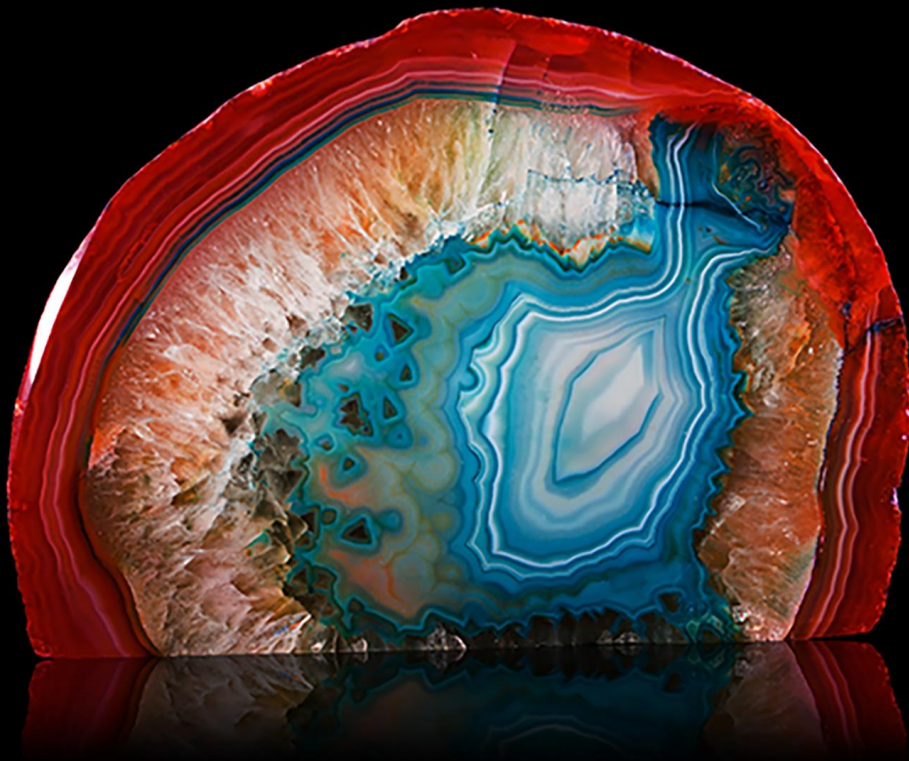


Asset Management

HSBC Specialist Funds Limited

Alternative Fund Supplement

Date: 4 October 2022



HSBC

Opening up a world of opportunity

This document (the “Alternative Fund Supplement”) is supplemental to the prospectus of the HSBC Specialist Funds Limited (the “Company”) dated 4th October 2022 (as it may be amended or supplemented from time to time, the “Prospectus”) and relates to the offer of Shares designated as forming the Fund known as the “Alternative Fund”, which is divided into two classes of Shares. Terms defined in the Prospectus have the same meanings in this Alternative Fund Supplement unless the context of this Alternative Fund Supplement requires otherwise, and with the Prospectus together constitutes the Prospectus for the offer of the Shares.

This Alternative Fund Supplement is an integral part of the Prospectus issued by the Company and the distribution of this Alternative Fund Supplement is not authorized unless it is accompanied by the Prospectus. The Prospectus contains essential details of the Company and applies in every respect save as it may be modified by this Alternative Fund Supplement. This Alternative Fund Supplement should be read in conjunction with the information appearing in the Prospectus and the documents described therein.

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Investment Objective

The objective of Fund is to provide a total return from selected investment in a number of hedge funds, which utilize and trade a range of different strategies and markets worldwide in order to generate long term capital growth. The Fund aims to achieve its objective by generally investing substantially all of its assets in interests of the HSBC GH Fund AP Class of HSBC Portfolio Selection Fund, as investment fund organized in Guernsey, Channel Islands (the "Master Fund"). (The Master Fund's investment objectives and strategies are similar to the Fund. The Master Fund provides a total return from selective investment in a number of hedge funds, which utilize and trade a range of different strategies and markets worldwide. A copy of the Master Fund's prospectus is available upon request (the "Master Fund Offering Document").

Investment Policy

The Fund, through its investment in the Master Fund, aims to make positive returns regardless of market cycle while attempting to limit investment risks. Alternative investments have low correlation to traditional asset class returns and therefore the Fund is designed to complement an investor's portfolio. Investment selection is based on stringent criteria established by the Master Fund and includes quantitative and qualitative evaluation of all prospective and continuing investments. The investment policy of the Fund is to be substantially fully invested, however the Fund may invest in cash or cash equivalents, including money market funds managed by the Manager, during periods of pending investments.

The Manager may also elect to invest in other HSBC funds or other mutual funds ("Other Funds") and may receive additional management fees, commissions or rebates, on the Fund's assets invested in Other Funds, directly from those Other Funds or their sponsors. All related management fees, commissions or rebates received from the Other Funds or their sponsors as a result of the Fund's investment in such Other Funds may be retained for the benefit of the Manager exclusively and note the Fund. The terms of the Fund are as follows:

Key Information for Subscriptions and Redemptions

Offer Price:	Class AC Shares are issued at a subscription price based on the Net Asset Value per Share of the Class. The Fund also has in issue Class LC Shares, however the Board of Directors has determined to close this class to further investment.
Business Day	For purposes of the Fund only, a day (excluding Saturday and Sunday) on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in Bermuda and the United Kingdom.
Dealing Day:	Last Business Day of each calendar month or such other day as the Manager may determine either generally or in any particular case.
Dealing Deadlines-	<p>For new investors in the Fund:</p> <p>When investing in the Fund for the first time, investors should complete the application form, obtainable from the Administrator, the Banker or the Company and submit such form, together with all required ancillary documentation, by hand, post or email to the Administrator or the Banker so as to be received by the Administrator or the Banker no later than 5 business days prior to the applicable Dealing Day (the "Initial Dealing Deadline").</p> <p>Investors purchasing Shares for the first time should complete the relevant application form obtainable from the Administrator, the Banker or the Company and forward it to the Administrator or Banker by hand, post or email in accordance with the details set out in the application form by no later than the Initial Dealing Deadline. Investors who send the duly completed application form via email must also forward the original application form to the Administrator or Banker, as appropriate, together with all referenced supporting documentation including but not limited to any and all money laundering prevention information ("AML Information") by no later than the Initial Dealing Deadline. In the event of a delay or failure on the part of the investor in producing any required AML Information, the Banker, the Company and/or the Administrator may refuse to accept the application for Shares or delay processing the application until such time as all required AML Information has</p>

been duly received and reviewed for and on behalf of the Company. In the event of a refusal to accept the application for Shares, any funds received from the investor will be returned, without interest, in due course to the account from which they were originally debited or dealt with in accordance with Bermuda law. Subsequent investments may be made by post or email. In the case of a subsequent subscription, original versions of the application are not required.

For existing investors in the Fund engaging in new subscriptions or for any investor requesting redemption of all or any part of their holdings of Shares, the applicable Dealing Deadlines are as follows:

For Subscriptions – by no later than 12.00 p.m. (Bermuda time) on the 5th Business Day prior to the Dealing Day.

For Redemptions – by no later than 12.00 p.m. (Bermuda time) on the 5th Business Day prior to the last Business Day of a month in order for the redemption to be effected as of the Dealing Day occurring in the next calendar month. By way of example, for a redemption to be effective as of April 30th, redemption notice must be received by no later than the 5th Business Day prior to the last Business Day in March.

Where applications for Subscription or Redemptions are sent to the Banker, they must be delivered at least an hour earlier than the above noted time (the “Banker Dealing Deadline”) The Banker Dealing Deadline is subject to change from time to time and at any time.

Applications received by the Administrator/Banker up to the Dealing Deadline or Banker Dealing Deadline (as the case may require) will be dealt with on that Dealing Day. Any applications received after the relevant Dealing Deadline or Banker Dealing Deadline, as applicable, will be dealt with on the following Dealing Day.

Valuation Point:	5.00 p.m. (Bermuda time) on the applicable Dealing Day.
Charges and Expenses:	Charges and Expenses are detailed in clause 2.9 of the Prospectus which should be read in conjunction with the section entitled "Fees, Charges and Expenses" in clause 5.4 of the Prospectus.
Minimum Initial Subscription and Minimum Holding:	The minimum initial subscription and minimum holding USD 10,000.
Minimum Subsequent Transaction Level:	The minimum subsequent transaction USD 5,000.
Base Currency:	US Dollars.
Settlement Date:	Payment for the issuance of the Class AC Shares must be received in cleared funds by the Administrator on the applicable Dealing Day, unless the Manager determines otherwise.
Dividends:	All income will be accumulated and it is the current intention of the Director not to declare dividends with respect to Shares of the Fund.
Redemptions:	Subject to any suspension of the determination of the Net Asset Value of the Fund and otherwise as set out in the Prospectus, Shares may be redeemed on any Dealing Day The redemption price in respect of any redemption of Shares will be the Net Asset Value per Share of the Fund as of the applicable Dealing Day. Redemption proceeds will normally be paid within one calendar month of the applicable Dealing Day.
Contact Details for Subscriptions and Redemptions:	HSBC Specialist Funds Limited – Alternative Fund C/o 37 Front Street, Hamilton, HM11, Bermuda. Tel: 1-441-299-6900. Fax: 1-441-279-5800. Email: hsbcfundtrade@hsbc.bm

Investment Restrictions – Master Fund

As the Fund invests substantially all of its assets in the Master Fund, it will indirectly be subject to the investment restrictions set out in the Master Fund Offering Document, which is available upon request and incorporated by reference into this Supplement.

The Directors intend to adopt additional restrictions on their investment powers in respect of the Fund as may be set from time to time in the Prospectus or amendments to this Supplement. Additionally, the Master Fund may vary, waive or implement additional restrictions as may be disclosed in the Master Fund Offering Document from time to time.

Risk Factors

The risk factors relating to the Company and the Fund are set out in the Prospectus and in the Master Fund Offering Document. In addition, the following specific risk factors apply to the Fund:

Hedge Fund Strategies

Investors should be aware that there are certain risks associated with investing in hedge fund strategies. For example, some strategies may utilize leverage and other speculative investment practices that may increase the risk of investment loss, may be less liquid than for example equities, may not be required to provide immediate or on demand pricing or valuation information to investors, may involve complex tax structures, are not subject to the same regulatory requirements as mutual funds, and often charge high fees.

Master Fund

Although the Manager will seek to monitor investment and trading activities of the Master Fund in which the Fund's assets will be substantially invested, investment decisions are made at the level of the Master Fund and it is possible that the manager of the Master Fund will take positions or engage in transactions in the same securities or in issues of the same asset class, industry or country or currency at the same time. Consequently, there is a possibility that the Master Fund may purchase an asset at about the same time as another fund managed by the same manager or an underlying manager may sell it. There can be no assurance that positions taken by the Master Fund will always be consistent. The selection of the Master Fund has been made in a manner to secure the opportunity to have the Shares of the Master Fund redeemed within a reasonable time frame. There is, however, no assurance that the liquidity of the Master Fund will always be sufficient to meet redemption request submitted by the Fund which corresponds to the Fund's Shareholders' redemption requests.

Valuation Risk

The Fund may be subject to valuation risk due to the manner in which the Master Fund's underlying investments are valued. The Master Fund may be valued by its fund administrator which may be affiliated to its fund manager, or by the fund manager itself, resulting in valuations which are not verified by an independent third party on a regular or on a timely basis. Accordingly, there is a risk that the valuations of the Fund may not reflect the true value of such Master Fund's holdings at a specific valuation point, which could result in significant losses for the Fund.

Fees, Charges and Expenses

Under the terms of the Management Agreement, the Manager is entitled to receive from the Company in respect of the Fund, a monthly management fee of up to 2.5% per annum of the average of the daily value of the net assets of the Fund during the month (the "Management Fee") and to be reimbursed its out-of-pocket expenses.

The Manager, out of the management fee it receives for its services, shall be responsible for the payment of the fees and expenses of the Custodian and the Administrator and will also bear the Company's pro rata share of any expenses indirectly incurred by the Company as a result of its investment in the Master Fund. The current management fee attributable to each Class of Share, expressed as a per annum percentage of the Class's Net Asset Value is currently as follows 1%.

The Manager is entitled in its absolute discretion to increase (or decrease) this percentage from time to time up to a maximum Management Fee of 2.5% per annum for the Fund. The Manager may also rebate any Management Fee, either generally or in any particular case, in its sole discretion.

The Management Fees is accrued at each Valuation Point and paid monthly at the Class level. The Management Fee is calculated by taking the 'net asset value before variable accruals' at the Class level multiplied by the annual fee rate per class level (as set out above); divided by 365; and multiplied by the number of days in the valuation period.

Listing

The Shares of the Fund issued, or to be issued, have been or will be listed on the Bermuda Stock Exchange. It is not anticipated, at this time, that the Fund Shares will be listed on any other stock exchange.

