiconsult Limited), Rogers House, 5 President John Kennedy Street, Port Louis, Mauritius, to provide administrative services to the Subsidiary in Mauritius, including maintenance of its accounts, books and records. The Subsidiary has appointed KPMG Mauritius of KPMG Centre, 30 St George Street, Port Louis, Mauritius, as auditors of the Subsidiary in Mauritius to perform the auditor's duties required by Mauritius law.

The Subsidiary has appointed the Depositary Bank as custodian over its assets. The Company has appointed HSBC Bank (Mauritius) Limited, a bank incorporated under the laws of Mauritius and a wholly owned subsidiary of the Hong Kong and Shanghai Banking Corporation Limited, and duly licensed to do business in Mauritius, and having an office at HSBC Centre, 18 Cybercity, Ebene, Mauritius, for the remittance of all cash and currency of the Subsidiary for the purpose of inward investment into India by the Subsidiary and in respect of remittances from such investments.

The Company and the Subsidiary shall issue consolidated accounts.