

# HSBC MUTUAL FUND

## Notice for Merger of HSBC Global Equity Climate Change Fund of Fund into HSBC Global Emerging Markets Fund

Notice is hereby given that the Board of Directors of HSBC Asset Management (India) Private Limited (“the AMC”) and the Board of Directors of HSBC Trustees (India) Private Limited (“the Trustees”) have approved the proposal of Merger of HSBC Global Equity Climate Change Fund of Fund (“Merging scheme”) into HSBC Global Emerging Markets Fund (“Surviving scheme”).



The proposed merger will tantamount to change in the fundamental attributes of the merging scheme i.e. HSBC Global Equity Climate Change Fund of Fund is in accordance with Regulation 18 (15A) of the SEBI (Mutual Funds) Regulations, 1996 (“MF Regulations”). The Securities and Exchange Board of India (“SEBI”) has also vide its communication dated **February 12, 2026** granted its no objection to the aforesaid merger.

1.

**Effective date for Merger:**  
The merger shall be effective after the close of business hours with effect from March 25, 2026 (or close of business hours of next business day, in case it is a non-business day).
2.

**No Change to Surviving Scheme post merger:**  
**Consequent to the aforesaid merger, there will be no change in the name or other attributes of the Surviving Scheme i.e. HSBC Global Emerging Markets Fund and accordingly, interest of unitholders of Surviving Scheme is not adversely affected. However, an exit option will be provided to the existing unitholders of both the merging and surviving scheme.**  
  
The investment objective, asset allocation, investment pattern, annual scheme recurring expenses and all other provisions as contained in the Scheme Information Document (SID) of the Surviving Scheme will remain unchanged post the merger. Thus, no new scheme will come into existence as a result of the aforesaid merger.
3.

**The comparison between features of the Merging Scheme and Surviving Scheme is as follows :**

Particulars	Merging Scheme Features	Surviving Scheme Features																								
Name of Scheme	HSBC Global Equity Climate Change Fund of Fund	HSBC Global Emerging Markets Fund																								
Category of Scheme/s	Overseas Fund of Fund	Overseas Fund of Fund																								
Type of the scheme	An open-ended fund of fund scheme investing in HSBC Global Investment Funds – Global Equity Climate Change.	An open-ended fund of fund scheme investing in HSBC Global Investment Funds – Global Emerging Markets Equity Fund.																								
Product Labelling (As on January 31, 2026)	<div><b>This product is suitable for investors who are seeking*:</b><ul style="list-style-type: none"><li>To create wealth over long-term</li><li>Investment predominantly in companies positioned to benefit from climate change through fund of funds route</li></ul></div> <div></div> <div>* Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</div>	<div><b>This product is suitable for investors who are seeking*:</b><ul style="list-style-type: none"><li>To create wealth over long term</li><li>Investment predominantly in units of HSBC Global Investment Funds - Global Emerging Markets Equity Fund</li></ul></div> <div></div> <div>* Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</div>																								
Investment objective	To provide long term capital appreciation by investing predominantly in units of HSBC Global Investment Funds – Global Equity Climate Change (HGECC). The Scheme may also invest a certain proportion of its corpus in money market instruments and / or units of overnight / liquid mutual fund schemes, in order to meet liquidity requirements from time to time. However, there is no assurance that the investment objective of the Scheme will be achieved.	The primary investment objective of the Scheme is to provide long term capital appreciation by investing predominantly in units / shares of HSBC Global Investment Funds - Global Emerging Markets Equity Fund. The Scheme may also invest a certain proportion of its corpus in money market instruments and / or units of liquid mutual fund schemes, in order to meet liquidity requirements from time to time. However, there can be no assurance or guarantee that the investment objective of the scheme would be achieved.																								
Underlying Overseas Fund Investment Strategy	<p>The Underlying scheme invests in normal market conditions a minimum of 80% of its net assets in equities and equity equivalent securities of companies with revenue exposure to climate transition themes (“Climate Transition Themes”) which are domiciled in, based in, carry out business activities in, or are listed on a Regulated Market in, any country including both developed markets and Emerging Markets. The Underlying scheme may also invest in eligible closed- ended Real Estate Investment Trusts (“REITs”).</p> <p>Climate Transition Themes may include, but are not limited to, renewable energy, energy efficiency, clean transportation and green buildings. Climate Transition Themes are proprietary to HSBC, determined with reference to the eligible activities of the Green Bond Principles of the International Capital Market Association and the Climate Bonds Taxonomy of the Climate Bonds Initiative, subject to ongoing research and may change over time as new themes are identified. The Investment Adviser may rely on its own research to identify suitable companies meeting a minimum revenue exposure threshold to Climate Transition Themes. The minimum revenue exposure threshold will depend on the specific Climate Transition Theme but will be at least 20% of the relevant company’s total revenue. The Underlying scheme aims to invest in companies that may benefit from the transition to a low carbon economy.</p> <p>The Underlying scheme is actively managed and the investment strategy is implemented on a continuous basis through compliance and monitoring of the binding elements.</p>	<p>The Underlying scheme aims to provide long term total return by investing in a portfolio of Emerging Market equities, while promoting ESG characteristics within the meaning of Article 8 of SFDR.</p> <p>The Underlying scheme invests in normal market conditions a minimum of 90% of its net assets in equities and equity equivalent securities of companies which are domiciled in, based in, or carry out the larger part of their business activities in, Emerging Markets.</p> <p>The Underlying scheme includes the identification and analysis of a company’s ESG credentials as an integral part of the investment decision making process to reduce sustainability risk. ESG Credentials are proprietary to HSBC, subject to ongoing research and may change over time as new criteria are identified. Notwithstanding the Excluded Activities as detailed below, the inclusion of a company in the sub-fund’s investment universe is at the discretion of the Investment Adviser. Issuers with improving ESG Credentials may be included when their credentials are still limited.</p> <p>The Underlying scheme is actively managed and the investment strategy is implemented on a continuous basis through compliance and monitoring of the binding elements as listed.</p>																								
Asset Allocation	<table><tr><th>Instruments</th><th colspan="2">Indicative Allocation (% of total assets)</th></tr><tr><td></td><th>Minimum</th><th>Maximum</th></tr><tr><td>Units issued by HSBC Global Investment Funds - Global Equity Climate Change (HGECC)</td><td>95%</td><td>100%</td></tr><tr><td>Money Market instruments (including TREPS &amp; reverse repo in government securities) and units of domestic overnight / liquid mutual funds</td><td>0%</td><td>5%</td></tr></table> <p>Under normal circumstances, 95-100% of the AUM will be invested into HSBC Global Investment Funds - Global Equity Climate Change. The cumulative gross exposure through units of the Underlying scheme, money market instruments and units of domestic mutual funds shall not exceed 100% of the net assets of the Scheme.</p> <p>The Scheme will not invest in derivatives, securitised debt or unrated instruments and in debt instruments having Structured Obligations / Credit Enhancements. The Scheme will not participate in securities lending and short selling.</p> <p>The Underlying scheme shall be compliant with the provisions of para 12.19 of SEBI Master Circular on Mutual Funds dated June 27, 2024.</p>	Instruments	Indicative Allocation (% of total assets)			Minimum	Maximum	Units issued by HSBC Global Investment Funds - Global Equity Climate Change (HGECC)	95%	100%	Money Market instruments (including TREPS & reverse repo in government securities) and units of domestic overnight / liquid mutual funds	0%	5%	<table><tr><th>Instruments</th><th colspan="2">Indicative Allocation (% of total assets)</th></tr><tr><td></td><th>Minimum</th><th>Maximum</th></tr><tr><td>Units issued by HSBC Global Investment Funds – Global Emerging Markets Equity Fund</td><td>95%</td><td>100%</td></tr><tr><td>Money Market instruments (including TREPS &amp; reverse repo) and units of domestic liquid mutual funds</td><td>0%</td><td>5%</td></tr></table>	Instruments	Indicative Allocation (% of total assets)			Minimum	Maximum	Units issued by HSBC Global Investment Funds – Global Emerging Markets Equity Fund	95%	100%	Money Market instruments (including TREPS & reverse repo) and units of domestic liquid mutual funds	0%	5%
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4.

**Exit option period for Unitholders of the Merging and Surviving Scheme :-**  
An exit option of 30 days will be given to the unit holders of Merging Scheme and Surviving Scheme starting from February 23, 2026 and will end on March 24, 2026 (both days inclusive and upto 3.00 pm on March 24, 2026).
- Procedure for Merger:**

In accordance with Regulation 25(26) of the SEBI (Mutual Funds) Regulations, 1996, all the existing unit holders under the Merging Scheme and Surviving Scheme, are given an option to exit the Scheme at the applicable Net Asset Value without any exit load on such redemption. This option is valid for a period of 30 days.

Please note that unit holders of the Merging Scheme and Surviving Scheme, who do not opt for redemption on or before March 24, 2026 (up to 3 p.m.) shall be deemed to have consented to the changes specified herein above and shall continue to hold units in the Surviving Scheme.

In case the unitholders of Merging scheme and Surviving Scheme, who have been given an exit option without any exit load, disagree with the aforesaid changes, they may redeem all or part of the units of the scheme held by them by exercising the Exit Option, without exit load, within the Exit Option Period. Unitholders need to submit a redemption / switch request online or through a physical application form at any official point of acceptance/investor service centre of the AMC or the Registrar and Transfer Agents of the Fund or to the depository participant (DP) (in case of units held in Demat mode). The above information is also available on the website viz., www.assetmanagement.hsbc.co.in. The redemption warrant/cheque will be mailed or the amount of redemption will be credited to the unit holders bank account (as registered in the records of the Registrar) within 3 (three) working days from the date of receipt of redemption request.

Unit holders can also submit the normal redemption form for this purpose. The redemption/ switch requests shall be processed at applicable NAV as per time stamping provisions contained in the SID of the Scheme. Unit holders should ensure that any changes in address or pay-out bank details if required by them, are updated in HSBC Mutual Fund records at least 10 (Ten) working days before exercising the Exit Option. Unit holders holding Units in dematerialized form may approach their DP for such changes.

Unit holders who have pledged / encumbered their units will not have the option to exit unless they submit a release of their pledges / encumbrances prior to submitting their redemption / switch requests.

In case investors, who had registered for Systematic investment facilities such as STP/SWP in the Merging Scheme, decide to continue their investments i.e. do not opt for the Exit Option, then such STP/SWP registrations will continue to be processed under the respective Plan/Option of the surviving scheme from the Effective Date and no fresh registration will be required. Further, investors who have registered for the aforesaid Systematic investment facilities in the Merging Scheme and who do not wish to continue their future investment facilities in the Surviving Scheme must apply for cancellation of such registrations.

It may be noted that the offer to exit is purely optional and not compulsory. If the Unit holder has no objection to the aforesaid change, no action is required to be taken and it would be deemed that such Unit holder has consented to the aforesaid change.

The expenses related to the proposed merger and other consequential changes as outlined above will not be charged to the unit holders of the Schemes.

5.

**Consequences of Merger:**
- The Merging Scheme will cease to exist post business hours on the Effective Date. The unitholders of the Merging Scheme as at the close of business hours on this date will be allotted units, equivalent to the value of their units in the Merging Scheme under the corresponding option/plan of the Surviving Scheme at the Net Asset Value (“NAV”) of this day. It may be noted that investors under the IDCW options of the Merging Scheme will be allotted units in the existing IDCW option of the Surviving Scheme under the relevant Plan / Option viz Direct / Regular.

Provided that, where units are held without distributor code in the Option / Plan of the Merging Scheme or where ARN is invalid, units of equivalent value in the Direct Plan of the Surviving Scheme under the corresponding Option will be allotted. Accordingly, the assets and liabilities of the Merging Scheme will be taken over by the Surviving Scheme upon Merger and the Merging Scheme shall cease to exist.

This merger will not result in creation of any new scheme, as the Merging Scheme will merge into the Surviving Scheme. Further, no changes are proposed in any of the scheme provisions of the Surviving Scheme and accordingly, interest of unitholders of Surviving Scheme shall not be adversely affected on account of the proposed merger.

Illustration on Basis of Allotment of units upon Merger for a Unitholder:

At the close of business hours as on the Effective Date of Merger – March 25, 2026		
NAV per unit of the Plan / Option of the Merging Scheme (in Rs)	(A)	₹ 20.000
Units outstanding in Merging Option	(B)	50.000
Outstanding value in Merging Scheme (in Rs)	(A) X (B) = (C)	₹ 1000.00
NAV of the corresponding Plan / Option of the Surviving Scheme(in Rs)	(D)	₹ 25.000
Units allotted in the corresponding Plan / Option of the Surviving Scheme	( C ) / (D) = (E)	40.000
Value of the units allotted in the Surviving Scheme(in Rs)	( E ) X (D) = (F)	₹ 1000.00

**Please note above illustration does not include the charges which may be applicable**

As can be seen above, the value of units held by an Investor before and after the merger will be the same.

Please note that the aforesaid is only an illustration and the actual number of units to be allotted under the Surviving Scheme will be determined by the value of units held in Merging Scheme and the NAVs of Merging Scheme and Surviving Scheme as at the close of business hours as on the Effective Date of Merger.

6.

**Tax consequences:**
- Pursuant to merger, any transfer of units held by the unit holder in the Merging Scheme in consideration of the units allotted in the Surviving Scheme who decide to continue their investments, will not be considered as redemption of Units in Merging Scheme and will not result in short term / long term capital gain / loss in the hands of the Unit holders. Furthermore, the period for which the units in the Merging Scheme were held by the Unit holder will be included in determining the period for which corresponding units were held in the Surviving Scheme by the Unit holder and the cost of acquisition of units allotted in the Surviving Scheme\*\* pursuant to merger will be the cost of acquisition of original units in Merging Scheme.

**\*\* Finance Act, 2018 has enacted certain amendments for determination of cost of acquisition of the units for the purpose of computing long term capital gains.**

Redemption / switch-out of units from the Scheme may entail capital gain/loss in the hands of the unitholder. For unit holders who redeem their investments during the Exit Option Period, the tax consequences as set forth in the Statement of Additional Information of HSBC Mutual Fund and Scheme Information Document of the scheme of HSBC Mutual Fund would be applicable. In case of NRI investors, TDS shall be deducted from the redemption proceeds in accordance with the prevailing income tax laws. In view of the individual nature of tax consequences, Unitholders are advised to consult their professional tax advisors for tax advice. The redemption / switch-out of units from the Scheme are liable for deduction of Securities Transaction Tax (STT), wherever applicable; however, such STT shall be borne by AMC and will not be borne by the investor.

**Please note that the aforesaid tax neutrality on consolidation/ merger of similar mutual fund schemes or of plans/ options of similar mutual fund schemes is subject to compliance of SEBI (Mutual Funds) Regulations, 1996 and Units being held as ‘Capital assets’ as defined under the Income Tax Act, 1961. The above tax consequences are as per prevailing tax laws. In view of individual nature of tax consequences, Unit holders are advised to consult their financial and tax advisors with respect to tax and other financial implications arising out of their participation in merger of schemes.**

7.

**Other Information:**
- A separate written/email communication, containing the prescribed information in this regard is being sent to the existing Unit holders of the Merging Scheme and Surviving scheme. In case any existing Unit holder of merging and surviving scheme does not receive the same, or in case of any queries or clarifications, please call us on 1800 200 2434/ 1800 4190 200 or email us on investor.line@mutualfunds.hsbc.co.in.

You may also visit any of the Investor Service Centres (ISC) of HSBC MF or visit Contact us at www.assetmanagement.hsbc.co.in for any other information.

Pursuant to above merger, all references to Merging Scheme stands deleted from SID & KIM of Schemes of HSBC Mutual Fund on or after the close of business hours as on the Effective Date. This addendum shall form an integral part of the SID/KIM of the Surviving Scheme as amended from time to time.

The updated SID and KIM of the Surviving Scheme containing the updated provisions shall be made available with our ISCs and also displayed on the website www.assetmanagement.hsbc.co.in immediately after completion of duration of exit option period.

**For & on behalf of HSBC Asset Management (India) Private Limited**  
**(Investment Manager to HSBC Mutual Fund)**

Sd/-  
Authorised Signatory

Place: Mumbai  
Date: February 17, 2026



### Mutual Fund investments are subject to market risks, read all scheme related documents carefully.

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