

# HSBC Managed Portfolios Limited

## Prospectus

Date: 28 February 2025



# Contents

---

1.	Important Information	2
2.	General Information	5
2.1.	The Company	5
2.2.	Investment Objectives And Policies Of The Company	5
2.3.	Share Class and Denomination Within A Portfolio Information	6
2.4.	Taxation	7
2.5.	Definitions	7
3.	Company Details	11
3.1.	How To Buy Shares/Subscription	11
3.2.	Share Issuance and Redemption	12
3.3.	How To Convert Between Portfolios	13
3.4.	Borrowing Powers and Investment Restrictions	13
3.5.	General Risk Considerations	14
3.6.	Price of Shares, Publication of Prices and NAV	19
3.7.	Dividends	22
4.	Portfolio Information	24
4.1.	List of the Portfolios Available	24
4.2.	Portfolios Details	24
5.	Management and Administration	35
5.1.	Directors	35
5.2.	Investment Manager	36
5.3.	Custodian	36
5.4.	Administrator and Registrar	36
5.5.	Auditors	36
5.6.	Meeting and Reports to Shareholders	36
5.7.	Conflicts of Interest	37
5.8.	Charges and Expenses	37
5.9.	Taxation	39
5.10.	Material Contracts	41
6.	Appendices	43
6.1.	Summary of the Company's Bye-laws	43
6.2.	Directory	45

---

# 1. Important Information

**THIS PROSPECTUS IS IMPORTANT; IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS PROSPECTUS YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT, OR AN INDEPENDENT FINANCIAL ADVISER.**

Notwithstanding the investment objective of each Fund, it should be appreciated that the value of the Shares may go down as well as up. It should be noted that an investment in a Fund is different in nature from a bank deposit and the principal in a Fund is capable of fluctuation.

Details of certain investment risks for an investor are set out under "Risk Warnings".

The Directors, whose names appear in Section 5.1, accept responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

Certain terms used in this Prospectus are defined in this document.

The distribution of this Prospectus and the offering of Shares in certain jurisdictions may be restricted and accordingly persons into whose possession this Prospectus comes are required by the Company to inform themselves about, and to observe, such restrictions. Prospective applicants for Shares should inform themselves as to legal requirements also applying and any applicable exchange control regulations and applicable taxes in the countries of their respective citizenship, residence or domicile. This Prospectus does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer is not authorized or to any person to whom it is unlawful to make such offer or solicitation.

The Shares are offered on the basis of the information and representations contained in this Prospectus and any further information given or representations made by any person may not be relied upon as having been authorized by the Company or its Directors. Neither the delivery of this Prospectus nor the allotment or issue of Shares shall under any circumstances create any implication that the information given in this Prospectus is correct as of any time subsequent to the date of this Prospectus.

Certain provisions of the Bye-Laws and other documents are summarized in this Prospectus, but it should not be assumed that the summaries are complete and such summaries are qualified in their entirety by the contents of the documents they purport to summarize.

The Company has been authorized as a Bermuda Standard Fund by the Bermuda Monetary Authority (the "BMA") pursuant to the Investment Funds Act 2006, as amended (the "IFA"). As such, the Company is subject to regulation and supervision as provided for in the IFA. However, the Company should be viewed as an investment suitable only for investors who can fully evaluate and bear the risks involved.

Permission under the Exchange Control Act, 1972 (and Regulations made thereunder) has been obtained from the BMA for the issue of up to 100 founders' shares par value each US\$0.01. Approvals or permissions received from the BMA do not constitute a guarantee by the BMA as to the performance of the Company or creditworthiness of the Company. Furthermore, in giving such approvals or permission, the BMA shall not be liable for the performance or default of the Company or for the correctness of any opinions or statements expressed. In addition, a copy of this Prospectus has been delivered to the Registrar of Companies in Bermuda for filing pursuant to The Companies Act, 1981. In accepting this Prospectus for filing, the Registrar of Companies in Bermuda accepts no responsibility for the financial soundness of any proposal or for the correctness of any of the statements made or opinions expressed with regard to them.

Persons interested in acquiring Shares should inform themselves as to (i) the legal requirements within the countries of their nationality, residence, ordinary residence or domicile for such acquisition; (ii) any foreign exchange restrictions or exchange control requirements which they might encounter on the subscription, acquisition, sale or redemption of

Shares; and (iii) the income tax and other taxation consequences which might be relevant to the acquisition, holding or disposal of Shares.

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

This Prospectus includes particulars given in compliance with the Listing Regulations of the Bermuda Stock Exchange for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus and confirm, having made all reasonable enquiries that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

The Bermuda Stock Exchange takes no responsibility for the contents of this Prospectus, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon any part of the contents of this Prospectus.

This Prospectus should be read in its entirety, before making any application for Shares.

All Shareholders are entitled to the benefit of, are bound by and are deemed to have notice of the provisions of the Memorandum of Association and Bye-laws of the Company.

### **Data Privacy Notice**

For information on Data Privacy Notice, please refer to the 'Data Privacy Notices' link found on the Asset Management public website found here:

- ◆ Institutional Investor: <https://www.assetmanagement.hsbc.bm/en/institutional-investor/privacy-policy#openTab=1>.
- ◆ Retail Investor: <https://www.assetmanagement.hsbc.bm/en/individual-investor/privacy-policy#openTab=1>.

### **Restrictions**

The distribution of this Prospectus and the offering or purchase of Shares may be restricted in certain jurisdictions. No persons receiving a copy of this Prospectus or the accompanying application form in any such jurisdiction may treat this Prospectus or such application form as constituting an invitation to them to subscribe for Shares, nor should they in any event use such application form unless, in the relevant jurisdiction, such an invitation could lawfully be made to them and such application form could lawfully be used without compliance with any registration or other legal requirement. Accordingly, this Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation. It is the responsibility of any persons in possession of this Prospectus and any persons wishing to apply for Shares, pursuant to this Prospectus or the accompanying application form, to inform themselves of, and to observe all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for Shares should inform themselves as to the legal requirements of so applying and any applicable exchange control regulations and taxes in the countries of their respective citizenship, residence or domicile.

Distribution of this Prospectus is not authorized in any jurisdiction after publication of the latest annual report and audited accounts of the Company unless accompanied by a copy of such report and audited accounts or the then latest published annual report and audited accounts of the Company and, if published after such report or annual report, a copy of the latest semi-annual report and unaudited accounts. Such reports and this Prospectus form the Prospectus for the issue of Shares in the Company.

**United States**

The Shares in the Company have not been and will not be registered under the United States Securities Act of 1933 (the "Securities Act") or under the securities laws of any state and the Company has not been and will not be registered under the Investment Company Act 1940 (the "Investment Company Act"). This Prospectus may not be distributed, and the Shares in the Company may not be offered or sold within the United States or to US Persons, (as specified under "US Person" definition of the Prospectus), except in a transaction not subject to, or pursuant to an exemption from, the registration requirements of the Securities Act and any applicable state securities laws and which would not require the Company to register under the Investment Company Act.

**Canada**

The Shares described in this Prospectus may only be distributed to Canadian nationals or in Canada exclusively through HSBC Securities Inc., by way of exempt distribution to accredited investors as defined in National Instrument 45-106 Prospectus and Registration Exemption who qualify as permitted clients under National Instrument 31-103 - Registration Requirements, Exemptions and On-going Registrant Obligation. This Prospectus may not be used to solicit, and will not constitute a solicitation of, an offer to buy Shares to Canadian nationals or in Canada unless such solicitation is made by HSBC Securities Inc. For the avoidance of doubt, the Shares may be solicited or offered to Canadian non-residents providing that their registered addresses are not in Canada.

The Bye-laws of the Company give powers to the Directors to impose restrictions on the holding of Shares or the transfer of Shares in certain circumstances.

Shares are offered only on the basis of the information contained in this Prospectus. Any further information or representation given or made by any dealer, salesman or other person should be disregarded and accordingly should not be relied upon. Neither the delivery of this Prospectus nor the offer, issue or sale of Shares shall, under any circumstances, constitute a representation that the information given in this Prospectus is correct as of any time subsequent to the date of this Prospectus. Statements made in this Prospectus are based on Bermuda law and practice currently in force.

## 2. General Information

### 2.1. The Company

HSBC Managed Portfolios Limited (the "Company"), formerly All Points Managed Portfolios Limited, has been incorporated in Bermuda as an exempted company to carry on the business of a mutual fund and, as such, has the power to issue and redeem its Shares at the Net Asset Value as calculated in the manner described herein.

The Company is a mutual fund company incorporated with limited liability in Bermuda with unlimited duration as of 31 December 2004, in accordance with the Companies Act 1981 (the "Act") and is authorized as a Standard Fund under the Act. The Company is open-ended in that it can issue and redeem its Shares at prices based upon the Net Asset Value per Share. The Company offers investors, within the same investment vehicle, a choice of investments in one or more sub-funds (each a "Portfolio"), in respect of which a separate portfolio of investments is held, which are distinguished among others by their specific investment policy and objective and/or by the currency of denomination (a "Base Currency"). Within each Portfolio, shares may be offered in different classes which are distinguished by specific features (each a "Class"), as more fully described in Section 4.2 herein, entitled "Portfolios details". Additional Classes of Shares may also be created from time to time at the discretion of the Directors.

The Company seeks to provide a comprehensive range of Portfolios with the purpose of spreading investment risk and satisfying the requirements of investors seeking to emphasise income, capital conservation and/or capital growth as detailed in relation to the specific Portfolios. A list of the currently offered Portfolios is set out in Section 4 hereof.

The Company is managed by HSBC Global Asset Management (Bermuda) Limited (the "Manager"), a wholly-owned subsidiary of HSBC Bank Bermuda Limited.

The Directors may, from time to time, determine when a Class or Portfolio is open or closed for subscriptions.

A revised Prospectus or Supplement containing details of any new Fund or class of Shares will be issued by the Directors at the time of the creation of such Fund or class of Shares.

In order to give effect to the various rights and privileges, fee structure and other terms attaching to each Class of Share, each Fund's assets and liabilities will be segregated into separate Classes with a Fund. Proceeds from the issuance of Shares of a particular Class will be applied in the books of the Company to the applicable Class within each Fund.

The Company has the power to issue and redeem its Shares at prices based upon the value of the net assets of the underlying Portfolio. Details concerning issues and redemptions and the calculation of the applicable subscription and redemption prices are set out later in this Prospectus.

The assets, liabilities, income earnings, costs and expenses attributable to a Portfolio will, in accordance with the Bye-Laws, be applied to that Portfolio and kept separate and segregated from those generally attributable to the Company and/or other Portfolios. Any assets, liabilities, income, earnings, costs and expenses not attributable to a particular Portfolio will be allocated between all Portfolios in such manner, and on such basis, as the Directors in their discretion deem fair and equitable (which basis may be varied from time to time).

It should be remembered that the price of Shares might go down as well as up.

### 2.2. Investment Objectives And Policies Of The Company

The Company seeks to provide a comprehensive range of Portfolios with the purpose of spreading investment risk and satisfying the requirements of investors seeking to emphasise income, capital conservation and/or capital growth as detailed in relation to the specific Portfolios.

In carrying out the investment objectives of the Company for and on behalf of each Portfolio, the Directors at all times seek to maintain an appropriate level of liquidity in the assets of the applicable Portfolio so that redemptions of shares under normal circumstances may be made without undue delay upon request by the Shareholders.

Whilst using their best endeavours to attain the investment objectives, the Directors cannot guarantee the extent to which these objectives will be achieved. The value of the shares and the income from them can fall as well as rise and investors may not realise the value of their initial investment. Changes in the rates of exchange between currencies may also cause the value of the shares to diminish or to increase.

The Directors may from time to time, by amendment of this Prospectus, establish further Portfolios which may have different investment objectives and policies to those detailed in Section 4.2 herein, entitled "Portfolios" details.

## 2.3. Share Class and Denomination Within A Portfolio Information

The Directors have authority to issue different Classes of Shares in a Portfolio. The subscription proceeds of all shares in a given Portfolio are invested in one common underlying basket of investments for such Portfolio. Details of the characteristics of such Share Classes and the Portfolio in which they participate, will be determined by the Directors and disclosed in the Company's Prospectus from time to time. Set out in Section 4 hereof is a list of the current Portfolios and Class of Shares offered by the Company as at the date of this Prospectus.

Further, it should be noted that within each Share Class of a Portfolio, the Company shall be entitled to create different sub-classes of Shares, distinguished by their Class name and their income distribution policy (i.e. Capital-Accumulation (C), Distribution (D)) and/or by any other criterion to be stipulated by the Directors. Additionally, a sub-class of Shares identified with a (P) shall be available for investment only by those entities approved by the Manager who are responsible for investing pension assets.

Distribution Shares are identifiable by a "D" following the Portfolio and Class names (e.g.: World Selection 1 Class AD) and Capital-Accumulation are identifiable by a "C" following the Portfolio and Class names (e.g. World Selection 1 Class IC).

The Portfolios and Classes existing as at the date of this Prospectus are as follows:

<b>Portfolio</b>	<b>Class</b>
World Selection 1	AC
World Selection 1	AD
World Selection 1	IC
World Selection 1	ID
World Selection 1	LC
World Selection 1	P1C
World Selection 2	AC
World Selection 2	AD
World Selection 2	IC
World Selection 2	LC
World Selection 2	P2C
World Selection 3	AC
World Selection 3	AD
World Selection 3	IC
World Selection 3	LC
World Selection 3	P3C
World Selection 4	AC
World Selection 4	IC
World Selection 4	LC

<b>Portfolio</b>	<b>Class</b>
World Selection 4	P4C
World Selection 5	AC
World Selection 5	IC
World Selection 5	LC
World Selection 5	P5C

The different Classes offered in relation to each Portfolio are described in further detail in the relevant table in Section 4.2 herein, entitled "Portfolios details". In case of the creation of additional Classes of Shares and/or Portfolios, this Prospectus will be updated.

## 2.4. Taxation

At the date of this Prospectus, there is no Bermuda income, corporation or profits tax, withholding tax, capital gains tax, capital transfer tax, estate duty or inheritance tax payable by the Company or its Shareholders, other than Shareholders ordinarily resident in Bermuda. Neither the Company nor its Shareholders will be subject to stamp duty on the issue, transfer or redemption of Shares or partnership interests, as the case may require.

The Company has received an undertaking from the Minister of Finance of Bermuda under the Exempted Undertakings Tax Protection Act 1966, as amended, that, in the event that there is enacted in Bermuda any legislation imposing (i) tax computed on profits or income, (ii) tax computed on any capital assets, gain or appreciation or (iii) any tax in the nature of estate duty or inheritance tax, such tax shall not, until 31 March 2035, be applicable to the Company or to any of its operations, shares or other obligations except insofar as such tax applies to persons ordinarily resident in Bermuda and holding such shares or other obligations of the Company.

Prospective purchasers should consult their own tax advisers in the countries of their nationality, citizenship, residence, domicile, ordinary residence and place of business to determine the possible tax or other consequences of purchasing, holding and redeeming shares of the Company under the laws of their respective jurisdictions.

## 2.5. Definitions

### In this Prospectus:

<b>Accumulating Share Class</b>	means any Class of Shares in a Fund in respect of which the net income and capital gains attributable to that class is retained and reflected in the price of Shares and not paid out.
<b>Administrator</b>	means HSBC Securities Services (Bermuda) Limited or such other person from time to time appointed by the Company as the administrator of the Company;
<b>Administration Agreement</b>	means the agreement dated 8 November 2017 between the Company and the Administrator as amended, supplemented or otherwise modified from time to time;
<b>Banker</b>	means HSBC Bank Bermuda Limited;
<b>Base Currency</b>	means the principal currency in which Shares of the Portfolio are issued, and in which Report and Accounts are produced;
<b>Bermuda Stock Exchange</b>	means the Bermuda Stock Exchange and any successor thereto;
<b>BMA</b>	means the Bermuda Monetary Authority or any successor authority;
<b>Business Day</b>	means a day on which the banks in Bermuda are open for business and/or such other day or days in addition thereto or in substitution therefor as may from time to time be determined by the Manager or Directors either in any particular case or generally;

<b>Bye-laws</b>	means the Bye-laws of the Company as may be amended from time to time;
<b>Canadian Resident</b>	<ol style="list-style-type: none"> <li>1. An individual, if <ol style="list-style-type: none"> <li>a. the individual's primary principal residence is located in Canada; or</li> <li>b. the individual is physically located in Canada at the time of the offer, sale or other relevant activity.</li> </ol> </li> <li>2. A corporation, if <ol style="list-style-type: none"> <li>a. the corporation's head office or principal office is located in Canada; or</li> <li>b. securities of the corporation that entitle the holder to elect a majority of the directors are held by Canadian Resident individuals (as described above) or by legal persons resident or otherwise located in Canada; or</li> <li>c. the individuals that make investment decisions or provide instructions on behalf of the corporation are Canadian Resident individuals (as described above).</li> </ol> </li> <li>3. A trust, if <ol style="list-style-type: none"> <li>a. the principal office of the trust (if any) is located in Canada; or</li> <li>b. the trustee (or in the case of multiple trustees, the majority of trustees) are Canadian Resident individuals (as described above) or are legal persons resident or otherwise located in Canada; or</li> <li>c. the individuals that make investment decisions or provide instructions on behalf of the trust are Canadian Resident individuals (as described above).</li> </ol> </li> <li>4. A partnership, if <ol style="list-style-type: none"> <li>a. the partnership's head office or principal office (if any) is located in Canada; or</li> <li>b. the holders of the majority of the interests of or in the partnership are held by Canadian Residents (as described above); or</li> <li>c. the general partner (if any) is a Canadian Resident (as described above); or</li> <li>d. the individuals that make investment decisions or provide instructions on behalf of the partnership are Canadian Resident individuals (as described above).</li> </ol> </li> </ol>
<b>Class</b>	Means, within each Portfolio, a separate class of shares of the Company (hereinafter referred to as a "Share Class" or "Class of Shares" or "Class", as appropriate) where the assets attributed to such Share Class will be commonly invested along with other Class of Shares in the same Portfolio but where fees, minimum subscription amount, currency, dividend policy or other feature may differ as between Classes associated with the same Portfolio.
<b>Company</b>	means HSBC Managed Portfolios Limited;
<b>Companies Act</b>	means the Companies Act 1981 of Bermuda (as amended, consolidated or supplemented from time to time);
<b>Custodian</b>	means HSBC Continental Europe or such other person from time to time appointed by the Company as the custodian of the Company;
<b>Custodian Agreement</b>	means the agreement dated 4 January 2021 between the Company and the Custodian as amended, supplemented or otherwise modified from time to time;
<b>Dealing Day</b>	means Wednesday of each week (or if any such Wednesday is not a Business Day, the next following Business Day) and/or such other day or days as the Manager or Directors may determine either generally or in any specific case.
<b>Dealing Deadline</b>	means the time by which an application for subscription or a request for conversion or redemption of Shares in the Company must be received by the Company, as is set out in Section 4.2, which may be amended from time to time, or such other time(s) or day(s) as the Manager or Directors may determine either in any particular case or generally;
<b>Directors</b>	means the directors of the Company for the time being and any duly constituted committee thereof;
<b>Distributing Share Class</b>	means any Class of Shares in a Fund in respect of which the net income attributable to that class will be distributed to Shareholders;
<b>Dollar or US\$ or \$</b>	means the United States Dollar, the lawful currency of the United States of America and includes any successor currency;
<b>Electronic Means</b>	means communications sent by email, SWIFT, computer or by the use of scanned or digital signatures or any other electronic means;
<b>FATCA</b>	means (i) sections 1471 to 1474 of the United States Internal Revenue Code of 1986 and any associated legislation, regulations or guidance, or similar legislation, regulations or guidance enacted

	<p>in any jurisdiction which seeks to implement similar tax reporting and withholding tax regimes and common reporting standards to include the Organisation for Economic Co-Operation and Development Standard for Automatic Exchange of Financial Account Information in Tax Matters as amended from time to time;</p> <p>(ii) any intergovernmental agreement, common reporting standard, treaty, regulation, guidance or any other agreement between Bermuda (or any Bermuda government body) and the United States, the United Kingdom or any other jurisdiction (including any government bodies in such jurisdiction), entered into in order to comply with, facilitate, supplement or implement the legislation, regulations or guidance described in paragraph including without limitation (a) the Agreement between the Government of Bermuda and the Government of the United States of America for Cooperation to Facilitate the Implementation of FATCA signed on 19 December 2013; (b) the Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of Bermuda to improve international tax compliance signed on the 25 November 2013 and (c) the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information; and</p> <p>(iii) any legislation, regulations or guidance in Bermuda giving effect to the matters outlined in the preceding paragraphs (i) and (ii) above including without limitation the USA-Bermuda Tax Convention Act 1986 as amended and the International Co-Operation (Tax Information Exchange Agreements) Act 2005;</p>
<b>Manager</b>	means HSBC Global Asset Management (Bermuda) Limited;
<b>Minimum Holding</b>	means any minimum aggregate holding of Shares in a Class that must be maintained by a Shareholder, the details of which are contained in Section 4.2 herein, entitled "Portfolio details";
<b>Minimum Initial Investment</b>	means any minimum aggregate subscription amount required to initially be invested in the Company, or a Class of Shares by a new subscriber, as the case may require, the details of which are set out in Section 4.2 herein, entitled "Portfolio details".
<b>Minimum Subsequent Transaction</b>	means any minimum aggregate additional subscription amount required to be invested in the Company or a Class, by an existing Shareholder following the Shareholder's initial investment in the Company or Class, details of which are in Section 4.2 herein entitled "Portfolio details";
<b>Net Asset Value of a Portfolio or Net Asset Value per Share</b>	means the net asset value of a Portfolio, the net asset value of a Class of Shares or per Share, as appropriate and determined in accordance with the Company's Bye-laws and in accordance with principles set out under "Net Asset Value" herein;
<b>OECD</b>	means the Organisation for Economic Co-Operation and Development. Current membership can be found at <a href="http://www.oecd.org/about/membersandpartners/">http://www.oecd.org/about/membersandpartners/</a> ;
<b>Offer price</b>	of each Class is based on the Net Asset Value per share of the relevant Portfolio and Class and is quoted to two decimal points.
<b>Portfolio</b>	means a separate pool of assets established and maintained by the Company in connection with one or more Class(es) of Shares created for issue and within which all assets attributable to the holders of the relevant Class or Classes of Shares shall be held and invested in accordance with the investment objectives attributable to such Portfolio.
<b>Redemption price</b>	is based on the Net Asset Value per share of the relevant Class and is quoted to two decimal points.
<b>Retail Investor</b>	means an individual investor or individual person
<b>Secretary</b>	means HSBC Securities Services (Bermuda) Limited;
<b>Shares</b>	means a common share in the capital of the Company, other than a Founders Share, of a par value of US\$0.01 and which is attributable to a Portfolio and a Class of Shares;
<b>Shareholder</b>	means a holder of Shares in the Company;
<b>Supplement</b>	means any Supplement to this Prospectus;
<b>US Law</b>	the laws of the United States of America (including the States and the District of Columbia), its territories, possessions and all other areas subject to its jurisdiction. US Law shall additionally include all applicable rules and regulations, as supplemented and amended from time to time, as promulgated by any US regulatory authority, including, but not limited to, the Securities and Exchange Commission and the Commodity Futures Trading Commission;

---

for the purposes of this restriction, the term US Person ("USP") shall mean the following:

1. An individual who is a resident of the US under any US Law;
2. A corporation, partnership, limited liability company, collective investment vehicle, investment company, pooled account, or other business, investment, or legal entity:
  - a. created or organised under US Law;
  - b. created (regardless of domicile of formation or organisation) principally for passive investment (e.g. an investment company, Portfolio or similar entity excluding employee benefit or pension plans):
    - i. and owned directly or indirectly by one or more USPs who hold, directly or indirectly, in aggregate a 10% or greater beneficial interest, provided that any such USP is not defined as a Qualified Eligible Person under CFTC Regulation 4.7(a);
    - ii. where a USP is the general partner, managing member, managing director or other position with authority to direct the entity's activities;
    - iii. where the entity was formed by or for a USP principally for the purpose of investing in securities not registered with the SEC unless such entity is comprised of non-natural Accredited Investors; or
    - iv. where more than 50% of its voting ownership interests or non-voting ownership interests are directly or indirectly owned by USPs.
  - c. that is an agency or branch of a non-US entity located in the US; or
  - d. that has its principal place of business in the US;
3. A trust created or organised under US Law. A trust (regardless of domicile of formation or organisation) where:
  - a. any settlor, founder, trustee, or other person responsible in whole or in part for investment decisions for the trust is a USP;
  - b. the administration of the trust or its formation documents are subject to the supervision of one or more US courts; or
  - c. the income of which is subject to United States income tax regardless of source.
4. An estate of a deceased resident of the United States at the time of death or the income of which is subject to United States income tax regardless of source. An estate of a deceased person, regardless of the deceased person's residence while alive, where an executor or administrator having sole or shared investment discretion is a USP or the estate is governed by US Law.
5. An employee benefit or pension plan established and administered in accordance with US Law. An employee benefit or pension plan established for employees of a legal entity that is a USP or has its principal place of business in the US.
6. A discretionary or non-discretionary or similar account (including a joint account) where one beneficial owner is a USP or held for the benefit of a USP. A discretionary or similar account held by a dealer or fiduciary organised in the US.

If, subsequent to a Shareholder's investment in the Company, the Shareholder becomes a US Person, such Shareholder (i) will be restricted from making any additional investments in the Company and (ii) as soon as practicable have its Shares compulsorily redeemed by the Company (subject to the requirements of the Bye-laws and the applicable law).

The Company may, from time to time, waive or modify the above restrictions.

## US Person

---

## Valuation Day

means Thursday of each week (or if any such Thursday is not a Business Day, the next following Business Day) and/or such other day or days as the Directors may determine either generally or in any specific case.

---

## 3. Company Details

### 3.1. How To Buy Shares/Subscription

#### 3.1.1. Application

Applications to purchase Shares of a Class may be made with respect to each Dealing Day or at such other time as the Directors may determine on prior notification to Shareholders.

When investing in a Share Class of the Company for the first time, investors should complete the application form (obtainable from the Administrator, the Banker or the Company) and submit the duly completed application form, together with all required ancillary documentation, by hand or post to the Administrator or the Banker so as to be received by the Administrator or the Banker no later than 5 business days ("the "dealing deadline") prior to the applicable Dealing Day. All Retail Investors must transact in Shares through the Banker or other duly appointed distributor of the Company's shares.

Applications received by the Administrator or the Banker up to the Dealing Deadline will be dealt with on the applicable Dealing Day. Any applications received after the relevant Dealing Deadline will be dealt with on the next occurring Dealing Day. The Company reserves the right to refuse applications for subscriptions at its discretion. Shares are issued at an offer price based upon the Net Asset Value per Share of the relevant Class as at the applicable Dealing Day.

Additional subscriptions for Shares may be made by hand, post and email.

The Dealing Deadline for each Share Class are indicated in Section 4.2 herein, entitled "Portfolios details", for each Portfolio and Share Class of the Company.

Investors, who send the duly completed application form via email, must also forward the original duly completed 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 supporting documentation and/or AML Information, the Banker, the Company and/or the Administrator may, in their sole discretion, refuse to accept the application for Shares or delay processing the application until such time as all required information has been duly received and reviewed for and on behalf of the Company. In the event of a refusal to accept an application for Shares, any funds received from the investor will be returned, without interest, and in due course, to the account from which they were originally debited or dealt with in accordance with Bermuda law. Subsequent investments, using the subsequent transaction form, may be made by hand, post, or email. In the case of subsequent applications, the original version of the subsequent transaction form is not required however the Administrator, the Banker and/or the Company reserve the right to request up to date AML Information at any time and from time to time.

Retail Investors are required by the Banker, as a distributor of the Company Shares, to hold their interest in Shares with respect to each Fund through a third party as their shareholder custodian for such shareholding. The Banker will assist with the establishment of a shareholder custody account with the shareholder custodian. The Banker will, on behalf of Retail Investors, conduct all dealing in Shares through such shareholder custody account.

It should be noted that Shares acquired through the Banker and held by a shareholder custodian on behalf of Retail Investors, will be registered in the name of the shareholder custodian and not the Retail Investor. All rights in respect of those Shares will be exercisable against the Company only through the shareholder custodian. The Company will deal with the shareholder custodian as the registered Shareholder.

#### 3.1.2. Acceptance

The Company, or the Manager acting on behalf of the Company, reserves the right to reject any subscription application in whole or in part for any reason and without prior notice.

If an application is rejected, the application monies, or balance thereof, will be returned, at the risk and expense of the subscriber and without interest, generally within four Business Days of rejection.

### 3.1.3. Settlement

Settlement may be made by electronic transfer net of bank charges to the relevant correspondent bank(s) quoting the applicant's name and stating the appropriate Portfolio and Class into which settlement monies are paid. Details of the relevant correspondent bank(s) are given on the application form.

### 3.1.4. Share Allocation

Shares are not allocated until cleared funds have been received by the Company or to its order. Cleared monies must be received by the Company, or by a correspondent bank to its order, no later than the deadlines set forth in Section 4.2 herein, entitled "Portfolios details".

If full settlement is not received by the Company, or to its order, in cleared funds by the due date, the Company reserves the right to cancel the provisional allotment of Shares without prejudice to the right of the Company to obtain compensation of any loss directly or indirectly resulting from the failure of an applicant to effect settlement.

### 3.1.5. Contract Notes

Contract Notes are emailed to the investor on the allocation of Shares, to the email address on the Application Form and/or on file. The Shareholder's personal account number is included in the Contract Note and should be quoted on all further correspondence.

## 3.2. Share Issuance and Redemption

### 3.2.1. Request

Redemption requests should be made to the Company, either directly to the Administrator or the Banker. All Retail Investors must transact in Shares through the Banker or other duly appointed distributor of the Company's shares. Redemption requests may be sent by letter or email.

Valid instructions to redeem shares of any Class in a Portfolio received prior to the applicable dealing cut-off times, as described in Section 4.2 herein, entitled "Portfolios details" for each Portfolio, will normally be dealt with on such Dealing Day. Any validly completed redemption request received after the dealing cut-off times will be dealt with on the next applicable Dealing Day.

Requests for redemption once made may only be withdrawn or cancelled in the event of a suspension of calculation of the Net Asset Value or redemptions on the applicable Dealing Day for Shares of the relevant Portfolio.

### 3.2.2. Settlement

Generally, net redemption proceeds shall be paid in the Base Currency of the Portfolio concerned, no later than the dates defined in Section 4.2 herein, entitled "Portfolios details". Payment will be made to the Shareholder's bank account designated in its subscription documents. A Shareholder may change the designated bank account by providing a written original request to the Banker in advance of tendering a redemption request, in such form as the Banker may approve from time to time.

If payment is made by telegraphic transfer at the request of the Shareholder, any costs so incurred will be the liability of the Shareholder. The payment of the redemption proceeds is carried out at the risk of the Shareholder.

In the event the Company, Banker or Administrator requires any documentation from a Shareholder (including but not limited to applicable know your client information) such documentation must be delivered by a redeeming Shareholder and duly received by the Company prior to any redemption proceeds being paid to such Shareholder.

### 3.2.3. Compulsory Redemptions

The Bye-laws of the Company empower the Directors in their sole and absolute discretion to compulsorily redeem all or a portion of a Shareholder's Shares at any time for any reason, at the relevant redemption price per Share. The Directors anticipate exercising such powers if, among other things, as a result of any transfer or redemption, a Shareholder's holding of Shares falls below a Net Asset Value equal to the Minimum Holding of the relevant Class of Shares, or if to do so, in the Directors' sole opinion, would eliminate or reduce the exposure of the Company or any Fund or its Shareholders to adverse tax consequences under the laws of any country or if the acquisition or holding of Shares might be expected to prejudice, or risk prejudicing, in any way the Company, any Fund or the Shareholders. The Directors are required by the Company's Bye-laws to give 30 days' written notice to Shareholders before exercising this power.

### 3.2.4. Deferral Of Redemption

In the event that redemption requests are received for the redemption of Shares of any Class representing in the aggregate more than 10% of the total number of Shares of the relevant Class outstanding, the Company will be entitled to reduce the requests rateably and pro rata among all shareholders seeking to redeem Shares of the relevant Class on the relevant Dealing Day and carry out only sufficient redemptions which, in the aggregate, amount to 10 % of the Shares of the relevant Class outstanding.

Shares of the relevant Class which are not redeemed but which would otherwise have been redeemed will be redeemed on the next Dealing Day (subject to further deferral if the deferred requests themselves exceed 10% of the Shares outstanding) in priority to any other Shares of the same Class for which redemption requests have been received. Shares will be redeemed at the Net Asset Value per Share prevailing on the Valuation Day immediately following the Dealing Day on which they are redeemed.

## 3.3. How To Convert Between Portfolios

Subject to Shareholders being eligible to invest in a given Class, Shares of different Classes in any Portfolio may be converted into different Classes of the same or other Portfolios within the Company on any Dealing Day. Completed requests received before the dealing cut-off time will be dealt with on that Dealing Day. Requests received after the dealing cut-off time are deemed received the next Dealing Day.

The Company reserves the right to reject any conversion application in whole or in part.

If compliance with conversion instructions would result in a residual holding in any one Portfolio or Class of less than the minimum holding, the Company may compulsorily redeem the residual shares at the Redemption Price ruling on the relevant Dealing Day and make payment of the proceeds to the Shareholder.

Investors in capital-accumulation Share Classes can convert their holding to distribution Share Classes, where available, in the same way as other Portfolios and vice versa.

A conversion charge of up to 1% of the value of the Shares which are being converted may be payable to the relevant distributor. If a currency conversion needs to be effected, because the Net Asset Values per Share of the Shares are in different currencies, the currency conversion rate of the relevant Dealing Day will be used.

## 3.4. Borrowing Powers and Investment Restrictions

The Bye-laws of the Company provide that the Directors may exercise all the powers of the Company to borrow money and to mortgage, charge or pledge its undertaking, property and uncalled capital, or any part thereof, and may issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or any third party.

The current policy of the Directors with respect to the Company provides that the Directors shall not exercise the power to borrow if the total amount for the time being of borrowed moneys exceeds or would exceed an amount

equal to 10 per cent of the value of net assets of a Portfolio at the relevant time and provided further that the Directors shall not make any borrowings other than to meet requests for redemption or when funds are required for investment.

**The Company is not subject to any investment restrictions.**

### 3.5. General Risk Considerations

Investment in the Company and any Portfolio and/or Class of Shares carries with it a degree of risk, including, but not limited to, those referred to below. Potential investors should review the Prospectus in its entirety and consult with their legal, tax and financial advisors prior to making a decision to invest.

The value of investments and the income derived therefrom may fall as well as rise and investors may not recoup the original amount invested in the Company, its Portfolios or any Class of Shares. An investment should only be made by those persons who are able to sustain a loss on their investment.

There can be no assurance that the Company, its Portfolios or any Class of Shares will achieve their respective investment objectives and past performance should not be seen as a guide to future returns. An investment may also be affected by any changes in exchange control regulation, tax laws, withholding taxes and economic or monetary policies. An investment in any of the Portfolios is not guaranteed.

#### **Conflicts**

There are potential conflicts of interest which may arise between the Company and those persons and entities which are involved as managers of the investment funds. Managers normally manage assets of other clients that make investments similar to those made on behalf of the Company and such clients could thus compete for the same trades or investments. Whilst available investments or opportunities are generally allocated to each client in a manner believed to be equitable, some of those allocation procedures may adversely affect the price paid or received for investments or the size of positions obtained or disposed of. Conflicts may also arise as a result of other services provided by the affiliates of the HSBC Group, which may provide advisory, custodial or other services to other clients and to some of the Collective Investment Schemes in which the Company invests.

The Company may also invest in other investment funds which are managed by the Manager or entities affiliated with the Manager (collectively referred to herein as the "Manager") of the Company. The directors of the Manager may also be directors of other investment funds and the interest of such other investment funds and of the Company could result in conflicts. Generally, there may be conflicts between the best interests of the Company and the interests of affiliates of the Manager in connection with the fees, commissions and other revenues derived from the Company or other investment funds. In the event that such a conflict arises, the directors of the Manager will endeavour to ensure that it is resolved in a fair manner.

#### **Changes to Share Value**

Notwithstanding the objective of each of the Distributing Share Classes of the Funds to maintain a stable Net Asset Value, it should be appreciated that the value of Shares and the income from them may fall as well as rise, and that investors may not get back the amount they have invested. For all Funds, changes in exchange rates may cause the value of Shares to go up or down.

#### **No Investment Guarantee Equivalent to Deposit Protection**

Investment in a Fund is not in the nature of a deposit in a bank account and is not protected by any government, government agency or other guarantee scheme which may be available to protect the holder of a bank deposit account.

## Currency Transactions

A Portfolio may engage in currency transactions in order to hedge instruments not denominated in its Base Currency. In this regard, spot transactions and forward contracts are subject to the risk that counterparties will default on their obligations. Since a forward contract is not guaranteed by an exchange or clearinghouse, a default on the contract would deprive a Fund of the hedging benefits of the contract and force a Fund to cover its purchase or sale commitments, if any, at the current market price. The Company, on behalf of a Fund will not enter into such transactions unless the credit quality of the unsecured senior debt or the claims-paying ability of the spot or forward contract counterparty thereto is rated 'A' or better by both Standard & Poor's and Moody's.

## Currency of Reference

Depending on the investor's currency of reference, currency fluctuations may adversely affect the value of an investment.

## Legal Requirements

Persons interested in purchasing Shares should inform themselves as to (a) the legal requirements within their own countries for the purchase of Shares, (b) any foreign exchange restrictions which may be applicable, and (c) the income and other tax consequences of purchase, switching and redemption of Shares.

## Political and/or Regulatory Risks

The value of the assets of a Fund may be adversely affected by uncertainties such as international political and economic developments and change in market conditions, government policies and in legal, regulatory and tax requirement.

## Derivative Risk

Derivatives (such as swaps) are highly specialised instruments that require investment techniques and risk analyses different from those associated with equities and debt securities. The use of a derivative requires an understanding not only of the underlying instrument but also of the derivative itself. In particular, the use and complexity of derivatives require the maintenance of adequate controls to monitor the transactions entered into and the ability to assess the risk that a derivative transaction adds to a portfolio. In an environment of interest rate volatility, derivative instruments, such as interest rate swaps, may be used in order to hedge a Fund against large variations of the market value. These instruments will be used for hedging interest rate risks purpose only. There can be no guarantee or assurance that the use of derivatives will meet or assist in meeting the investment objectives of a Fund.

Where a Fund enters into derivative techniques, it will be exposed to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of a bankruptcy or insolvency of a counterparty, a Fund could experience delays in liquidating the position and may incur significant losses. There is also a possibility that on-going derivative transactions will be terminated unexpectedly as a result of events outside the control of the Investment Manager, for instance, bankruptcy, supervening illegality or a change in the tax or accounting laws relative to those transactions at the time the agreement was originated.

The swap market has grown substantially in recent years with a large number of banks and investment banking firms acting both as principals and as agents utilising standardised documentation. As a result, the swap market has become liquid but there can be no assurance that a liquid secondary market will exist at any specified time for any particular swap. Derivatives do not always perfectly or even highly correlate or track the value of the securities, rates or indices they are designed to track. Consequently, the Manager's use of derivative techniques may not always be an effective means of, and sometimes could be counter-productive to, a Fund's investment objective.

A Fund may utilise both exchange-traded and over-the-counter derivatives, including, but not limited to, futures, forwards, swaps and options for efficient portfolio management. These instruments can be highly volatile and expose investors to a high risk of loss. The low initial margin deposits normally required to establish a position in such instruments permit a high degree of leverage. As a result, depending on the type of instrument, a relatively small

movement in the price of a contract may result in a profit or a loss which is high in proportion to the amount of funds actually placed as initial margin and may result in unquantifiable further loss exceeding any margin deposited. In addition, daily limits on price fluctuations and speculative position limits on exchanges may prevent prompt liquidation of positions resulting in potentially greater losses. Transactions in over-the-counter contracts may involve additional risk as there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of a position or to assess the exposure to risk.

### **Correlation Risk**

A Fund may utilise forward contracts and currency options to seek to hedge against fluctuations in the relative values of a Fund's portfolio positions as a result of changes in currency exchange rates and market interest rates. Hedging against a decline in the value of portfolio positions does not eliminate fluctuations in the values of portfolios positions nor does it prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the positions' value. Such hedge transactions also limit the opportunity for gain if the value of the portfolio positions should increase. Moreover, it may not be possible for a Fund to hedge against any exchange rate or interest rate fluctuation which is so generally anticipated that the Fund is not able to enter into a hedging transaction at a price sufficient to protect the Fund from the decline in value of the portfolio position anticipated as a result of such a fluctuation.

### **Sanctions Risk**

The Company is required to comply with applicable requirements of international financial sanctions, in particular, in relation to the application of such international financial sanctions to its investors.

### **Legal Risk**

Legal risk is the risk of loss due to unexpected application of a law or regulation, or because contracts are not legally enforceable or documented correctly in the context of financial and or other derivative instruments.

### **Pandemic Risk**

An outbreak of an infectious disease, pandemic or any other serious public health concern could occur in any jurisdiction in which a Fund may invest, leading to changes in regional and global economic conditions and cycles which may have a negative impact on the Fund's investments and consequently its Net Asset Value. Any such outbreak may also have an adverse effect on the wider global economy and/or markets which may negatively impact a Fund's investments more generally. In addition, a serious outbreak of infectious disease may also be a force majeure event under contracts relating to the Company thereby relieving a counterparty of the timely performance of the services such counterparties have contracted to provide to the Funds (the nature of the services will vary depending on the agreement in question).

### **Segregation of Assets and Liabilities Between Portfolios and Share Classes**

Each Portfolio and Share Class (and any other Portfolio and/or Share Class maintained from time to time) of the Company is not a separate legal entity. The Company will, in its books and records, segregate the assets and liabilities of each Portfolio and Share Class attributable to it, as the case may require. Whilst the Company may segregate the assets and liabilities attributable to each Portfolio and Share Class it maintains in its books and records, any third party creditor will be a creditor of the Company as the legal entity and if the Company defaults under any liability owed to one or more third parties where the relevant liability is attributable to a particular Portfolio and or Share Class, such third party or third parties will have recourse to all the assets of the Company (i.e. the assets attributable to all Portfolios and Share Classes, and not just the assets of the applicable Portfolio and/or Share Class to which the relevant liability is attributable in the books and records of the Company) to satisfy such liability or liabilities.

**Market Risk**

The value of investments and the income derived therefrom may fall as well as rise and investors may not recoup the original amount invested in the Company. In particular, the value of investments may be affected by uncertainties such as international, political and economic developments or changes in government policies.

**Foreign Exchange Risk**

Because a Portfolio and/or Share Class' assets and liabilities may be denominated in currencies different to the Base Currency, the Portfolio and/or Share Class may be affected favourably or unfavourably by exchange control regulations or changes in the exchange rates between the Base Currency and other currencies. Changes in currency exchange rates may influence the value of a Portfolio and/or Share Class the dividends or interest earned and the gains and losses realised. Exchange rates between currencies are determined by supply and demand in the currency exchange markets, the international balance of payments, governmental intervention, speculation and other economic and political conditions.

If the currency in which a security is denominated appreciates against the Base Currency, the value of the security will increase. Conversely, a decline in the exchange rate of the currency would adversely affect the value of the security.

A Portfolio and/or Share Class may engage in foreign currency transactions in order to hedge against currency exchange risk, however there is no guarantee that hedging or protection will be achieved. This strategy may also limit the Portfolio and/or Share Class from benefiting from the performance of a Portfolio and/or Share Class' securities if the currency in which the securities held by the Portfolio and/or Share Class are denominated rises against the Base Currency. In case of a hedged Class, (denominated in a currency different from the Base Currency), this risk applies systematically.

**Liquidity Risk**

A Portfolio is exposed to the risk that a particular investment or position cannot be easily unwound or offset due to insufficient market depth or market disruption. This can affect the ability of a shareholder to redeem funds from that Portfolio, and can also have an impact on the value of the Portfolio.

Although the Portfolios will invest mainly in other investment funds with similar liquidity to the Company and each Portfolio and Share Class, there may be exceptional circumstances in which such other investment funds cannot guarantee the liquidity of their shares/units. Absence of liquidity may have a determined impact on the Portfolio and the value of its investments.

This liquidity risk is mitigated as the Portfolios will have a well-diversified exposure to a broad range of asset classes.

In addition, the Company manages a robust risk management process effective on a daily basis in identifying, measuring, monitoring and controlling the liquidity risk for all applicable assets classes.

**Interest Rate Risk**

A Portfolio that has exposure to bonds and other fixed income securities may fall in value if interest rates change. Generally, the prices of debt securities rise when interest rates fall, whilst their prices fall when interest rates rise. Longer term debt securities are usually more sensitive to interest rate changes.

**Credit Risk**

A Portfolio which has exposure to bonds and other fixed income securities, is subject to the risk that issuers may not make payments on such securities. An issuer suffering an adverse change in its financial condition could lower the credit quality of a security, leading to greater price volatility of the security. A lowering of the credit rating of a security, may also offset the security's liquidity, making it more difficult to sell. Portfolios investing in lower quality debt securities are more susceptible to these problems and their value may be more volatile.

### **Downgrading Risk**

Investment Grade bonds may be subject to the risk of being downgraded to Non-Investment Grade bonds. In the event of downgrading in the credit ratings of a security or an issuer relating to a security, the Portfolio's investment value in such security may be adversely affected. The Manager may or may not dispose of the securities, subject to the investment objective of the Portfolio. If downgrading occurs, the non-Investment Grade debt risk outlined in the paragraph below will apply.

### **Foreign Account Tax Compliance Act (FATCA)**

Please see the following Tax section for further details on how FATCA could affect your investment.

### **Suspension of Valuation**

The ability to subscribe for, or redeem Shares may be affected by a temporary suspension of the determination of the Net Asset Value of a Portfolio which may take place upon the occurrence of certain events as described under "Temporary Suspension of the Calculation of the Net Asset Value".

### **Non-Investment Grade Debt/Unrated Debt**

A Portfolio which invests in Non-Investment Grade or unrated fixed-income securities carries higher credit risk (default risk and downgrade risk), liquidity risk and market risk than a Portfolio that invests in investments in Investment Grade fixed-income securities.

Credit risk is greater for investments in fixed-income securities that are rated below Investment Grade or unrated fixed income securities which are not of comparable quality with Investment Grade securities. It is more likely that income or capital payments may not be made when due. Thus the risk of default is greater. The amounts that may be recovered after any default may be smaller or zero and the Portfolio may incur additional expenses if it tries to recover its losses through bankruptcy or other similar proceedings.

Adverse economic events may have a greater impact on the prices of Non-Investment Grade and unrated fixed-income securities. Investors should therefore be prepared for greater volatility than for Investment Grade fixed-income securities, with an increased risk of capital loss, but with the potential of higher returns.

The market liquidity for Non-Investment Grade and unrated fixed-income securities can be low and there may be circumstances in which there is no liquidity for these securities, making it more difficult to value and/or sell these securities. As a result of significant redemption applications received over a limited period in a Portfolio invested in Non-Investment Grade or unrated fixed-income securities, the Directors may invoke the procedure permitting the deferral of shareholder redemptions (See Section "Deferral of Redemption" in Section 3.2).

### **Counterparty Risk**

The Company on behalf of a Portfolio may enter into transactions in over-the-counter markets, which will expose the Portfolio to the credit of its counterparties and their ability to satisfy the terms of such contracts.

For example, the Company on behalf of the Portfolio may enter into repurchase agreements, forward contracts, options and swap arrangements or other derivative techniques, each of which expose the Portfolio to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of a bankruptcy or insolvency of a counterparty, the Portfolio could experience delays in liquidating the position and significant losses, including declines in the value of its investment during the period in which the Company seeks to enforce its rights, inability to realise any gains on its investment during such period and fees and expenses incurred in enforcing its rights.

There is also a possibility that the above agreements and derivative techniques are terminated due, for instance, to bankruptcy, supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated. In such circumstances, investors may be unable to cover any losses incurred.

### **Specific Nature Of A Fund of Funds**

Prospective investors should be aware of the specific features of a fund of funds and the consequences of investing in the Collective Investment Schemes. Although the Company will seek to monitor investments and trading activities of the Collective Investment Schemes to which certain Portfolios' assets will be allocated, investment decisions are made at the level of such Collective Investment Schemes and it is possible that the managers of such Collective Investment Schemes 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 one Collective Investment Scheme may purchase an asset at about the same time as another Collective Investment Schemes may sell it.

There can be no assurance that the selection of the managers of the Collective Investment Schemes will result in an effective diversification of investment styles and that positions taken by the underlying Collective Investment Schemes will always be consistent.

The selection of the Collective Investment Schemes will be made in a manner to secure the opportunity to have the shares or units in such Collective Investment Schemes redeemed within a reasonable time frame. There is, however, no assurance that the liquidity of the Collective Investment Schemes will always be sufficient to meet redemption requests as and when made.

### **Duplication Of Costs When Investing In Collective Investment Schemes**

The Company incurs costs of its own management and administration comprising the fees paid to the Manager and other service providers. It should be noted that, in addition, the Company incurs similar costs in its capacity as an investor in the Collective Investment Schemes which in turn pay similar fees to their manager and other service providers. The Directors endeavour to reduce duplication of management charges by negotiating rebates where applicable in favour of the Company with the Collective Investment Schemes or their managers. Please refer to the Section 5.8. "Charges and Expenses" of this Prospectus.

Further, the investment strategies and techniques employed by certain Collective Investment Schemes may involve frequent changes in positions and a consequent portfolio turnover. This may result in brokerage commission expenses which exceed significantly those of the Collective Investment Schemes of comparable size.

The Collective Investment Schemes may be required to pay performance fees to their manager. Under these arrangements the managers will benefit from the appreciation, including unrealised appreciation of the investments of such Collective Investment Schemes, but they are not similarly penalised for realised or unrealised losses.

As a consequence, the direct and indirect costs borne by the Company are likely to represent a higher percentage of the Net Asset Value than would typically be the case with Collective Investment Schemes which invest directly in equity and bond markets (and not through other Collective Investment Schemes).

## **3.6. Price of Shares, Publication of Prices and NAV**

### **3.6.1. Calculation of Net Asset Value**

The subscription and redemption price of a Share is determined at the applicable Valuation Point and is calculated by reference to the value of the net assets attributable to the relevant Class within the relevant Fund, subject to the valuation policies described below.

Where at the relevant time there are no Shares of the relevant Class in issue, the offer price shall be such amount in the underlying Base Currency as the Directors shall determine.

The assets of a Fund comprise the aggregate of:

1. investments owned or contracted to be acquired by the Fund;
2. cash on hand or on deposit, including accrued interest on such deposits;

3. cash payments outstanding on any Shares allotted by the Fund;
4. bills and demand notes and amounts receivable including net amounts receivable in respect of investments contracted to be realised by the Fund;
5. interest accrued on interest-bearing investments of the Fund, except that accrued on securities which is included in the quoted price; and
6. other property and assets of any kind and nature of the Fund, including prepaid expenses and unamortised preliminary expenses as valued and defined from time to time by the Directors.

The liabilities of a Fund are deemed to include:

1. investments contracted to be sold by the Fund;
2. bills and accounts payable by the Fund;
3. management and administrative expenses payable and/or accrued (the latter on a day-to-day basis) in respect of the Fund;
4. the gross acquisition consideration of investments or other property contracted to be purchased by the Fund;
5. reserves authorised or approved by the Directors for duties and charges or taxes or contingencies (accrued where appropriate on a day-to-day basis);
6. the aggregate amount of all borrowings and interest commitment fees and other charges of the Fund arising in connection therewith (accrued where appropriate on a day-to-day basis); and
7. other liabilities of the Fund of whatsoever nature (which shall, where appropriate, be deemed to accrue from day to day), including outstanding payments on any Shares previously redeemed and, as from the record date in respect thereof, any dividends declared and not paid (contingent liabilities, if any, being valued in such manner as the Directors may determine from time to time or in any particular case).

The value of the net assets of a Fund is determined in accordance with the Bye-laws of the Company which also provide, inter alia, that:

1. the Directors at their absolute discretion may permit some other method of valuation to be used if they consider that such valuation better reflects the fair value of any investment or investments;
2. the value of any cash in hand or on deposit, bills and demand notes and amounts receivable, prepaid expenses, cash dividends and interest declared or accrued and not yet received shall be deemed to be the full amount thereof unless the Directors shall have determined that the same is not worth the full amount thereof, in which event the value thereof shall be such as the Directors deem to be the reasonable value thereof;
3. the preliminary expenses of the Company have already been amortised. The preliminary expenses of any additional Fund are to be amortised over a maximum period of five years from the launch of the relevant Fund and are to be included as an asset valued at cost, less amounts amortised;
4. where a Fund has entered into a forward contract for the sale or purchase of currency, the currency required to be delivered by the relevant Fund shall be included in the assets of the relevant Fund at the price payable to the relevant Fund under such contract and there shall be included in the liabilities of the relevant Fund the cost of purchasing as advised to the Fund for the relevant Dealing Day, the contract quantity of that currency on the date for performance of the contract; and
5. any value (whether of a security or of cash) otherwise than in the underlying currency of the relevant Fund is to be converted into such currency at the rate (whether official or otherwise) which the Directors shall, in their absolute discretion, deem appropriate to the circumstances having regard, inter alia, to any premium or discount which they consider may be relevant and to costs of exchange.

The Bye-laws provide that any certification as to the Net Asset Value per Share given in good faith by or on behalf of the Directors is binding on all parties.

In each case, Shares will be sold and redeemed after declaring dividends of substantially all of the Funds' net investment income and net realized investment gains attributable to the Shares daily and by valuing the Company's investments using the amortized cost method. Under this valuation method, the Company's investments are valued at their acquisition cost as adjusted for amortization of premium or accretion of discount rather than at current market value. The Manager will continually monitor any deviation between the value of assets using this method and the current market value and recommend changes, where necessary to ensure that the Company's investments are valued at their fair value as determined in good faith by the Directors. If material deviation occurs, the value of the assets will be adjusted. This method will only be used for investments with a residual maturity of less than 13 months and with a minimum credit rating of investment grade.

The Net Asset Value of any Class of Shares within a Fund is determined by taking the total value of the investments and other assets and income thereon within the relevant Fund attributable to that Class and deducting that Class' expenses and liabilities, in all cases in a manner determined by the Directors. The Net Asset Value per Share of any Class shall be calculated at the time of each determination by dividing the Net Asset Value of the relevant Class by the number of Shares of the relevant Class outstanding.

### 3.6.2. Temporary Suspension of the Calculation of the Net Asset Value and Issue, Allocation, Conversion and Redemption of Shares

The Manager may suspend the determination of the Net Asset Value per Share of any Class for the whole or any part of a period during which any exchange or over-the-counter market on which any significant portion of the investments of a Fund are listed, quoted, traded or dealt in is closed (other than customary weekend and holiday closings) or trading on any such exchange or market is restricted; when circumstances exist as a result of which in the opinion of the Manager it is not reasonably practicable for the Company to dispose of investments comprised in a Fund or as a result of which any such disposal would be materially prejudicial to Shareholders; when a breakdown occurs in any of the means normally employed in ascertaining the value of investments or when for any other reason the value of any of the investments or other assets of a Fund cannot reasonably or fairly be ascertained; or during which the Company is unable to repatriate funds required for the purpose of making payments due on redemption of the Shares of the relevant Class or during which any transfer of funds involved in the realisation or acquisition of investments or payments due on redemptions of the Share cannot in the opinion of the Manager be effected at normal rates of exchange.

No Shares may be issued, converted or redeemed during such period of suspension. The Directors will use their best endeavours to cause notice of their declaration of such suspension to be published and will cause another notice to be so published at the end of any such period of suspension.

### 3.6.3. Offer Price

The offer Price for shares of each Class is based on the Net Asset Value per share of the relevant Portfolio and Class. Offer Prices are quoted to two decimal points.

### 3.6.4. Redemption Price

The redemption Price of shares for each Class is based on the Net Asset Value per share of the relevant Portfolio and Class, Redemption Prices are quoted and rounded to two decimal points.

### 3.6.5. Information On Prices

The prices of each Class are available at the registered office of the Company, at the distributors'/nominee offices and in various publications as determined from time to time by the Directors. Where listed, will be notified by the

Administrator without delay to the Bermuda Stock Exchange following calculation. They are also listed daily on <https://www.assetmanagement.hsbc.bm> and are available on Bloomberg.

### 3.7. Dividends

The Directors have resolved to issue distribution, pay-out and capital-accumulation shares in different Classes of the Portfolios.

#### 3.7.1. Capital-Accumulation Shares

Capital-accumulation shares are identifiable by a "C" following the Portfolio and Class names and do not pay any dividends.

#### 3.7.2. Distribution Shares

Distribution shares are identifiable by a "D" following the Portfolio and Class names (e.g. Class AD).

#### 3.7.3. Declaration and Announcement of Dividends

The distribution policy of the distribution shares can be summarised as follows:

It is the intention of the Directors of the Company to declare semi-annual dividends with respect to the Class A – Dividend classes of the World Selection – 1, World Selection - 2 and World Selection - 3 Portfolios and the Class I – Dividend class of the World Selection - 1 Portfolio, the amount of which may fluctuate depending on market conditions.

The Directors are empowered to declare and pay dividends on any Class of Shares in the Company. It is intended that, with respect to the Class A and Class I – Dividend classes, the majority of each Portfolio's net investment income return (i.e. income from dividends, interest or otherwise, less that Portfolio's accrued expenses to be certified for the accounting period) will normally be distributed by way of dividend. With respect to those Classes, dividends will normally be declared on a semi-annual basis. Where a shareholder has directed that dividends are to be paid in cash, rather than reinvested, dividends will be paid to the account of the shareholder in accordance with the instructions as set out in the Application Form. With respect to the accumulating share classes, shareholders do not receive dividends since their share of income or profits are accumulated and reflected in the Net Asset Value per Share. The dividend policy in respect of any new Class will be set out in the relevant Supplemental Prospectus.

Subject to the statutory test, dividends may be paid out of net income or net realised investment gains at the sole discretion of the Directors. The test is that the Company shall not declare or pay a dividend, if there are reasonable grounds for believing that:

1. the Company is or would after the payment, be unable to meet its liabilities as they become due; or
2. the realisable value of the Company's assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

#### 3.7.4. Payment and Reinvestment of Dividends

Holders of registered shares may, by written request to the Registrar and Transfer Agent or by completion of the relevant section of the Application Form, elect to have dividends relating to any distribution Class of any Portfolio paid out to them. Otherwise dividends will be reinvested automatically in the acquisition of further shares relating to that Portfolio. Such shares will be purchased no later than on the next Dealing Day after the date of payment of the dividend. If a shareholder's dividends are reinvested, there is no preliminary fee payable on the reinvestment. Any dividend paid on a Share that is not claimed will not earn interest and, if not claimed within six years of its declaration, will be forfeited and will be escheated for the benefit of the relevant class of the relevant Portfolio.

Fractions of registered shares will be issued (as necessary) to three decimal points.

Dividends below USD 50, Euro 50 or GBP 30 will in any case be automatically reinvested in accordance with the provisions set out above.

## 4. Portfolio Information

### 4.1. List of the Portfolios Available

HSBC Managed Portfolios Limited – World Selection 1

HSBC Managed Portfolios Limited – World Selection 2

HSBC Managed Portfolios Limited – World Selection 3

HSBC Managed Portfolios Limited – World Selection 4

HSBC Managed Portfolios Limited – World Selection 5

### 4.2. Portfolios Details

The aim of each Portfolio is to provide long term total return by investing in a diversified portfolio across a broad range of assets with a defined degree of risk.

The asset allocation of the Portfolios is actively managed. Assets of the Portfolios are invested in a dynamic mix of investments to balance opportunities and downside risks through the economic cycle.

The Portfolios invest in the full spectrum of instruments available across geographic regions, investment sectors and investment styles to build the optimal portfolio.

The Portfolios may invest in fixed income and equity securities as well as in specialist asset classes including, but not limited to, real estate, private equity, hedge fund strategies and commodities.

Exposure to these assets classes may be achieved through investments directly into markets and/or investments in active and passive collective investment schemes (such as ETFs) including funds managed by the Manager and other HSBC entities.

The Portfolios may use financial derivative instruments for hedging purposes, cash flow management and tactical asset allocation as well as efficient portfolios management.

#### HSBC Managed Portfolios Limited – World Selection 1

##### Base Currency

USD

##### Investment Objective

Aims to provide long term total return by investing in a portfolio of fixed income and equity securities consistent with a low risk investment strategy.

##### Investment Policy

The Portfolio invests (normally a minimum of 90% of its net assets) in or gains exposure to:

- ◆ fixed income and equity securities directly into markets and/or through investments in a diversified portfolio of mutual funds including HSBC Funds

The Portfolio will not invest more than 10% of its net assets in securities issued by or guaranteed by any single sovereign issuer with a credit rating below Investment Grade.

The Portfolio's primary currency exposure is to the US dollar.

## Asset Class Exposure Limits

For the specific groups of asset class described in the table below, the Portfolio has a total maximum exposure limit as follows:

Asset Class	Maximum Exposure
Equity	25%
Fixed income	100%
Alternative	25%

## Risk Profile

The Portfolio invests in a range of asset classes, markets and currencies. These are subject to different types and levels of risk. This means the Portfolio is exposed to a spread of risk but each to a lesser extent than if invested into a single asset class, market or currency. The main risks the Portfolio is exposed to are as follows:

- ◆ Fixed income securities (e.g. bonds) carry a risk of downgrade and/or default. Bond prices may vary significantly depending on not only the global economic and interest rate conditions but also the general credit market environment and the credit worthiness of the issuer
- ◆ Equities prices are exposed to stock market fluctuations and the financial performance of the companies who issue such equities. Therefore, the Portfolio's value may fall or rise on a daily basis and investors may not get back their initial investment
- ◆ The Portfolio's Base Currency is USD; however, the Portfolio will have non-USD exposure and may therefore be subject to currency risk

Further information is provided in the Section 3.5 "General Risk Considerations" of this prospectus.

## Risk Management

The commitment approach is used to measure and monitor the global exposure for this Portfolio.

## Investor Profile

The Portfolio may be suitable for investors looking for a diversified investment solution offering exposure to both bonds and equities and seeking for a reasonable level of capital growth while willing to accept a low degree of risk. Investors should have a medium to long term investment horizon and understand the volatility associated with investments in bonds and equities around the world.

## Fees and Expenses

Class of Shares	AD	AC	ID	IC	LC	P1C
Management fee (%)*	1.20	1.20	1.05	1.05	1.20	0.60

\* of the net asset value.

Additional fees apply to cover operating, administrative and servicing expenses; costs of investing in units in a diversified portfolio of mutual funds including HSBC Funds; and extraordinary expenses. Further information is disclosed in Section 5.8. "Charges and expenses" of this prospectus.

## Dealing and Valuation Cut-Off Times

Dealing	12.00 p.m. Bermuda time on any Dealing Day
Valuation	5.00 p.m. Bermuda time on any Valuation Day

Applications to buy, sell or convert shares made to the Company on any Dealing Day before the Dealing Cut-Off time will be allocated on that Dealing Day.

Shares are allocated at the Offer Price per share calculated on the Dealing Day using the latest available prices of assets.

Applications received after the Dealing Cut-Off time will normally be dealt on the next Dealing Day. Shares are normally dealt on each Business Day (other than days during a period of suspension of dealing in shares and other than a Business Day immediately following the end of a period of such suspension) and which is also for the Portfolio, a day where stock exchanges and regulated markets in countries where the Portfolio is materially invested are open for normal trading. All Retail Investors must transact in Shares through the Banker or other duly appointed distributor of the Company's Shares.

### Settlement

Operation	Due date for receipt of cleared monies
Buying shares	Payment for shares has to be received in cleared funds by the Administrator on the applicable Dealing Day, unless the Manager determines otherwise.
Selling shares	On receipt of the relevant documents the Administrator will dispatch the redemption proceeds in US Dollars to which the shares relate, within six (6) Business Days after the applicable Dealing Day.

### Investment Minima

Class of Shares	AC and AD	ID and IC	LC	P1C
Currency	USD	USD	USD	USD
Minimum initial investment and minimum holding	10,000	200,000	1,000	75 Million
Minimum subsequent transaction	1,000	10,000	100	1 Million

## HSBC Managed Portfolios Limited – World Selection 2

### Base Currency

USD

### Investment Objective

Aims to provide long term total return by investing in a portfolio of fixed income and equity securities consistent with a low to medium risk investment strategy.

### Investment Policy

The Portfolio invests (normally a minimum of 90% of its net assets) in or gains exposure to:

- ◆ fixed income and equity securities directly into markets and/or through investments in a diversified portfolio of mutual funds including HSBC Funds

The Portfolio will not invest more than 10% of its net assets in securities issued by or guaranteed by any single sovereign issuer with a credit rating below Investment Grade.

The Portfolio's primary currency exposure is to the US dollar.

## Asset Class Exposure Limits

For the specific groups of asset class described in the table below, the Portfolio has a total maximum exposure limit as follows:

Asset Class	Maximum Exposure
Equity	50%
Fixed income	100%
Alternative	25%

## Risk Profile

The Portfolio invests in a range of asset classes, markets and currencies. These are subject to different types and levels of risk. This means the Portfolio is exposed to a spread of risk but each to a lesser extent than if invested into a single asset class, market or currency. The main risks the Portfolio is exposed to are as follows:

- ◆ Fixed income securities (e.g. bonds) carry a risk of downgrade and/or default. Bond prices may vary significantly depending on not only the global economic and interest rate conditions but also the general credit market environment and the credit worthiness of the issuer
- ◆ Equities prices are exposed to stock market fluctuations and the financial performance of the companies who issue such equities. Therefore, the Portfolio's value may fall or rise on a daily basis and investors may not get back their initial investment
- ◆ Emerging Markets carry higher risks and volatility due to greater political and economic risks. Emerging Markets securities can be impacted by high volatility, low liquidity, lower transparency and greater financial risks. Emerging Markets bonds carry higher risks than developed market bonds
- ◆ Investments in or exposure to real estate, private equity, commodities as well as hedge and absolute return Portfolios carry higher risks and can be impacted by higher volatility, lower liquidity, lower transparency and greater financial risks than investments in traditional securities such as stocks and bonds
- ◆ The Portfolio's Base Currency is US dollar; however, the Portfolio will have non-US dollar exposure and may therefore be subject to currency risk

Further information is provided in the Section 3.5 "General Risk Considerations" of this prospectus.

## Risk Management

The commitment approach is used to measure and monitor the global exposure for this Portfolio.

## Investor Profile

The Portfolio may be suitable for investors looking for a diversified investment solution offering exposure to both bonds and equities and seeking for a reasonable level of capital growth while willing to accept a low to medium degree of risk. Investors should have a medium to long term investment horizon and understand the volatility associated with investments in bonds and equities around the world.

## Fees and Expenses

Class of Shares	AD	AC	IC	LC	P1C
Management fee (%)*	1.55	1.55	1.35	1.55	0.75

\* of the net asset value.

Additional fees apply to cover operating, administrative and servicing expenses; costs of investing in units in a diversified portfolio of mutual funds including HSBC Funds; and extraordinary expenses. Further information is disclosed in Section 5.8. "Charges and expenses" of this prospectus.

## Dealing and Valuation Cut-Off Times

Dealing	12.00 p.m. Bermuda time on any Dealing Day
Valuation	5.00 p.m. Bermuda time on any Valuation Day

Applications to buy, sell or convert shares made to the Company on any Dealing Day before the Dealing Cut-Off time will be allocated on that Dealing Day.

Shares are allocated at the Offer Price per share calculated on the Dealing Day using the latest available prices of assets.

Applications received after the Dealing Cut-Off time will normally be dealt on the next Dealing Day. Shares are normally dealt on each Business Day (other than days during a period of suspension of dealing in shares and other than a Business Day immediately following the end of a period of such suspension) and which is also for the Portfolio, a day where stock exchanges and regulated markets in countries where the Portfolio is materially invested are open for normal trading. All Retail Investors must transact in Shares through the Banker or other duly appointed distributor of the Company's Shares.

## Settlement

<b>Operation</b>	Due date for receipt of cleared monies
<b>Buying shares</b>	Payment for shares has to be received in cleared funds by the Administrator on the applicable Dealing Day, unless the Manager determines otherwise.
<b>Selling shares</b>	On receipt of the relevant documents the Administrator will dispatch the redemption proceeds in US Dollars, within six (6) Business Days after the applicable Dealing Day.

## Investment Minima

Class of Shares	AD and AC	IC	LC	P2C
Currency	USD	USD	USD	USD
Minimum initial investment and minimum holding	10,000	200,000	1,000	75 Million
Minimum subsequent transaction	1,000	10,000	100	1 Million

## HSBC Managed Portfolios Limited – World Selection 3

### Base Currency

USD

### Investment Objective

Aims to provide long term total return by investing in a portfolio of equity and fixed income securities consistent with a medium risk investment strategy.

### Investment Policy

The Portfolio invests (normally a minimum of 90% of its net assets) in or gains exposure to:

- ◆ fixed income and equity securities directly into markets and/or through investments in a diversified portfolio of mutual funds including HSBC Funds

The Portfolio will not invest more than 10% of its net assets in securities issued by or guaranteed by any single sovereign issuer with a credit rating below Investment Grade.

The Portfolio's primary currency exposure is to the US dollar.

## Asset Class Exposure Limits

For the specific groups of asset class described in the table below, the Portfolio has a total maximum exposure limit as follows:

Securities*	Maximum Exposure
Equity	85%
Fixed income	80%
Alternative	30%

## Risk Profile

The Portfolio invests in a range of asset classes, markets and currencies. These are subject to different types and levels of risk. This means the Portfolio is exposed to a spread of risk but each to a lesser extent than if invested into a single asset class, market or currency. The main risks the Portfolio is exposed to are as follows:

- ◆ Equities prices are exposed to stock market fluctuations and the financial performance of the companies who issue such equities. Therefore, the Portfolio's value may fall or rise on a daily basis and investors may not get back their initial investment
- ◆ Fixed income securities (e.g. bonds) carry a risk of downgrade and/or default. Bond prices may vary significantly depending on not only the global economic and interest rate conditions but also the general credit market environment and the credit worthiness of the issuer
- ◆ The Portfolio's Base Currency is USD; however, the Portfolio will have non-USD exposure and may therefore be subject to currency risk

Further information is provided in the Section 3.5. "General Risk Considerations" of this prospectus.

## Risk Management

The commitment approach is used to measure and monitor the global exposure for this Portfolio.

## Investor Profile

The Portfolio may be suitable for investors looking for a diversified investment solution offering exposure to both equities and bonds and seeking for a reasonable level of capital growth while willing to accept a medium degree of risk. Investors should have a medium to long term investment horizon and understand the volatility associated with investments in equities and bonds around the world.

## Fees and Expenses

Class of Shares	AD	AC	IC	LC	P3C
Management fee (%)*	1.55	1.55	1.35	1.55	0.75

\* of the net asset value.

Additional fees apply to cover operating, administrative and servicing expenses; costs of investing in units in a diversified portfolio of mutual funds including HSBC Funds; and extraordinary expenses. Further information is disclosed in Section 5.8. "Charges and expenses" of this prospectus.

## Dealing and Valuation Cut-Off Times

Dealing	12.00 p.m. Bermuda time on any Dealing Day
Valuation	5.00 p.m. Bermuda time on any Valuation Day

Applications to buy, sell or convert shares made to the Company on any Dealing Day before the Dealing Cut-Off time will be allocated on that Dealing Day.

Shares are allocated at the Offer Price per share calculated on the Dealing Day using the latest available prices of assets.

Applications received after the Dealing Cut-Off time will normally be dealt on the next Dealing Day. Shares are normally dealt on each Business Day (other than days during a period of suspension of dealing in shares and other than a Business Day immediately following the end of a period of such suspension) and which is also for the Portfolio, a day where stock exchanges and regulated markets in countries where the Portfolio is materially invested are open for normal trading. All Retail Investors must transact in Shares through the Banker or other duly appointed distributor of the Company's Shares.

## Settlement

Operation	Due date for receipt of cleared monies
Buying shares	Payment for shares has to be received in cleared funds by the Administrator on the applicable Dealing Day, unless the Manager determines otherwise.
Selling shares	On receipt of the relevant documents the Administrator will dispatch the redemption proceeds in US Dollars, within six (6) Business Days after the applicable Dealing Day.

## Investment Minima

Class of Shares	AD and AC	IC	LC	PC3
Currency	USD	USD	USD	USD
Minimum initial investment and minimum holding	10,000	200,000	1,000	75 Million
Minimum subsequent transaction	1,000	10,000	100	1 Million

## HSBC Managed Portfolios Limited – World Selection 4

### Base Currency

USD

### Investment Objective

Aims to provide long term total return by investing in a portfolio of equity and fixed income securities consistent with a medium to high risk investment strategy.

### Investment Policy

The Portfolio invests (normally a minimum of 90% of its net assets) in or gains exposure to:

- ◆ fixed income and equity securities directly into markets and/or through investments in a diversified portfolio of mutual funds including HSBC Funds

The Portfolio will not invest more than 10% of its net assets in securities issued by or guaranteed by any single sovereign issuer with a credit rating below Investment Grade.

The Portfolio's primary currency exposure is to the US dollar.

### Asset Class Exposure Limits

For the specific groups of asset class described in the table below, the Portfolio has a total maximum exposure limit as follows:

Securities*	Maximum Exposure
Equity	100%
Fixed income	50%
Alternative	35%

### Risk Profile

The Portfolio invests in a range of asset classes, markets and currencies. These are subject to different types and levels of risk. This means the Portfolio is exposed to a spread of risk but each to a lesser extent than if invested into a single asset class, market or currency. The main risks the Portfolio is exposed to are as follows:

- ◆ Equities prices are exposed to stock market fluctuations and the financial performance of the companies who issue such equities. Therefore, the Portfolio's value may fall or rise on a daily basis and investors may not get back their initial investment
- ◆ Fixed income securities (e.g. bonds) carry a risk of downgrade and/or default. Bond prices may vary significantly depending on not only the global economic and interest rate conditions but also the general credit market environment and the credit worthiness of the issuer
- ◆ The Portfolio's Base Currency is USD; however, the Portfolio will have non-USD exposure and may therefore be subject to currency risk

Further information is provided in the Section 3.5. "General Risk Considerations" of this prospectus.

### Risk Management

The commitment approach is used to measure and monitor the global exposure for this Portfolio.

### Investor Profile

The Portfolio may be suitable for investors looking for a diversified investment solution offering exposure to both equities and bonds and seeking for a reasonable level of capital growth while willing to accept a medium to high degree of risk. Investors should have a medium to long term investment horizon and understand the volatility associated with investments in equities and bonds around the world.

### Fees and Expenses

Class of Shares	AC	IC	LC	P4C
Management fee (%)*	1.55	1.35	1.55	0.75

\* of the net asset value.

Additional fees apply to cover operating, administrative and servicing expenses; costs of investing in units in a diversified portfolio of mutual funds including HSBC Funds; and extraordinary expenses. Further information is disclosed in Section 5.8. "Charges and expenses" of this prospectus.

## Dealing and Valuation Cut-Off Times

Dealing	12.00 p.m. Bermuda time on any Dealing Day
Valuation	5.00 p.m. Bermuda time on any Valuation Day

Applications to buy, sell or convert shares made to the Company on any Dealing Day before the Dealing Cut-Off time will be allocated on that Dealing Day.

Shares are allocated at the Offer Price per share calculated on the Dealing Day using the latest available prices of assets.

Applications received after the Dealing Cut-Off time will normally be dealt on the next Dealing Day. Shares are normally dealt on each Business Day (other than days during a period of suspension of dealing in shares and other than a Business Day immediately following the end of a period of such suspension) and which is also for the Portfolio, a day where stock exchanges and regulated markets in countries where the Portfolio is materially invested are open for normal trading. All Retail Investors must transact in Shares through the Banker or other duly appointed distributor of the Company's Shares.

## Settlement

Operation	Due date for receipt of cleared monies
Buying shares	Payment for shares has to be received in cleared funds by the Administrator on the applicable Dealing Day, unless the Manager determines otherwise.
Selling shares	On receipt of the relevant documents the Administrator will dispatch the redemption proceeds in US Dollars, within six (6) Business Days after the applicable Dealing Day.

## Investment Minimum

Class of Shares	AC	IC	LC	P4C
Currency	USD	USD	USD	USD
Minimum initial investment and minimum holding	10,000	200,000	1,000	75 Million
Minimum subsequent transaction	1,000	10,000	100	1 Million

## HSBC Managed Portfolios Limited – World Selection 5

### Base Currency

USD

### Investment Objective

Aims to provide long term total return by investing in a portfolio of equity and fixed income securities consistent with a high risk investment strategy.

### Investment Policy

The Portfolio invests (normally a minimum of 90% of its net assets) in or gains exposure to:

- ◆ fixed income and equity securities directly into markets and/or through investments in a diversified portfolio of mutual funds including HSBC Funds

The Portfolio will not invest more than 10% of its net assets in securities issued by or guaranteed by any single sovereign issuer with a credit rating below Investment Grade.

The Portfolio's primary currency exposure is to the US dollar.

### Asset Class Exposure Limits

For the specific groups of asset class described in the table below, the Portfolio has a total maximum exposure limit as follows:

Securities*	Maximum Exposure
Equity	100%
Fixed income	20%
Alternative	45%

### Risk Profile

The Portfolio invests in a range of asset classes, markets and currencies. These are subject to different types and levels of risk. This means the Portfolio is exposed to a spread of risk but each to a lesser extent than if invested into a single asset class, market or currency. The main risks the Portfolio is exposed to are as follows:

- ◆ Equities prices are exposed to stock market fluctuations and the financial performance of the companies who issue such equities. Therefore, the Portfolio's value may fall or rise on a daily basis and investors may not get back their initial investment
- ◆ Fixed income securities (e.g. bonds) carry a risk of downgrade and/or default. Bond prices may vary significantly depending on not only the global economic and interest rate conditions but also the general credit market environment and the credit worthiness of the issuer
- ◆ The Portfolio's Base Currency is USD; however, the Portfolio will have non-USD exposure and may therefore be subject to currency risk

Further information is provided in the Section 3.5. "General Risk Considerations" of this prospectus.

### Risk Management

The commitment approach is used to measure and monitor the global exposure for this Portfolio.

### Investor Profile

The Portfolio may be suitable for investors looking for a diversified investment solution offering exposure to both equities and bonds and seeking for a reasonable level of capital growth while willing to accept a high degree of risk. Investors should have a medium to long term investment horizon and understand the volatility associated with investments in equities and bonds around the world.

### Fees and Expenses

Class of Shares	AC	IC	LC	P5C
Management fee (%)*	1.55	1.35	1.55	0.75

\* of the net asset value.

Additional fees apply to cover operating, administrative and servicing expenses; costs of investing in units in a diversified portfolio of mutual funds including HSBC Funds; and extraordinary expenses. Further information is disclosed in Section 5.8. "Charges and expenses" of this prospectus.

### Dealing and Valuation Cut-Off Times

<b>Dealing</b>	12.00 p.m. Bermuda time on any Dealing Day
<b>Valuation</b>	5.00 p.m. Bermuda time on any Valuation Day

Applications to buy, sell or convert shares made to the Company on any Dealing Day before the Dealing Cut-Off time will be allocated on that Dealing Day.

Shares are allocated at the Offer Price per share calculated on the Dealing Day using the latest available prices of assets.

Applications received after the Dealing Cut-Off time will normally be dealt on the next Dealing Day. Shares are normally dealt on each Business Day (other than days during a period of suspension of dealing in shares and other than a Business Day immediately following the end of a period of such suspension) and which is also for the Portfolio, a day where stock exchanges and regulated markets in countries where the Portfolio is materially invested are open for normal trading. All Retail Investors must transact in Shares through the Banker or other duly appointed distributor of the Company's Shares.

### Settlement

<b>Operation</b>	Due date for receipt of cleared monies
<b>Buying shares</b>	Payment for shares has to be received in cleared funds by the Administrator on the applicable Dealing Day, unless the Manager determines otherwise.
<b>Selling shares</b>	On receipt of the relevant documents the Administrator will dispatch the redemption proceeds in US Dollars, within six (6) Business Days after the applicable Dealing Day.

### Investment Minima

<b>Class of Shares</b>	<b>AC</b>	<b>IC</b>	<b>LC</b>	<b>P4C</b>
Currency	USD	USD	USD	USD
Minimum initial investment and minimum holding	10,000	200,000	1,000	75 Million
Minimum subsequent transaction	1,000	10,000	100	1 Million

## 5. Management and Administration

### 5.1. Directors

The Directors of the Company are:

**Faith A. Outerbridge**, Bermudian, is the Head of HSBC Global Asset Management Bermuda. She originally joined The Bank of Bermuda Limited in 1993 as a Fund Manager, bringing the previously outsourced money market fund management in-house. She then progressed to the role of Senior Fund Manager in 2000 with oversight of all in house managed money market funds, including the sterling and euro funds. In 2003, she became the Director of Investment Management, an expanded role including oversight of all other non-liquidity in-house managed funds, most notably the fund of funds business. Ms. Outerbridge was promoted to the Regional CIO for Liquidity in 2006 and had oversight for the management of all liquidity funds managed in the Americas. She was promoted to her current role in April 2011. Prior to joining the bank, she worked at ACE Ltd and The Bank of N.T Butterfield & Son, Limited. She obtained her BA in Administrative and Commercial Studies from the University of Western Ontario in 1989, her MBA from Dalhousie University in 1991 and her CFA designation in 1996.

**Anthony T. Riker**, British, is a Vice President and Head of Captive and Insurance Banking, Commercial Banking, HSBC Bank Bermuda Limited. He graduated in 1982 from Boston University with a degree in Economics. Following graduation, Mr. Riker entered the management trainee program at The Bank of Bermuda Limited (the "Bank"), working in Internal Audit. He left the Bank in 1987 as an Audit Senior and went to work for Boston Safe Deposit and Trust Company as an Audit Officer. In 1992, he transferred to their London office to work as Credit Officer and Audit Manager. Mr. Riker returned to the Bank in 1993, where he has held various positions in the Alternative Fund Services group and Corporate Banking including Head of Sales, Senior Relationship Manager in Bermuda and Head of Corporate Banking at HSBC Bank (Cayman) Limited.

**William Cooper**, British, is a Senior Associate in the Corporate Department of Conyers Dill & Pearman Limited in Bermuda. William's practice covers all aspects of Bermuda corporate law, with a focus on insurance, investment fund and investment business law and regulation. He specialises in the formation, registration and ongoing regulation of investment funds, investment businesses and insurers, and has advised on the formation, licensing and listing on the Bermuda Stock Exchange of numerous cat bond special purpose insurance vehicles. William also advises on various matters of general corporate and commercial law, including incorporations/formations, continuations, financings, mergers and acquisitions. William graduated from Queen's University with a BA (Hons.) in 2009, and received an LLB (Hons.) from King's College London in 2013 and an LLM (Distinction) in professional legal practice from the University of Law in London in 2014. William was called to the Bermuda Bar in 2015 and is registered as a Barrister and Attorney, Notary Public and Commissioner of Oaths in Bermuda.

**Barry Harbison**, British, is Americas Head of Liquidity Investment Specialists and has been working in the industry since 2006. Barry is responsible for representing HSBC Asset Management's Liquidity and Short Duration Fixed Income products to corporate and financial institution clients of HSBC in the Americas, acting as a subject matter expert on off-balance sheet cash investment solutions. Prior to joining HSBC in 2008, Mr. Harbison worked as an attorney at A&L Goodbody Solicitors (Dublin, Ireland) where he specialized in advising a variety of mutual funds. He holds a LL.B. (Hons) Bachelor of Laws from Queens University in Belfast, Northern Ireland.

**Robin Masters**, Bermudian, has over twenty years of diverse board experience with a strong background in the role of the board and the critical duties and responsibilities of an independent director. She was a Non-Executive Director of the Bermuda Monetary Authority and serves as an Independent Trustee of Legg Mason funds. She chaired the Bermuda Government Public Funds Investment Committee 2013 - 2017 and has served on the board of a number of non-profits in Bermuda. She received the Chartered Financial Analysts (CFA) designation in 1992, is a member of the CFA Institute and served on the board of CFA Society Bermuda. She retired as Chief Investment Officer and Treasurer of ACE Limited in May 2000.

No director has:

1. had any unspent convictions in relation to indictable offences; or
2. been a director of any company or partnership which, while he was a director with an executive function or partner at the time of or within 12 months preceding such events, been declared bankrupt, went into receivership, liquidation, administration or voluntary arrangements; or
3. been subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies); or been disqualified by a court from acting as a director of a company or from acting in the management or conduct of affairs of any company. For the purposes of the Prospectus, the address of all the Directors is the registered office of the Company.

## 5.2. Investment Manager

The Directors of the Company are responsible for the overall investment policy and administration of the Company and the Portfolios.

The Company has delegated the powers of determining investment policy and investment management of the Company in each of the Portfolios to HSBC Global Asset Management (Bermuda) Limited (the "Manager") pursuant to the terms of the investment management agreement, further details of which are contained herein under "Material Contracts".

In addition the Manager shall be responsible for supervising the administration of the Company. The Manager is a wholly owned subsidiary of HSBC Bank Bermuda Limited.

## 5.3. Custodian

The Company has appointed HSBC Continental Europe to act as the Custodian to the Company pursuant to the custodian agreement.

## 5.4. Administrator and Registrar

The Company has appointed HSBC Securities Services (Bermuda) Limited to act as Administrator, which includes the services of registrar and transfer agent of the Company, pursuant to the administration agreement.

## 5.5. Auditors

KPMG Audit Limited have been appointed auditors to the Company. This appointment is subject to approval of the Shareholders at each annual general meeting.

## 5.6. Meeting and Reports to Shareholders

The Directors intend that the annual general meeting of Shareholders will be held in Bermuda within each calendar year.

The financial year of the Company ends on 30th June each year.

The annual report of the Company incorporating audited financial statements (made up to 30th June in each year) are available at the registered office of the Company and will be sent to Shareholders to the email address on file upon request. Annual general meetings will usually be held in Bermuda on such date as the Directors may determine. Notices convening each annual general meeting will be sent to the Shareholders to the email address on file not later than 21 days before the date fixed for the meeting with a cover letter providing a website link to the accounts. The financial statements of the Company will be maintained in US Dollar and comprise the accounts of each Portfolio.

## 5.7. Conflicts of Interest

The Directors, the Manager, the Administrator and the Custodian may from time to time act as director, manager, custodian, registrar, broker, administrator, investment advisor or dealer in relation to, or be otherwise involved in, other investment Portfolios established by parties other than the Company. It is, therefore, possible that any of them may, in the course of business, have potential conflicts of interest with the Company, particularly if such other investment Portfolios have similar objectives to those of the Company. The Directors and the Manager will, at all times, have regard in such event to their respective obligations to the Company and will endeavor to ensure that such conflicts are resolved fairly. In addition, any of the foregoing may deal, as principal or agent, with the Company, provided that such dealings are carried out as if effected on normal commercial terms negotiated on an arm's length basis. The Directors and the Manager or any of their respective affiliates or any person connected with them may invest in, directly or indirectly, or manage or advise other investment Portfolios or accounts which invest in assets which may also be purchased or sold by the Company. Neither the Manager nor any of its affiliates nor any person connected with it is under any obligation to offer investment opportunities of which any of them becomes aware to the Company or to account to the Company in respect of (or share with the Company or inform the Company of) any such transaction or any benefit received by any of them from any such transaction, but will allocate such opportunities on an equitable basis between the Company and other clients.

The foregoing does not purport to be a complete list of all potential conflicts of interest involved in an investment in the Company.

The Directors will seek to ensure that any conflict of interest of which they are aware is resolved fairly.

## 5.8. Charges and Expenses

Share Classes attract charges for their investment management and operating services rendered to them. There are two types of charge: ongoing charges and other charges.

### 1. Ongoing Charges

Ongoing charges may be levied in respect of each Share Class. In payment of these fees, the Company will use interest income in the first instance and other income in the second instance. If the charges exceed the interest income and other income of that Share Class, the excess will be taken from the capital assets of that Share Class.

Ongoing charges consist of a management fee, fees to the Administrator and Registrar, fees to the Custodian, operating, administrative and servicing expenses; costs of investing in units in a diversified portfolio of mutual funds including HSBC Funds; and extraordinary expenses

#### a. Management Fee

The Company pays to the Manager an annual management fee calculated as a percentage of the Net Asset Value of each Share Class.

Different Share Classes have different management fee levels as per section 4.2, Fees and Expenses

The management fee is accrued daily and payable monthly in arrears. The rates are indicated in Section 4.2 herein, entitled "Portfolios details". The maximum management fee that may be charged is 2.0% per annum.

The Manager may also elect to invest in funds outside of the HSBC Group, and may receive additional management fees on the Company's assets invested in those funds, directly from those funds. Such fees shall be credited, on a pro-rata basis, to the applicable Portfolio from which the fee was derived.

#### b. Administrator Fees

The Company pays the Administrator and Registrar fees for its services at reasonable and customary rates.

### c. Custodian Fees

The Company pays the Custodian fees for its services at reasonable and customary rates.

### d. Operating, Administrative and Servicing Expenses

There are certain operating, administrative and servicing expenses ('the Operational Expenses') incurred throughout the lifetime of a Portfolio or Share Class. These Operational Expenses are associated with services rendered to a relevant Portfolio, which are overseen by either the Manager or the Company. Many of the services are delegated to other service providers, who are paid directly by the Company.

The following list is indicative, but not exhaustive, of the types of services that the Operational Expenses cover:

- ◆ Legal expenses for advice on behalf of the Company
- ◆ Directors & Officers Liability Insurance premium
- ◆ Audit fees
- ◆ Bermuda Monetary Authority authorization and registration fees
- ◆ Annual Bermuda Government Fees
- ◆ Bermuda Stock Exchange Listing & Bermuda Stock Exchange Listing Sponsor fees
- ◆ Company Directors' fees
- ◆ Formation expenses for current and new Portfolios and Classes, including initial registration fees – these are amortised over a period not exceeding 5 years from the formation date of the Portfolio or Class

The actual amount paid for Operational Expenses will be shown in the semi-annual and annual financial report of the Company.

Each Director is entitled to receive from the Company a fee at such rate as may be determined from time to time by the Board of Directors provided such remuneration shall not exceed an aggregate amount of US\$30,000 in any financial year without the prior consent of Shareholders in a general meeting. The Directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending meetings of the Company.

### e. Extraordinary Expenses

Any extraordinary expenses including litigation expenses and the full amount of any tax, levy, duty or similar charge and any unforeseen charges imposed on the Company or its assets will be borne by the Company without limitation.

## 2. Other Charges

Other charges are the remaining charges incurred by the Portfolios and/or Classes. They are paid by the Company depending on the services rendered to the Portfolio and/or Class. They consist of, but are not limited to, the following types of charges:

- ◆ Duties, taxes and transaction costs associated with buying and selling the underlying assets of the Company
- ◆ Brokerage fees and commissions
- ◆ Interest on borrowing and bank charges incurred in negotiating borrowing
- ◆ Payments incurred for the holding of financial derivative instruments for the purposes of investment, efficient portfolio management and hedging. Hedging includes currency hedging for the underlying assets of the Portfolio or for the currency hedging of share classes denominated in a currency other than the base currency

## 3. Total Expense Ratio

For total expense ratios of the share classes in issue as at the date of the last financial year end of the Company, please refer to the Schedule of Financial Highlights under Notes to Financial Statements in the HSBC Managed

Portfolios Limited Annual Report posted on the Asset Management website:  
<https://www.assetmanagement.hsbc.bm/en/institutional-investor/investor-resources>.

## 5.9. Taxation

**The following statements are by way of a general guide to potential investors and Shareholders only and do not constitute tax advice. Shareholders and potential investors are therefore advised to consult their professional advisers concerning possible taxation or other consequences of purchasing, holding, selling or otherwise disposing of the Shares under the laws of their country of incorporation, establishment, citizenship, residence or domicile.**

Shareholders and potential investors should note that the following statements on taxation are based on advice received by the Directors regarding the law and practice in force in the relevant jurisdiction at the date of this Prospectus and proposed regulations and legislation in draft form. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment is made in the Company will endure indefinitely.

### 5.9.1. The Company - Taxation

At the date of this Prospectus, there is no Bermuda income, corporation, or profits tax, withholding tax, capital gains tax, capital transfer tax, estate duty or inheritance tax payable by the Company or its Shareholders, other than Shareholders ordinarily resident in Bermuda. The Company is not subject to stamp duty on the issue, transfer or redemption of its Shares. The Company has received from the Minister of Finance of Bermuda under the Exempted Undertakings Tax Protection Act 1966 an assurance that, in the event of there being enacted in Bermuda any legislation imposing tax computed on profits or income, or computed on any capital assets, gain or appreciation or any tax in the nature of estate duty or inheritance tax, such tax shall not until 31 March 2035 be applicable to the Company or to any of its operations, or to the Shares, debentures or other obligations of the Company except in so far as such tax applies to persons ordinarily resident in Bermuda and holding such Shares, debentures or other obligations of the Company or any land leased or let to the Company.

As an exempted company, the Company is liable to pay in Bermuda a registration fee based upon its authorized share capital, currently BD\$4,275 per annum.

The Company has been classified as non-resident of Bermuda for exchange control purposes by the Bermuda Monetary Authority, whose permission for the issue of Shares in the Company has been obtained. The transfer of Shares between persons regarded as non-resident of Bermuda for exchange control purposes and the issue and redemption of Shares to or by such persons may be effected without specific consent.

Any person regarded as resident in Bermuda for exchange control purposes may require specific authorization under that Act. The Company, by virtue of being non-resident of Bermuda for exchange control purposes, is free to acquire, hold and sell any foreign currency and securities without restriction.

Prospective purchasers should consult their own tax advisers in the countries of their nationality, citizenship, residence, domicile, ordinary residence and place of business to determine the possible tax or other consequences of purchasing, holding and redeeming shares of the Company under the laws of their respective jurisdictions.

### 5.9.2. Foreign Account Tax Compliance Act (FATCA)

The US. Foreign Account Tax Compliance Act ("FATCA") provisions of the Hiring Incentives to Restore Employment Act of 2010 require certain foreign financial institutions (FFIs) (which may include the Company) to enter into an agreement with the U.S. Internal Revenue Service (IRS) to disclose to the IRS the name, address, tax identification number, and other specified information of certain U.S. and non-U.S. persons who own a direct or indirect interest (a "financial account") in the FFI, and to withhold on certain investors that fail to provide such information, or otherwise be subject to a 30% withholding tax with respect to certain U.S. source income (including interest and dividends) and gross proceeds from any sale or distribution of property that can produce U.S. source dividends and interest

("withholdable payments") and "pass thru" payments (generally withholdable payments and payments that are attributable to withholdable payments) made by FFIs. Further, if the Company is not characterized as an FFI, it may be characterized as a passive non-financial foreign entity, in which case it may be subject to such 30% withholding tax on certain payments unless it either provides information to withholding agents with respect to its "substantial U.S. owners" or makes certain certifications. The regulations issued under FATCA provide that the FATCA withholding tax is currently imposed with respect to payments of U.S. source income but will not be imposed with respect to pass thru payments before the date that is two years after the date of publication of final regulations defining the term "foreign pass thru payment."

The Bermuda government has entered into a Model 2 Intergovernmental Agreement (an "IGA") with the United States to facilitate the implementation of FATCA. Under the Model 2 IGA, the Company has registered with the IRS and is subject to the requirements of FATCA, including due diligence, reporting and withholding. Assuming registration and compliance pursuant to the Model 2 IGA, an FFI would be treated as compliant with FATCA and not subject to withholding.

The Company may be subject to the requirements imposed on foreign financial institutions or passive non-financial foreign entities under FATCA and will use reasonable efforts to avoid the imposition of a withholding tax under FATCA, which may include entering into an agreement with the IRS. In this event, a Shareholder will be required to provide any information, tax documentation and waivers that the Company determines are necessary to avoid the imposition of such withholding tax. The ability of the Company to satisfy such obligations will depend on each Shareholder providing, or causing to be provided, any information, tax documentation and waivers, including information concerning the direct or indirect owners of such Shareholder, that the Company determines are necessary to satisfy such obligations. The Shareholder understands that the Board may compulsorily redeem the Shares of any Shareholder who does not provide this information. Furthermore, if the Shareholder fails to provide such information upon request, the Shareholder acknowledges and agrees that the Company may specially allocate any withholding penalties or other costs or expenses incurred by the Company to the Shares held by the Shareholder.

Companion provisions of FATCA may require individual holders of Shares to annually report with their U.S. federal income tax returns certain information with respect to the Shares issued by the Company (a "specified foreign financial asset") on IRS Form 8938 ("Statement of Specified Foreign Financial Assets").

### 5.9.3. Common Reporting Standard

The Standard for Automatic Exchange of Financial Account Information in Tax Matters (commonly referred to as the "Common Reporting Standard" or "CRS") is a regime developed by the Organization for Economic Co-operation and Development ("OECD") to facilitate and standardize the exchange of information on residents' assets and income, primarily for taxation purposes, between numerous jurisdictions around the world ("participating foreign jurisdictions"). Bermuda is a signatory to The Multilateral Convention on Mutual Administrative Assistance in Tax Matters which permits participating foreign jurisdictions to enter into agreements that provide for the automatic exchange of information with respect to certain tax matters. On October 29, 2014, Bermuda signed The Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information (the "MCAA") which provides the legal basis through which participating foreign jurisdictions can agree to the CRS. Bermuda, together with over 90 other participating foreign jurisdictions, has committed to implement CRS with effect from January 1, 2016 and as a result, the Company is required to identify accounts held directly or indirectly by residents in participating foreign jurisdictions and to report information on such persons to the relevant tax authority in Bermuda, which will then exchange such information annually with foreign fiscal authorities.

a. Other Jurisdictions

The central management and control and the day-to-day management of the Company are undertaken in Bermuda and it is not intended that the Company will operate in such a manner as to be engaged in a trade or business, directly or through a branch or agency, in any other jurisdiction. Accordingly, it is not expected that the Company will be subject to foreign taxation other than withholding taxes on certain investment income.

## 5.10. Material Contracts

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into since the incorporation of the Company and are, or may be, material:

### 1. Management Agreement

Under the Management Agreement between the Company and HSBC Global Asset Management (Bermuda) Limited, the Manager has agreed to provide the Company with investment and management services in relation to the assets of the Company and to act with day to day authority, power and responsibility for the investment and reinvestment of such assets. The Management Agreement may be terminated by either party on not less than ninety (90) days written notice although in certain circumstances, the Management Agreement may be terminated forthwith by notice in writing by either party to the other. The Management Agreement also contains certain indemnities in favour of the Manager which are restricted to exclude matters arising by reason of gross negligence, willful default fraud or insolvency of the Manager in their performance of their duties.

### 2. Custodian Agreement

Under the Custody Agreement between the Company and the Custodian, the Custodian has agreed to act as Custodian of the Company's monies and assets. The Custodian is entitled to appoint sub-custodians for the safekeeping of the Company's assets in accordance with the terms of the Custody Agreement. The Custody Agreement limits the liability of the Custodian for losses suffered by the Company for actions or omissions of the Custodian, in the absence of fraud, negligence or willful misconduct on the part of the Custodian. The Custody Agreement may be terminated by either party giving on not less than thirty (30) days' written notice to the other although in certain circumstances the agreement may be terminated forthwith by notice in writing by either party to the other. The Custody Agreement contains certain indemnities in favour of the Custodian, which are restricted to exclude losses arising by reasons of the Custodian's fraud, willful misconduct or negligence.

### 3. Administration Agreement

The Administrator is licensed by the Bermuda Monetary Authority under the Investments Fund Act 2006 and the Corporate Service Provider Business Act 2012 of Bermuda. Under the Administration Agreement between the Company, the Global Service Provider and the Administrator, the Administrator has agreed act as the corporate secretary, registrar and administrator of the Company and to provide a registered office and perform the Services (as defined in the Administration Agreement). The Administration Agreement limits the liability of the Administrator for losses suffered by the Company for actions or omissions of the Administrator, in the absence of fraud, gross negligence or willful default on the part of the Administrator. The Administration Agreement may be terminated by either party on not less than ninety (90) days' written notice to the other although in certain circumstances the Agreement may be terminated forthwith by notice in writing by either party to the other. The Administration Agreement contains certain indemnities in favour of the Administrator which are restricted to exclude losses arising by reason of the Administrator's gross negligence, fraud or willful default.

### 4. Litigation and Arbitration

The Company is not engaged in any legal or arbitration proceedings and no legal or arbitration proceedings are known to the Directors to be pending or threatened by or against the Company.

## 5. Miscellaneous

There are no service contracts in existence between the Company and any of its Directors nor are any such contracts proposed.

No Director is materially interested in any contract or arrangement subsisting at the date hereof which is unusual in its nature and conditions or significant in relation to the business of the Company.

At the date of this Prospectus neither the Directors nor their spouses nor their infant children, nor any connected person have any interest in the share capital of the Company or any options in respect of such capital.

No events have occurred subsequent to the date of the most recent audited financial statements of the Company and prior to the date of issue of this Prospectus which either provide material additional information relating to conditions that existed at the date of such audited financial statements or which cause significant changes to assets or liabilities relating to the Portfolios, or which will or may have a significant effect on the future operations of any such Portfolio or the Company.

Ms. Faith A. Outerbridge is a Director of the Manager. The Manager receives the Management Fee as set out in this Prospectus.

The Auditors have given and have not withdrawn their written consent to the inclusion of their name in this Prospectus as having accepted the appointment as auditors and the references to them in the form and context in which they are included.

The Company does not have any subsidiaries.

The Manager will pay associates, including the Banker, commissions based on the total Net Asset Value of Shares by any subscriber introduced to the Manager by such associates pursuant to distribution agreements entered into by the Manager and such associates.

Any notice or document may be given by the Company to any Shareholder by delivering it to such Shareholder via email to the email address provided by the Shareholder.

### **Documents for Inspection**

Copies of the following documents are available for inspection, free of charge, during normal business hours on weekdays (except for Saturdays, Sundays and public holidays) at the registered office of the Company.

- ◆ Memorandum of Association and Bye-laws of the Company;
- ◆ the material contracts referred to above;
- ◆ the most recent Prospectus;
- ◆ the latest audited financial accounts of the Company; and
- ◆ the Companies Act 1981 (as amended).

## 6. Appendices

### 6.1. Summary of the Company's Bye-laws

The following section is a summary of the principal provisions of the Bye-laws of the Company, not otherwise summarized in this document. Defined terms in this section bear the same meanings as defined in the Company's Bye-laws.

The present authorised share capital of the Company is 100 founders' shares par value each US\$0.01. The founders' shares have been issued to, and are owned by, the Manager. The founders' shares do not entitle the holder thereof to any voting or other rights but only to the return of capital paid up on a winding-up. The Shares have the rights and are issued and redeemed at prices described in this Prospectus. The Directors have the power at their discretion to create such number of Portfolios and Classes of Shares attributable thereto as they may determine. At present the Company has available for issue Shares in the Classes described in this Prospectus.

#### a. Variation of Class Rights

All or any of the special rights for the time being attached to any Class for the time being issued (of which there are none at present save as referred to herein) may (unless otherwise provided by the terms of issue of the Shares of the Class) from time to time be altered or abrogated with the sanction of a resolution passed by a majority of three-fourths of the holders of such Shares, voting in person or by proxy at a general meeting.

The rights attached to any Class shall (unless otherwise expressly provided by the conditions of issue of such Shares) not be deemed to be varied by the creation, allotment or issue of further Shares ranking *pari passu* therewith.

#### b. Voting Rights

Subject to any special terms as to voting upon which any Shares may be issued or may for the time being be held, at any general meeting on a show of hands every Shareholder who, being an individual, is present in person or, being a corporation, is present by a duly authorised representative shall have one vote. On a poll every Shareholder present as aforesaid or by proxy shall have one vote for every Share held.

The Company will deal with any nominee service provider or shareholder custodian as registered Shareholder of the Company's Shares.

To be passed, resolutions of the Company in general meeting will require a simple majority of the votes cast by the Shareholders voting in person or by proxy at the meeting at which the resolution is proposed.

A majority of not less than 75% of the votes cast by the Shareholders present in person or by proxy and (being entitled to vote) voting in general meeting is required in order to rescind, alter or amend a Bye-law or make a new Bye-law. Further, no Bye-law shall be rescinded, altered or amended and no new Bye-law shall be made unless the same shall have been proposed at a meeting of the Directors.

#### c. Changes in Share Capital

The Company in general meeting may from time to time by resolution increase its capital, alter the share capital of the Company and reduce its share capital to such sum not less than US\$12,000.

#### d. Directors' Interests

A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his/her office of Director, or may act in a professional capacity to the Company on such terms as the Directors may determine.

A Director, notwithstanding his/her interest, may be counted in the quorum present at any meeting at which he/she or any other Director is appointed to hold any such office or position of profit under the Company or at which the terms of any such appointment are arranged, and he/she may vote on any such appointment or arrangement other than his/her own appointment or the arrangement of terms thereof.

No Director shall be disqualified by his/her office from contracting with the Company in any capacity, nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested be liable to be voided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established, provided that the nature of his/her interest is disclosed by him in accordance with the Bye-laws. However, with certain exceptions, a Director shall not vote and shall not be counted in the quorum in respect of any contract or arrangement in which he/she is so interested and, if he/she shall vote, his/her vote shall not be counted.

e. Retirement of Directors

There is no provision for the retirement of Directors on their attaining a certain age.

f. Transfer of Shares

Shares in the Company are transferable by instrument in writing signed by the transferor provided that it would not result in either the transferor or the transferee being registered as the holder of Shares of any Class having a value of less than the minimum holding, subject to the Manager's sole and absolute discretion, in any particular case or generally, of the relevant Class of Shares.

g. Unclaimed Dividend

All unclaimed dividends may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed. No dividend or distribution shall bear interest as against the Company.

h. Indemnities

No Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or officer or for joining in any receipt or other act of conformity or for any loss of expense to the Company through the insufficiency or deficiency of any security in or upon which any of the monies of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person with whom any monies, securities or effects shall be deposited or for any loss occasioned by an error of judgment, omission, default or oversight on their part or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of their office or in relation thereto, unless the same happens through their own fraud or dishonesty.

Each Director, Secretary or other officer of the Company shall be indemnified by the Company against, and it shall be the duty of the Directors out of the Portfolios of the Company to pay all costs, losses and expenses which any such Director or officer may incur or become liable for by reason of any contract entered into, or act or thing done by him as such Director or officer, or in any way in the discharge of his/her duties, and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company, and have priority as between the Shareholders over all other claims except as respects any such Director or officer where any such cost, loss or expense shall happen through his/her own fraud or dishonesty.

The Company has agreed to indemnify each of the Manager, the Custodian and the Administrator from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgements, suits, costs, expenses and disbursements of any kind or nature whatsoever other than those (a) resulting from fraud, wilful misconduct or gross negligence on the part of the Manager and Administrator or any agent appointed by them; or (b) resulting from fraud, wilful misconduct or negligence on the part of the Custodian or any agent appointed by it which may be imposed on, incurred by or asserted against the Manager, Custodian or Administrator, as the case may be, in performing their respective obligations or duties under their respective agreements with the Company.

## 6.2. Directory

### Directors

Robin Masters  
Faith Outerbridge  
Anthony T. Riker  
William Cooper  
Barry Harbison  
all c/o the Registered Office address of the Company

### Secretary and Registered Office

HSBC Securities Services (Bermuda) Limited  
37 Front Street  
Hamilton HM 11, Bermuda

### Manager

HSBC Global Asset Management (Bermuda) Limited  
37 Front Street  
Hamilton HM 11, Bermuda

### Auditors

KPMG Audit Limited  
Crown House, 4 Par-la-Ville Road  
Hamilton HM 08, Bermuda

### Custodian

HSBC Continental Europe  
1 Grand Canal Square  
Dublin 02 P820, Ireland

### Administrator and Registrar

HSBC Securities Services (Bermuda) Limited  
37 Front Street  
Hamilton HM 11, Bermuda

### Banker

HSBC Bank Bermuda Limited  
37 Front Street  
Hamilton HM 11, Bermuda

### Bermuda Legal Advisers

Conyers Dill & Pearman Limited  
Clarendon House  
2 Church Street  
Hamilton HM 11, Bermuda

### Bermuda Stock Exchange Listing Sponsor

Cohort Limited  
3<sup>rd</sup> Floor, Sofia House  
48 Church Street,  
Hamilton HM 12, Bermuda

