

**HSBC Malta Funds SICAV p.l.c.**

# **Prospectus**





# Prospectus

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5 December 2016

in respect of

**HSBC Malta Funds SICAV p.l.c.**

(hereinafter the ‘Company’) comprising segregated classes of Shares each linked to the following Sub-Funds:

**Malta Bond Fund**

**International Bond Fund**

**Equity Growth Fund**

**HSBC Property Investment Fund\***

**Malta Government Bond Fund**

**Maltese Assets Fund**

**HSBC Malta Funds SICAV p.l.c. is a collective investment scheme organised as a multi-fund limited liability investment company with segregated classes of shares and with variable share capital under the laws of the Republic of Malta and licensed by the Malta Financial Services Authority as an Alternative Investment Fund and fulfils the additional conditions prescribed by the Authority to be marketed to Retail Investors.**

The MFSA has made no assessment or value judgement on the soundness of any of the funds or for the accuracy or completeness of statements made or opinions expressed with regard to it.

This Prospectus is prepared in accordance and complies with the requirements of the Investment Services Act, 1994 and regulations thereunder. The Directors of the Company, whose names appear on page 17, 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 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.

**Malta Stock Exchange Disclaimer: The Malta 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 the whole or any part of the contents of this Prospectus.**

**The Listing Authority accepts no responsibility for the accuracy or completeness of this document and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.**

\*Details on the HSBC Property Investment Fund are dealt with exclusively in the Supplement dated 5 December 2016 (as may be amended from time to time). Persons requiring information on the HSBC Property Investment Fund are therefore to refer only to the Supplement dated 5 December 2016 (as may be amended from time to time), which is available on request from the Manager and other authorised financial intermediaries.

# Important information

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## Prospectus sole basis of offer

Shares (as defined herein) are offered on the basis of the information contained in this Prospectus and the documents referred to herein. If you are in any doubt about the contents of this Prospectus, you should consult an independent investment adviser. No broker, dealer, salesman or other person has been authorised by the Company, its Directors or HSBC Global Asset Management (Malta) Limited (the 'Manager'), to make any representations or issue any advertisement or to give any information in connection with the offering or sale of shares other than those contained in this Prospectus and in the documents referred to herein, and if given or made, such information or representations must not be relied upon as having been authorised by the Company, its Directors or the Manager. Any purchase made by any person on the basis of statements or representations not contained in or inconsistent with the information and representations contained in this Prospectus shall be solely at the risk of the Investor.

Any person relying on the information contained in this Prospectus, which was current at the date shown, should check with the Manager and /or relevant Intermediary that this document is the most current version and that no revisions of or corrections to the information contained in this Prospectus have been made or published since the date shown.

This Prospectus should be read in its entirety before making an application for the purchase of shares.

## Licensing status and MFSA disclaimer

The Company is organised under the laws of Malta as a multi-fund investment company with variable share capital (SICAV) pursuant to the Companies Act, 1995. The Company consists of separate classes of shares constituting segregated Sub-Funds which are segregated patrimonies.

Each Sub-Fund may also have one or more classes of shares which will not be segregated patrimonies. The Sub-Funds are regulated as collective investment schemes in Malta under the IS Act and are licensed by the MFSA with licence numbers CIS/2A, CIS/2B, CIS/2C, CIS/2D – PIF, CIS/2E and CIS/2F. The Malta Bond Fund, the Malta Government Bond Fund, the Maltese Assets Fund, the International Bond Fund and the Equity Growth Fund are retail funds and thus the shares in issue in these funds are available for subscription by the general public. On the other hand, the HSBC Property Investment Fund is licensed by the MFSA as an Alternative Investment Fund and may only be made available to Experienced Investors as defined in the Supplement to the HSBC Property Investment Fund. Thus, persons wishing to invest in the HSBC Property Investment Fund should refer exclusively to the relative Supplement of the HSBC Property Investment Fund.

The circulation of this Prospectus in Malta has also been approved by the MFSA.

The licensing of the Company does not constitute a warranty by the MFSA as to its performance and the MFSA is not in any way liable for the performance or default of the Company.

## Segregated assets

The assets and liabilities of each Sub-Fund are, and shall be treated for all intents and purposes of law as, a patrimony separate from the assets and liabilities of each other Sub-Fund. Accordingly, the liabilities incurred in respect of each Sub-Fund shall be paid out of the assets forming part of the patrimony of such Sub-Fund. In the event that the liabilities of a particular Sub-Fund exceed its assets, then the proportion of liabilities in excess of the assets shall not be allocated to the other Sub-Funds. The creditors of that Sub-Fund whose liabilities exceed its assets shall have no claim or right of action against the assets of the

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other Sub-Funds, and the provisions of any law or regulation in force regulating the insolvency of companies shall not be applicable. The Directors shall hold or shall cause to be held such separate accounts, records, statements and other documents as may be necessary to evidence the liabilities and assets of each Sub-Fund as distinct and separate from the assets and liabilities of all the other Sub-Funds.

In the case of classes of shares issued in the same Sub-Fund, all assets and liabilities of each such class of shares would form part of the total assets and liabilities of the Sub-Fund of which such a class of shares forms part.

Investors should, however, be aware that in the event a claim is made against the Company, if the assets attributable to a Sub-Fund in respect of which the claim is made are insufficient to cover such claim, then the creditor may nonetheless be allowed by non-Maltese courts to have recourse to the assets attributable to other Sub-Funds if such non-Maltese courts refuse to apply the protection afforded to Shareholders under Maltese law.

#### **Malta Stock Exchange listing**

Both the Income and Accumulator Shares within the Malta Bond Fund, the Malta Government Bond Fund and the Maltese Assets Fund are listed on the Malta Stock Exchange.

No application has been filed for the listing of the shares in the International Bond Fund, the Equity Growth Fund and the HSBC Property Investment Fund on any Regulated Market nor is it intended for the time being that such an application be filed.

The Directors do not anticipate that an active secondary market will develop for the shares in the Company.

#### **Use of prospectus outside Malta**

The Company and the Funds qualify as AIFs and the Manager is an Alternative Investment Fund

Manager for the purpose of the AIFMD. The Company in respect of its Sub-Funds has elected not to market the units in the Sub-Funds (within the meaning given to the term “marketing” under the AIFMD) and not to distribute this Prospectus and the Supplement issued in respect of the HSBC Property Investment Fund to investors domiciled or with a registered office in the EEA Member States. The Prospectus and the Supplement issued in respect of the HSBC Property Investment Fund may only be distributed to, and the Company and the Sub-Funds may be marketed only to investors domiciled or having a registered address in Malta.

The distribution of this Prospectus and the offering of shares is restricted in any other jurisdiction. This Prospectus does not constitute an offer or solicitation to subscribe for securities by any person in a jurisdiction where to do so is unlawful or the person making the offer or solicitation is not qualified to do so or the person receiving the offer or solicitation may not lawfully do so. In terms of the Memorandum and Articles of Association, the Directors may from time to time declare categories of persons who do not qualify under applicable law to purchase shares in the Company.

The Company has not been authorised in Canada, and accordingly shares in the Company may not be offered, promoted, or distributed directly or indirectly in Canada or to a person resident of Canada. Please refer also to Appendix VI for further details on persons who will generally be considered to be a Canadian resident.

The shares have not been nor will be registered under the United States Securities Act of 1933 as amended (the ‘1933 Act’) or under any United States securities law and, except with the specific consent of the Directors, may not be offered or sold, directly or indirectly, in the United States of America, its territories or possessions or any area subject to its jurisdiction or to any U.S. Person.

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In addition, the Company will not be registered under the United States Investment Company Act of 1940 (the '1940 Act') as amended and the investors will not be entitled to the benefits of the 1940 Act. Please refer also to Appendix VI.

Investors shall also comply with the obligations arising in terms of the U.S. Foreign Account Tax Compliance Act (FATCA) as further detailed in Appendix V hereof.

Applicants for Shares further agree to provide the Company and any of its service providers with any documentation or information requested so that the Company can ensure that (i) no shares in the Company are acquired or held by any person in breach of the law or requirements of any country or governmental authority and (ii) the Company and any of its service providers are able to comply with any law or requirements of any country or governmental authority placing obligations on the Company and its service providers in respect of Shares applied for or held in the Company.

#### **Offeree's responsibilities**

It is the responsibility of any persons in possession of the Prospectus and persons wishing to apply for shares to inform themselves of, and to observe and comply with, all applicable laws and regulations in Malta or in any relevant jurisdiction. Prospective applicants for shares should inform themselves as to the legal requirements of so applying and any applicable exchange control requirements and taxes in Malta and in the countries of their nationality, residence or domicile.

#### **Lodging of prospectus**

A copy of this Prospectus has been lodged with the Registrar of Companies in accordance with Regulation 3(7) of the Investment Services Act (Prospectus of Collective Investment Schemes) Regulations, 1996 (LN 103/1996).

A copy of this Prospectus has also been filed with the Listing Authority and the Malta Stock Exchange in satisfaction of the Listing rules.

#### **Memorandum and articles of association of the company**

The Company and the Sub-Funds comprising the classes of shares therein are constituted under the Act, and consequently all the rules and regulations relating to the Company, its Sub-Funds, its administration, the rights of the holders of shares, and all matters related to the pricing, acquisition and repurchase of the shares are contained in the Memorandum and Articles of Association, a full version of which is available for inspection at the Company's business address stated herein on page 92.

The Memorandum and Articles of Association are also available for inspection at the Registry of Companies from where certified copies can be obtained. All Investors who have acquired shares in the Company are entitled to the rights arising from, are bound by and are deemed to have notice of, the Memorandum and Articles of Association of the Company.

#### **Applicable law**

Statements made in this Prospectus are based on the law and practice currently in force in Malta and are subject to changes therein.

#### **Risk factors**

The difference at any time between the purchase and repurchase price of the shares in the Company means that the Investment in the Company should be regarded as a medium to long term investment. It should be noted that the price of shares may fall as well as rise, and that Investors may not get back the amount they have invested should they choose to realise their assets. Your attention is drawn to the section headed 'Risk factors' of this Prospectus.

# Contents

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Definitions	8
Principal features	14
Description of the company and its management	17
Investment objective, policies and restrictions of the Funds	18
Malta Bond Fund - Accumulator Shares	20
Malta Bond Fund - Income Shares	21
International Bond Fund - Accumulator Shares	23
International Bond Fund - Income Shares	24
Equity Growth Fund - Accumulator Shares - Class A	26
Equity Growth Fund - Accumulator Shares - Class B	29
Malta Government Bond Fund - Accumulator Shares	32
Malta Government Bond Fund - Income Shares	33
Maltese Assets Fund - Accumulator Shares	35
Maltese Assets Fund - Income Shares	37
Risk factors	41
The shares	44
Purchasing and repurchasing of shares	46
The Manager	55
The Administrator and Registrar	57
The Depositary	59
Conflicts of interest	63
Fees, charges and expenses	65
Taxation	69
Accountants' report at the time the Company was formed	72
General information	73
APPENDICES	
I Determination of net asset value	79
II Valuation of assets	80
III Allocation of assets and liabilities	83
IV Schedule of fees	85
V U.S. Foreign Account Tax Compliance Act	89
VI Restrictions on Offers and Sales	90
Directory	92

# Definitions

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The following words used in this Prospectus shall bear the meanings set opposite to them unless inconsistent with the subject or context:

**Account Holder** means a person who has established an Investment Account with HSBC Bank Malta p.l.c.

**Accounting Period** means, unless otherwise determined by the Directors, a fiscal period of the Company commencing on the 1 April and ending on 31 March in each year.

**Accumulator Shares** means the Malta Bond Fund Accumulator Shares, the Malta Government Bond Fund – Accumulator Shares, the Maltese Assets Fund – Accumulator Shares, the International Bond Fund – Accumulator Shares, the Equity Growth Fund – Accumulator Shares - Class A and the Equity Growth Fund – Accumulator Shares – Class B, collectively unless it appears otherwise from the context.

**Act** means the Companies Act, 1995.

**Administrator or Fund Administrator** means Deutsche International Corporate Services (Ireland) Limited and any successor thereof.

**Administration Agreement** means any agreement for the time being subsisting between the Company and the Fund Administrator relating to the appointment and duties of the Administrator.

**AIFMD** means directive 2011/61/EU of the European Parliament and of Council.

**AMMT** means HSBC Global Asset Management (Malta) Limited.

**Annual Report** means a report prepared in accordance with Article 28 of the Articles.

**Articles** means the Articles of Association of the Company.

**Auditors** means the auditors for the time being of the Company.

**Base Currency** means, in respect of the Company, the Euro and in respect of any Fund, the currency in which the relative units are denominated.

**Business Day** means in respect of the Malta Government Bond Fund, the Maltese Assets Fund, Malta Bond Fund, the International Bond Fund and the Equity Growth Fund a day, from Monday to Friday, on which the Depository and the banks in Malta are open for normal banking business and / or such further places as the Directors and/or the Manager may from time to time determine.

**Company** means HSBC Malta Funds SICAV p.l.c.

**Credit Institution** means a credit institution which is, or whose head office or parent company is, licensed or regulated or registered or based in Malta, a member state of the European Union or a member state of the Organisation for Economic Co-operation and Development.

**Currency of Expression** means such currency indicated in page 15 of this Prospectus (other than the Base Currency) as being one in which the Net Asset Value of the Shares of any Fund may be expressed.

**Depository** means Sparkasse Bank Malta p.l.c. and any successor thereof.

**Depository Agreement** means any agreement for the time being subsisting between the Company and the Depository relating to the appointment and duties of such Depository. The Manager is also a party to the Depository Agreement in view of its obligations arising in terms of AIFMD.

**Dealing Day** means the day specified in this Prospectus as a dealing day for each Fund.



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**Debt Securities** means any securitised debt in whatever form, including convertible bonds, but with a determinable maturity or redemption date.

**Director** means any director of the Company for the time being.

**Duties and Charges** means all stamp and other duties, taxes, governmental charges, valuation fees, agency fees, brokerage fees, bank charges, transfer fees, registration fees and other charges whether in respect of the constitution or increase of the assets or the creation, exchange, sale, purchase or transfer of shares or the purchase or proposed purchase of investments or otherwise which may have become or will become payable in respect or prior to or upon the occasion of any transaction, dealing or valuation, but not including commission payable on the issue of shares.

**Eligible Funds** means collective investment schemes whose investment objectives and policies are compatible with those of a Fund and which (a) qualify as undertakings for collective investment in transferable securities (UCITS) in terms of the EU Council Directive 85/611 and/or (b) are licensed, regulated and/or listed in jurisdictions whose regulatory standards conform with permitted criteria as laid down by the MFSA, and in respect of classes of shares in an umbrella fund, each class of shares which qualifies under (a) and (b) above.

**Eligible State** means (i) the Republic of Malta; (ii) any member state of the European Union; (iii) any member state of the Organisation for Economic Co-operation and Development (“OECD”); (iv) any local authorities situated in the territories referred to in (i) to (iii) above; and (v) any public international body of which one or more of the member State of the European Union or of the OECD are members.

**Equity** means shares, other than units in a collective investment scheme.

**Equity Growth Fund – Accumulator Shares** means the class A and the class B shares issued within the Equity Growth Fund in respect of which no dividend is expected to be paid.

**EU** means the European Union.

**Euro** means the single currency unit of the member states of the European Union that has been adopted pursuant to the Treaty establishing the European Community as amended.

**Exchange Traded Funds** means open ended or close ended collective investment schemes (i) whose investment objectives are compatible with those of the Fund; (ii) which are available on a Regulated Market; (iii) which are designed to track particular equity or bond indices; and (iv) (a) which qualify as undertakings for collective investment in transferable securities (UCITS) in terms of the EU Council Directive 85/611 as amended, and/or (b) are licensed and regulated in jurisdictions whose regulatory standards conform with the permitted criteria as laid down by the MFSA, and in respect of classes of shares in an umbrella fund, each class of shares which qualifies under (i), (ii), (iii) and (iv) above.

**Founder Shares** means the shares which the initial subscribers to the Memorandum and Articles of Association have subscribed for as more particularly set forth adjacent to their names in the Memorandum of Association.

**Fund or Sub-Fund** means the class or classes of shares which the Directors may from time to time declare to constitute an investment fund, but excluding the HSBC Property Investment Fund, in respect of which investors should refer to the Supplement issued specifically in respect of the HSBC Property Investment Fund. The Directors

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may also issue a class of accumulating shares, or a class of income distributing shares, or classes of accumulating as well as income distributing shares, within the same Fund provided that, in all cases, the particular Fund shall none the less have one portfolio of assets and liabilities.

**Guidelines** means the Investment Services Rules published by the MFSA.

**HBMT** means HSBC Bank Malta p.l.c.

**Hedging** means intentional matching of an asset or liability by a contra liability or asset (the 'hedge') with the aim of neutralising, as desired, the effect of movements in exchange rates, interest rates or in market prices.

**HSBC Group** means HSBC Holdings plc and any of its subsidiaries (including HSBC Bank Malta p.l.c. and its subsidiaries) and/or associate companies.

**Income Shares** means the Malta Bond Fund – Income Shares, the International Bond Fund – Income Shares, the Malta Government Bond Fund – Income Shares and the Maltese Assets Funds – Income Shares collectively unless it appears otherwise from the context.

**Initial Fee** or **Initial Charge** is the charge which is made by the Manager upon the purchase of any share.

**Initial Offer Period**, means, solely in respect of the Maltese Assets Fund and the Malta Government Bond, the period during which Shares are offered for purchase or subscription at the Initial Offer Price.

**Initial Offer Price**, means €588.61 per share in the Maltese Assets Fund and €494.43 per share in the Malta Government Bond Fund.

**Intermediary or Distributor** means a person, including a person licensed by the MFSA who

introduces business to the Manager in respect of shares and is bound by an agreement with the Manager.

**International Bond Fund – Accumulator Shares** means the class of shares issued within the International Bond Fund in respect of which no dividend is expected to be paid.

**International Bond Fund – Income Shares** means the class of shares issued within the International Bond Fund in respect of which dividends are expected to be paid.

**International Stock Exchange** means any regulated market operating outside Malta.

**Investment** means any asset of the Company including any instrument or right acquired, held or created by it from time to time.

**Investment Account System** means the securities holding system provided to investors by HSBC Bank Malta p.l.c. or by any member of the group of which HSBC Bank Malta p.l.c. forms part, or by any other successor entity approved by the MFSA through which all persons purchase and hold shares in the Company. Any change in the entity operating the Investment Account System (not forming part of the HSBC Group) shall be notified 30 days in advance of such change coming into effect, to all persons who hold shares in the Company as of the date of notification.

**Investment Management Product** means any instrument, plan, arrangement or other scheme for the pooling and investment of capital or for the management of investments or of investment capital.

**Investor** means an Account Holder who holds shares in the Company through the Investment Account System.

**In writing** means written, printed, lithographed, photographed, telexed, telefaxed or represented

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by any other substitute for writing or partly one and partly another.

**ISAct** means the Investment Services Act, 1994.

**Licence** means the collective investment scheme licence issued by the MFSA in favour of the Company in respect of the Funds.

**Listing Authority** means the competent authority having the functions assigned to it in terms of Article 11 of the Financial Markets Act, 1990 (Cap. 345 of the Laws of Malta).

**Listing Rules** means the rules issued by the Listing Authority as amended from time to time.

**Malta Stock Exchange** means the Malta Stock Exchange established in terms of the Financial Markets Act, 1990 (Cap. 345 of the Laws of Malta).

**Malta Bond Fund – Accumulator Shares** means the class of shares issued within the Malta Bond Fund in respect of which no dividend is expected to be paid.

**Malta Bond Fund – Income Shares** means the class of shares issued within the Malta Bond Fund in respect of which dividends are expected to be paid.

**Malta Government Bond Fund – Accumulator Shares** means the class of shares issued within the Malta Government Bond Fund in respect of which no dividend is expected to be paid.

**Malta Government Bond Fund – Income Shares** means the class of shares issued within the Malta Government Bond Fund in respect of which dividends are expected to be paid.

**Maltese Assets Fund – Accumulator Shares** means the class of shares issued within the Maltese Assets Fund in respect of which no dividend is expected to be paid.

**Maltese Assets Fund – Income Shares** means the class of shares issued within the Maltese Assets Fund in respect of which dividends are expected to be paid.

**Management Agreement** means any agreement for the time being subsisting to which the Company and the Manager are parties and relating to the appointment and duties of the Manager.

**Manager** means HSBC Global Asset Management (Malta) Limited.

**Member** means a person who is registered as the holder of shares in the Register.

**Memorandum and Articles of Association** means the constitutional document of the Company.

**MFSA** means the Malta Financial Services Authority or any other successor regulator of the financial services industry in Malta.

**MiFID** means the Directive 2004/39/EC on Markets in Financial Instruments as may be amended from time to time and such term shall include any other directives or regulations as may be issued from time to time by the institutions of the European Communities.

**Minimum Investment** means such amount as may be specified in this Prospectus to be the minimum value of the initial or any subsequent investment in a Fund, or of the value of the holding of shares in any Fund, as determined by reference to the price of such shares at the relevant time.

**Money Market Instruments** means any debt instrument with a maturity or repayment date not exceeding 12 months from date of issue, or a debt security on which the rate of interest is determined on money market rates for terms not exceeding 12 months.

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**Month** means a calendar month.

**Net Asset Value** or **NAV** means the amount determined for any particular Dealing Day pursuant to Articles 11 and 12 of the Articles for each of the Funds.

**New Shares** means shares issued in a Sub-Fund in place of shares held by an Investor in a different Sub-Fund or in a different class of the same Sub-Fund.

**Person** shall include any physical or legal person.

**Preliminary Expenses** means the preliminary expenses incurred in the establishment, licensing, launching and listing of the Company or the Funds.

**Prospectus** means this prospectus and any supplemental statements hereto and any prospectus from time to time issued by the Company.

**Register** means the register in which are listed the names of Members of the Company.

**Regulated Market** means any stock exchange or other regulated market which operates regularly and which is recognised and is open to the public.

**Secretary** means any person appointed by the Directors to perform the duties of the Secretary of the Company.

**Service Provider** means HSBC Bank Malta p.l.c. appointed as operator of the Investment Account System.

**Share** in relation to the Company, means a share in the Company without any nominal value assigned to it having the rights provided for under the Articles and shall refer to all classes of shares unless it appears otherwise from the context.

**Signed** includes a signature or representation of a signature affixed or imprinted by mechanical or other means.

**Sub-Fund** means any Fund of the Company but excluding the HSBC Property Investment Fund.

**Unit** means a share in a Fund.

**U.S.** means the United States of America (including the States and the District of Columbia), its territories, its possessions and all other areas subject to its jurisdiction.

**U.S. Person** means, unless otherwise determined and set out in the Prospectus, a person defined as such under Regulation S of the U.S. Securities Act of 1933, as amended from time to time or as defined under any other United States law placing obligations on the Company or any of its service providers, whether such obligations are voluntarily assumed or otherwise.

**United States Dollar** or **USD** means the lawful currency of the United States of America. Reference to enactments and to articles and sections of enactments shall include reference to any amendments, modifications, extensions, substitutions or re-enactments thereof for the time being in force.

References throughout this Prospectus to the Malta Bond Fund shall be construed as references to both the Malta Bond Fund – Accumulator Shares and the Malta Bond Fund – Income Shares taken together unless it appears otherwise from the context.

References throughout this Prospectus to the International Bond Fund shall be construed as references to both the International Bond Fund – Accumulator Shares and the International Bond Fund – Income Shares taken together unless it appears otherwise from the context.

References throughout this Prospectus to the Malta Government Bond Fund shall be construed as references to both the Malta Government Bond Fund – Accumulator Shares and the Malta

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Government Bond Fund – Income Shares taken together unless it appears otherwise from the context.

References throughout this Prospectus to the Maltese Assets Fund shall be construed as references to both the Maltese Assets Fund – Accumulator Shares and the Maltese Assets Fund – Income Shares taken together unless it appears otherwise from the context.

Unless it appears otherwise from the context:-

- (i) words importing the singular number shall include the plural number and vice versa;
- (ii) words importing the masculine gender only shall include the feminine gender;
- (iii) words importing persons only shall include companies or associations or bodies of persons, whether corporate or not;
- (iv) the word ‘may’ shall be construed as permissive and the word ‘shall’ shall;
- (v) be construed as imperative.

# Principal features

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The following should be read in conjunction with the full text of this Prospectus:

## Structure

The Company is a collective investment scheme established as a multi-fund investment company with variable share capital (SICAV) under the laws of Malta. The Company is authorised by the MFSA as an Alternative Investment Fund in terms of AIFMD. The Company may constitute segregated Funds represented by different classes of shares constituting different Sub-Funds. The Company has established the following classes of shares:

Malta Bond Fund	– Accumulator Shares
Malta Bond Fund	– Income Shares
International Bond Fund	– Accumulator Shares
International Bond Fund	– Income Shares
Equity Growth Fund	– Accumulator Shares Class A
Equity Growth Fund	– Accumulator Shares Class B
Malta Government Bond Fund	– Accumulator Shares
Malta Government Bond Fund	– Income Shares
Maltese Assets Fund	– Accumulator Shares
Maltese Assets Fund	– Income Shares
*HSBC Property Investment Fund	– Accumulator Shares
*HSBC Property Investment Fund	– Income Shares

\*Details on the HSBC Property Investment Fund are dealt with **exclusively** in the Supplement issued in conjunction with the launch of the said Fund (as amended from time to time). Persons requiring information on the HSBC Property Investment Fund are therefore to refer only to this Supplement (as may be amended from time to time) which is available on request from the Manager and other authorised financial intermediaries.

## Investment objective, policies and restrictions

The Company aims to provide investors with a choice of funds featuring a diversity in investment objectives and investing in a range of investment assets principally comprising income oriented instrument.

Reference is made to subsequent pages of this Prospectus where the investment objective, policies and restrictions of each of the Sub-funds are explained in detail.

## Fund income

The Company does not intend to distribute any dividends in respect of its Accumulator Shares. In the case of such classes of shares, the relevant net income will be accumulated within the class and reflected in the NAV thereof.

It is however intended that the Company will distribute dividends in respect of its Income Shares in such amounts as may be determined by the Directors in accordance with this Prospectus.

## Management and Administration

HSBC Global Asset Management (Malta) Limited had been appointed by the Company to provide investment management services and administrative services to the Company and its Funds by virtue of an agreement dated 31 January 1997 which was revoked and replaced by an agreement dated 2 May 2002 (the 'Management Agreement'). Subsequently an Addendum dated 7 October 2005 and Addendum dated 14 November 2006 to the Management Agreement were entered into between the Manager and the Company in relation to the Equity Growth Fund and the HSBC Property Investment Fund respectively.

HSBC Securities Services (Malta) Limited was then appointed by the Manager and the Company to provide administration, transfer agency and

registrar services in terms of an agreement dated 1 October 2007.

On 31 July 2013, HSBC Securities Services (Malta) Ltd relinquished those duties relating to the operation of the maintenance of the investment account system and a new agreement between the Company, HSBC Securities Services (Malta) Ltd and the Manager, was entered into on 31 July 2013. In terms of this agreement HSBC Securities Services (Malta) Ltd was appointed as administrator to perform certain administrative functions and services including acting as Registrar in relation to the Company and the Funds. This agreement was terminated on 11 February 2014 and the Company and the Manager appointed Deutsche International Corporate Services (Ireland) Limited as Fund Administrator to perform these duties as the replacement of HSBC Securities Services (Malta) Ltd., as from 12 February 2014.

A further agreement was entered into on 31 July 2013 between the Company, the Manager and HSBC Bank Malta p.l.c. whereby HSBC Bank Malta p.l.c. was appointed as a Service Provider in respect of the maintenance of the Investment Account System through which all persons purchase and hold shares in the Company.

The agreement dated 31 July 2013 whereby HSBC Bank Malta p.l.c. was appointed as a Service Provider to the Company was revoked and replaced with a new agreement dated 21 July 2014 primarily to reflect that the appointment of HSBC Bank Malta p.l.c. as Service Provider in respect of the maintenance of the Investment Account System through which all persons purchase and hold shares in the Company, was being made directly by the Company (and not the Manager).

The agreement between the Company and HSBC Global Asset Management (Malta) Limited dated

2 May 2002 was revoked and replaced with a new agreement dated 21 July 2014 whereby HSBC Global Asset Management (Malta) Limited was appointed by the Company as its Alternative Investment Fund Manager in terms of the AIFMD to provide portfolio management, risk management and certain other services in accordance with the provisions of AIFMD.

The agreement whereby the Company and the Manager appointed Deutsche International Corporate Services (Ireland) Limited as Administrator as from 12 February 2014 was amended and restated on 21 July 2014 primarily to reflect that the appointment of Deutsche International Corporate Services (Ireland) Limited to perform certain administrative functions and services including acting as Registrar in relation to the Company and the Funds, was being made directly by the Company (and not the Manager).

#### Depository

Sparkasse Bank Malta p.l.c.

#### Base Currency

Malta Bond Fund	– Euro
Malta Government Bond Fund	– Euro
Maltese Assets Fund	– Euro
International Bond Fund	– Euro
Equity Growth Fund	– Euro

#### Currencies of Expression

Malta Bond Fund	– Not Applicable
Malta Government Bond Fund	– Not Applicable
Maltese Assets Fund	– Not applicable
International Bond Fund	– Sterling
Equity Growth Fund	– Not applicable

#### Applications

Shares can be purchased within the times and as stated herein on written application directly to HBMT or through Intermediaries.

**Dealing**

Shares are normally issued or repurchased on every Dealing Day.

**Dealing price**

During the Initial Offer Period, shares will be issued at the Initial Offer price applicable to the relevant Fund. Thereafter, Shares will be issued on a Dealing Day at the Net Asset Value per share.

**Minimum investment**

The Funds shall be subject to the Minimum Investment requirements indicated below. The Directors and/or the Manager may vary such amounts from time to time.

<b>Minimum Investment Limit</b>			
	<b>Malta Bond Fund</b>	<b>International Bond Fund</b>	<b>Equity Growth Fund</b>
Accumulator Shares	Nil	€1,000 or equivalent in GBP	€1,000
Income Shares	Nil	€4,500 or equivalent in GBP	Not applicable

<b>Minimum Investment Limit*</b>		
	<b>Malta Government Bond Fund *</b>	<b>Maltese Assets Fund*</b>
Accumulator Shares	€1,000	€1,000
Income Shares	€4,500	€4,500

\*Note:

Investors holding shares on or prior to 3 November 1999 in the Malta Government Bond Fund and the Maltese Assets Fund under the

HSBC No-Load Funds SICAV p.l.c. shall be entitled to retain their holdings irrespective of the value thereof.

No additional investment limit applies for the Malta Bond Fund, the Malta Government Bond Fund, the Maltese Assets Fund, the International Bond Fund and the Equity Growth Fund.

**Management and Depositary fees**

As stipulated in Appendix IV hereof for each respective Fund.

**Accounting reference date**

31 March.

**Sponsoring stockbroker**

Rizzo Farrugia & Co. (Stockbrokers) Ltd.

**Stock Exchange listing**

The Income and Accumulator Shares within the Malta Bond Fund, Malta Government Bond Fund and the Maltese Assets Fund are listed on the Malta Stock Exchange.

No application has been filed for the listing of the shares of the International Bond Fund and the Equity Growth Fund, on any Regulated Market nor is it intended for the time being that such an application be filed.



# Description of the company and its management

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HSBC Malta Funds SICAV p.l.c., formerly licensed as a stand-alone collective investment scheme, is now a collective investment scheme established as a multi-fund investment company with variable share capital pursuant to S.84 of the Act. The Company has been registered in accordance with the Act on the 24 January 1997 with registration number SV2.

The net proceeds from the issue of shares in respect of each of the Sub-Funds will be invested in accordance with the investment objective and policies of that particular Sub-Fund.

The Company is administered by a Board of Directors. The Directors of the Company are:

**Dr Richard Bernard** (Maltese Nationality) is a lawyer by profession. He studied at the University of Malta where he graduated with a Doctorate of Laws in 2008. During his studies, he carried out an internship with the European Court of Justice in Luxembourg. Between 2008 and 2014, Richard assumed primary responsibility for the Company Law and Financial Services practice at a leading law firm in Malta. Since 2014, Richard runs his own legal practice which specialises in Financial Services, Company Law and Corporate Finance amongst other areas.

**Mr Steven Tedesco** (Maltese Nationality) is a Chartered Fellow of the Chartered Institute for Securities & Investment. He started his career in 1995 and served as Director, Deputy Head and Chief Investment Officer (2000-2009) at HSBC Global Asset Management (Malta) Limited where the assets under management exceeded EUR1 billion. He also engineered and designed various capital protected investment structures eventually introducing in Malta the concept of wrapping such structures round Medium Term Notes and engineering the first ever local, hedge fund linked, full capital protected, structure sold in Malta.

Mr Tedesco now runs his own consultancy business, where he serves as non-executive director and independent investment committee member in licensed entities operating in the alternative fund and asset management industry. He also provides consultancy services, including independent valuation of derivatives locally. Mr Tedesco lectures and delivers talks on various capital markets linked topics and overall portfolio management. He is also a Director and the Chairman of the Audit Committee of the Malta Stock Exchange. Mr Steven Tedesco has been appointed chairman of the Company.

**Ms Muriel Rutland** (Maltese Nationality) is the Managing Director of HSBC Global Asset Management (Malta) Ltd, a position she has occupied since January 2013. Ms Rutland joined HSBC in 2002 as a first-class graduate in banking and finance. In 2009, she was appointed Chief Investment Officer and Deputy Chief Executive Officer of HSBC Global Asset Management (Malta) Ltd. Muriel also headed HSBC Global Asset Management (Malta) Ltd's fixed income desk until December 2012. Ms Rutland is a Director on the Board of Tigne Mall p.l.c. since June 2016.

The business address of the Directors is the registered office of the Company which is situated at HSBC Malta Funds SICAV p.l.c., 171, Old Bakery Street, Valletta VLT 1455, Malta. The Directors are not required to hold any share qualification. All the Directors are non-executive. The day-to-day management of the Company has been delegated to the Manager in terms of the Management Agreement.

The accounting date adopted by the Company is the 31 March of each year, the first Accounting Period commencing on the date of registration of the Company.

# Investment objective, policies and restrictions of the Funds

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## General

The Funds shall be subject to the general principles outlined hereafter and each Fund shall also be subject to the specific investment objective, policies and restrictions stated under the heading for each Fund.

The HSBC Property Investment Fund is licensed as an Alternative Investment Fund and details under the sections ‘Adherence by Funds’ and ‘General restrictions’ as set out below are applicable only to retail funds. Persons requiring information on the HSBC Property Investment Fund are therefore to refer exclusively to the Supplement dated 5 December 2016 (as may be amended from time to time).

## Adherence by Funds

The Articles provide that the Directors shall, subject to applicable laws and regulations, from time to time determine the investment objective, policies and restrictions applicable to each Fund.

The Company may not use futures, options or other derivatives to leverage the Company.

The Directors may from time to time impose further restrictions as shall be compatible with or in the interest of investors in a Fund.

Each fund shall comply with the investment restrictions within six months from the launch of the said Fund or upon reaching a value equivalent to €2.5 million whichever is the sooner.

However, each Fund will, provided it considers this to be in the best interest of its Members and that it observes the principle of risk spreading, not be required to comply with its investment restrictions upon reaching a value equivalent to €2.3 million subject to it complying with such restrictions within a maximum of six months from its first Dealing Day as outlined in this Prospectus. The Manager shall take all

reasonable steps to comply with the restrictions as applicable.

The Depositary shall supervise the operation of the Fund to ensure that the Manager complies with these restrictions

In the absence of unforeseen circumstances, the objective, policies and restrictions of a particular Fund which has been listed on the Malta Stock Exchange shall be adhered to for at least three years following the listing of such shares on the Malta Stock Exchange.

## Alterations

Any changes to the investment objectives of the Fund shall be notified to investors in advance of the change. Furthermore, the investment objective of any Fund may only be changed with the consent in writing of the holders of three-fourths of the issued shares of the relevant Fund, or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of such Fund in terms of the Articles. Any change in the investment objectives will only become effective after all redemption requests received during the relevant notice period have been satisfied.

At any time, the Directors may, at their sole discretion, alter the investment policies and restrictions of any Fund. Such changes shall be notified to investors in advance of the change.

All alterations to the investment objective, policies or restrictions of any Fund shall require the consent of the MFSA.

## General restrictions

- a) The assets of the Funds may include amounts subscribed in respect of applications for new issues of securities intended for listing and the cost of acquiring recent issues. Such

assets shall be deemed, for the purpose of the Investment Restrictions of each Fund, as listed investments as long as:

- (i) the issue terms include the obligation to be listed or to trade on a Regulated Market; and
- (ii) these issues are admitted to a Regulated Market within one year after the date of issue.

If admittance to such Regulated Markets is not effected within the mentioned deadline, any position held by the Fund in these assets will be considered as an unlisted investment. Any excess in limits resulting from such classification will be treated in accordance with the provisions of paragraph (c) hereunder.

- b) Each fund may borrow up to 10% of its Net Asset Value, provided such borrowing is used for temporary purposes and is applied for the purposes of the Fund and its Members, as described in this Prospectus.
- c) If the percentages in any general or specific restrictions relating to any Fund are exceeded for reasons beyond the control of the Company or of the Manager, or as a result of the exercise of subscription rights, the Company and the Manager shall seek to remedy the situation in the shortest time possible, and in any event within the period of six months beginning on the date of discovery of the event when such restriction(s) were exceeded, taking due account of the interests of the Fund and of its Members.
- d) With the approval of the MFSA and for the purposes of efficient portfolio management, the Funds may hedge their assets or liabilities or enter into transactions which are economically appropriate to the reduction of risk or costs or to maximise return on holdings,

such as security lending back-to-back loans, purchase and repurchase agreements, futures or options transactions, and other similar transactions whether in income or capital.

Such transactions shall be conducted either on a Regulated Market or, where applicable, with a Credit Institution.

- e) No Fund shall, except for the purposes stated in paragraph (b) or (d) above:
  - (i) enter into a contract to sell investments when such investments are not in its ownership;
  - (ii) pledge, hypothecate, charge or assign its assets;
  - (iii) grant loans to or act as guarantor for third parties.

Provided that the prohibition on the Fund to grant a pledge, hypothec or charge or to assign its assets, shall not apply to any security arrangements which may be entered into with third parties, where the granting of a pledge, hypothec, charge or the assignment of assets or other similar rights over the assets of the Fund is necessary for the operations of the Fund including the appointment of third party service providers directly by the Fund or by its delegates, including the Depositary.

- f) The Company shall not use futures, options or other derivatives to leverage any Fund nor shall it underwrite securities.

# Malta Bond Fund – Accumulator Shares

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## Investment objective

The investment objective of the Fund is to achieve capital growth for the investors in the Fund by the maximisation of the return on its assets and by re-investing such income. The Fund will thereby aim to increase its Net Asset Value.

## Investment policies

The above objective will be achieved primarily by investing in interest-bearing assets such as listed or unlisted debt securities, treasury bills, other money-market instruments, and deposits with Credit Institutions which are appropriate in the opinion of the Manager. The Fund may also invest in other collective investment schemes whose objectives are compatible with those of the fund.

In order to preserve the prescribed status of the Fund at all times, no less than 85% of the total assets of the Fund shall consist of assets situated in Malta (including securities denominated in currencies other than the Euro issued by entities which are registered or otherwise situated in Malta).

Up to 15% of the total assets of the Fund may be invested in non-Maltese assets (including foreign assets denominated in Euro). Such assets may consist of deposits with Credit Institutions, Debt Securities/ Money Market instruments issued or guaranteed by Eligible States and/or other interest bearing securities of investment grade quality i.e. rated BBB- or higher as determined by Standard and Poor's, or if not rated by the latter, an equivalent rating as determined by an equivalent rating agent or, if unrated, estimated by the Manager to be of comparable quality.

Saving as provided above, there is no further restriction on the investment rating on any of the assets of the Fund, whether the assets are Maltese or otherwise and irrespective of the currency in which they are denominated.

There are no restrictions on the maturity of the instruments in which the Fund may invest. There

shall be no restrictions on the investments which can be effected by the Fund other than those listed below.

In addition, for the purposes of efficient portfolio management, the Fund may enter into transactions which are economically appropriate to the reduction of risk or costs or to maximise returns on holdings, such as security lending, purchase and repurchase agreements and other similar transactions, whether in income or capital terms. The portfolio of the fund shall be structured to achieve diversification of holdings over as wide a spread as possible.

The Fund shall obtain the approval of the MFSA as to the conditions and the limits under which it may employ techniques and instruments relating to efficient portfolio management.

## Investment restrictions

(\*See chart 1 on page 22)

## Portfolio of Assets and Liabilities

The Fund shall have one portfolio of assets and liabilities for the Malta Bond Fund – Accumulator Shares and Malta Bond Fund – Income Shares taken together.

## Currency

The Base Currency of the Fund shall be Euro.

## Dealing day

Everyday which is a Business Day and where the Malta Stock Exchange was open for trading on the preceding Business Day.

## Taxation

The Fund shall be treated as a prescribed fund for taxation purposes. Your attention is drawn to the section headed 'Taxation' on page 69 of this Prospectus.

## Initial Fee

None.

# Malta Bond Fund – Income Shares

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## Investment objective

To maximise long-term total return for investors, primarily through investment in Maltese and foreign debt securities.

## Investment policies

The above objective will be achieved primarily by investing in interest-bearing assets such as listed or unlisted debt securities, treasury bills, other money-market instruments, and deposits with Credit Institutions which are appropriate in the opinion of the Manager. The Fund may also invest in other collective investment schemes whose objectives are compatible with those of the fund.

In order to preserve the prescribed status of the Fund at all times, no less than 85% of the total assets of the Fund shall consist of assets situated in Malta (including securities denominated in currencies other than the Euro issued by entities which are registered or otherwise situated in Malta).

Up to 15% of the total assets of the Fund may be invested in non-Maltese assets (including foreign assets denominated in Euro). Such assets may consist of deposits with Credit Institutions, Debt Securities/ Money Market instruments issued or guaranteed by Eligible States and/or other interest bearing securities of investment grade quality i.e. rated BBB- or higher as determined by Standard and Poor's, or if not rated by the latter, an equivalent rating as determined by an equivalent rating agent or, if unrated, estimated by the Manager to be of comparable quality.

Saving as provided above, there is no further restriction on the investment rating on any of the assets of the Fund, whether the assets are Maltese or otherwise and irrespective of the currency in which they are denominated.

There are no restrictions on the maturity of the instruments in which the Fund may invest.

There shall be no restrictions on the investments which can be effected by the Fund other than those listed below.

In addition, for the purposes of efficient portfolio management, the Fund may enter into transactions which are economically appropriate to the reduction of risk or costs or to maximise returns on holdings, such as security lending, purchase and repurchase agreements and other similar transactions, whether in income or capital terms. The portfolio of the fund shall be structured to achieve diversification of holdings over as wide a spread as possible.

The Fund shall obtain the approval of the MFSA as to the conditions and the limits under which it may employ techniques and instruments relating to efficient portfolio management.

## Investment restrictions

(\*See chart 1 on page 22)

## Portfolio of Assets and Liabilities

The Fund shall have one portfolio of assets and liabilities for the Malta Bond Fund – Income Shares and Malta Bond Fund – Accumulator Shares taken together.

## Currency

The Base Currency of the Fund shall be Euro.

## Dealing day

Everyday which is a Business Day and where the Malta Stock Exchange was open for trading on the preceding Business Day.

## Taxation

The Fund shall be treated as a prescribed fund for taxation purposes. Your attention is drawn to the section headed 'Taxation' on page 69 of this Prospectus.

## Initial Fee

None.

(*chart 1)		Investment restrictions	
a)	A percentage of the assets of the Fund may be denominated in currencies other than the Base Currency of the Fund.		
b)	The assets described in the first column hereunder shall be subject to the limits in the second column. The said limits are cumulative and concurrent, so that if a particular position in an asset falls within more than one limit, it must be within all the applicable limits at the same time.		
	<i>Type of Asset</i>	<i>Maximum exposure limit as a Percentage of Net Asset Value of the Fund</i>	
<i>Assets listed or traded on a Regulated Market</i>			
(i)	Debt Securities issued/guaranteed by an Eligible State	Total	- 100%
		In any single issue - Malta	- 50%
		- Other	- 15%
(ii)	Debt Securities issued/guaranteed by a Credit Institution	Total	- 50%
		In any single issue - Maltese	- 25%
		- Other	- 10%
(iii)	Other Debt Securities	Total	- 40%
		In any single issue	- 5%
<i>Money Market Instruments and deposits with/loans to Credit Institutions</i>			
(iv)	Issued or guaranteed by an Eligible State	Total	- 100%
		Per issuer/institution	- 100%
(v)	Other Money Market Instruments and deposits with/loans to Credit Institutions	Total	- 100%
		Per issuer/institution	- 30%
<i>Collective Investment Schemes</i>			
(vi)	Collective Investment Schemes whose investments objectives are compatible with those of the Fund, and which are open-ended	Total	- 20%
<i>Other Assets</i>			
(vii)	Unlisted Securities	Total	- 10%
		In any single issue	- 5%
<i>Maximum Exposure to the same issuer/obligor</i>			
(viii)	State Issuers	Malta	- 100%
		Other	- 15%
(ix)	Credit Institutions	Maltese	- 50%
		Other	- 15%
(x)	Others		- 15%
(xi)	Minimum total Maltese assets		- 85%
(c)	Apart from the securities falling under (b)(i) and (b)(iv), the maximum holding of any class of security for any single issue shall not exceed 25% of any single issue when the borrower is Maltese, and 10% of any single issue in all other cases.		
(d)	Investment in feeder funds or funds of funds is not permitted.		
(e)	The Fund will not invest in any collective scheme which has invested in the Fund. Furthermore a Sub-Fund shall not invest in another Sub-Fund of the Company.		
(f)	The Fund and the Manager, taking into account all of the collective investment schemes which the latter manages, shall not acquire sufficient instruments to give the Fund the right to exercise control over 20% or more of the share capital or votes of a company, or sufficient instruments to enable it to exercise significant influence over the management of the issuer. This investment restriction shall not apply if the instruments are units in an open-ended collective investment scheme.		

# International Bond Fund – Accumulator Shares

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## Investment objective

To achieve long-term capital growth for investors, primarily through investment in international debt securities.

## Investment policies

The above objective will be achieved by investing in a wide selection of money-market and debt instruments and other interest-bearing assets denominated in Euro and/or in a currency of an Eligible State. The choice of assets may include but need not be limited to government and corporate bonds, listed or unlisted interest bearing securities, units in collective investment schemes with objectives compatible with those of the Fund, Treasury Bills, other money market instruments and deposits with Credit Institutions. In order to maintain the Non-Prescribed status of the Fund, over 15% of the Fund's assets shall be in non-Maltese assets.

Up to 30% of the Fund's total assets may consist of non-investment grade Debt Securities, rated between B- and BB+ as determined by Standard & Poors, or if not rated by the latter, an equivalent rating as determined by an equivalent rating agent, or if unrated, are determined by the Manager to be of comparable quality.

The Fund shall seek to diversify its assets so as to maintain a reasonable balance between risk and return but shall not be restricted in the maturity, quality, type, currencies, geographical allocation, or market sector of the assets that it can invest in, nor in the liabilities it may assume, other than as specified above and under the General Restrictions and the specific Investment Restrictions.

Investment restrictions  
(\*See chart 2 on page 25)

## Portfolio of Assets and Liabilities

The Fund shall have one portfolio of assets and liabilities for the International Bond Fund – Accumulator Shares and International Bond Fund – Income Shares taken together.

## Currency

The Base Currency of the Fund shall be Euro.

## Unit Price

The price of units in the Fund shall be the price prevailing as at close of business on each Dealing Day. In the case where an Investor has opted to have his Investment Account and statement referring to the Currency of Expression, the appropriate equivalent amount (expressed in the Currency of Expression) of the said unit price in Euro shall be utilised for determining the number of units to be issued to him, and will be so indicated to such Investor on his statement of unit holdings.

## Dealing Day

Every day which is a Business Day.

## Taxation

The Fund shall be treated as a non-prescribed fund for taxation purposes. Your attention is drawn to the section headed 'Taxation' on page 69 of this Prospectus.

## Initial Fee

There shall be an Initial fee of 2% (which may, at the Manager's entire discretion, be partially or fully waived from time to time and for such periods of time as the Manager may determine), or such other rate as the directors may from time to time determine, on the amount tendered in respect of an application to purchase shares.

# International Bond Fund – Income Shares

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## Investment objective

To maximise long-term total return for investors, primarily through investment in international debt securities.

## Investment policies

The above objective will be achieved by investing in a wide selection of money-market and debt instruments and other interest-bearing assets denominated in Euro and/or in a currency of an Eligible State. The choice of assets may include but need not be limited to government and corporate bonds, listed or unlisted interest bearing securities, units in collective investment schemes with objectives compatible with those of the Fund, Treasury Bills, other money market instruments and deposits with Credit Institutions. In order to maintain the Non-Prescribed status of the Fund, over 15% of the Fund's assets shall be in non-Maltese assets.

Up to 30% of the Fund's total assets may consist of non-investment grade Debt Securities, rated between B- and BB+ as determined by Standard & Poors, or if not rated by the latter, an equivalent rating as determined by an equivalent rating agent, or if unrated, are determined by the Manager to be of comparable quality.

The Fund shall seek to diversify its assets so as to maintain a reasonable balance between risk and return but shall not be restricted in the maturity, quality, type, currencies, geographical allocation, or market sector of the assets that it can invest in, nor in the liabilities it may assume, other than as specified above and under the General Restrictions and the specific Investment Restrictions.

## Investment restrictions

(\*See chart 2 on page 25)

## Portfolio of Assets and Liabilities

The Fund shall have one portfolio of assets and liabilities for the International Bond Fund – Income Shares and International Bond Fund – Accumulator Shares taken together.

## Currency

The Base Currency of the Fund shall be Euro.

## Unit Price

The price of units in the Fund shall be the price prevailing as at close of business on each Dealing Day. In the case where an Investor has opted to have his Investment Account and statement referring to the Currency of Expression, the appropriate equivalent amount (expressed in the Currency of Expression) of the said unit price in Euro shall be utilised for determining the number of units to be issued to him, and will be so indicated to such Investor on his statement of unit holdings.

## Dealing Day

Everyday which is a Business Day.

## Taxation

The Fund shall be treated as a non-prescribed fund for taxation purposes. Your attention is drawn to the section headed 'Taxation' on page 69 of this Prospectus.

## Initial Fee

There shall be an Initial fee of up to 2% (which may, at the Manager's entire discretion, be partially or fully waived from time to time and for such periods of time as the Manager may determine), or such other rate as the directors may from time to time determine, on the amount tendered in respect of an application to purchase shares.



(*chart 2)		Investment restrictions	
a)	The assets of the Fund may be denominated in currencies other than the Base Currency of the Fund.		
b)	The assets described in the first column hereunder shall be subject to the limits in the second column. The said limits are cumulative and concurrent, so that if a particular position in an asset falls within more than one limit, it must be within all the applicable limits at the same time.		
	<i>Type of Asset</i>	<i>Maximum exposure limit as a Percentage of Net Asset Value of the Fund</i>	
	<i>Assets listed or traded on a Regulated Market</i>		
(i)	Debt Securities issued/guaranteed by an Eligible State	Total	- 100%
		In any single issue	- 20%
(ii)	Debt Securities issued/guaranteed by a Credit Institution	Total	- 75%
		In any single issue	- 15%
(iii)	Other Debt Securities	Total	- 50%
		In any single issue	- 10%
	<i>Money Market Instruments and deposits with/loans to Credit Institutions</i>		
(iv)	Issued or guaranteed by an Eligible State	Total	- 100%
		Malta	- 60%
		Other issuers - per issuer	- 30%
(v)	Money Market Instruments issued by, and deposits with/loans to, Credit Institutions	Total	- 100%
		Per issuer/institution	- 30%
(vi)	Other Money Market Instruments not referred to in paras (iv) and (v) above	Total	- 50%
		In any single issue	- 10%
	<i>Collective Investment Schemes</i>		
(vii)	Collective Investment Schemes whose investment objectives are compatible with those of the Fund, and which are open-ended	Total	- 20%
		Per scheme	- 20%
		Per sub-fund or single fund scheme	- 10%
	<i>Other Assets</i>		
(viii)	Unlisted Securities	Total	- 10%
		In any single issue	- 5%
	<i>Maximum Exposure to the same issuer/obligor</i>		
(ix)	Eligible State Issuers	Malta–Total	- 60%
		Subject to a maximum exposure in Debt Securities of	- 35%
		Other Eligible State Issuers	- 35%
(x)	Credit Institutions		- 40%
(xi)	Others		- 10%
(c)	Apart from the securities falling under (b)(i) and (b)(iv), the maximum holding of any class of security for any single issuer shall not exceed 10% of the class of security issued.		
(d)	Investment in feeder funds or funds of funds is not permitted.		
(e)	The Fund will not invest in any collective investment scheme which has invested in the Fund. Furthermore, a sub-fund shall not invest in another sub-fund of the Company.		
(f)	The Fund and the Manager, taking into account all of the collective investments schemes which the latter manages, shall not acquire sufficient instruments to give the Fund the right to exercise control over 20 per cent or more of the share capital or votes of a company, or sufficient instruments to enable it to exercise significant influence over the management of the issuer. This investment restriction shall not apply if the instruments are units in an open-ended collective investment scheme.		

# Equity Growth Fund – Accumulator Shares - Class A

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## Investment objective

To achieve long term capital growth for investors, primarily by investing in the local and international equity markets both directly and indirectly through investment vehicles which provide exposure to equities.

## Investment policy

The Fund shall aim to achieve its objective by primarily making long-term investments in:

- (a) Maltese equities;
- (b) equities listed on a Regulated Market in an Eligible State;
- (c) Exchange Traded Funds; and
- (d) collective investment schemes whose objectives are compatible with those of the Fund.

In order to achieve its objective, the Fund may also invest in Debt Securities, Money Market Instruments, deposits with Credit Institutions and other interest bearing assets denominated in Euro and/or in a currency of an Eligible State.

In order to maintain the Non-Prescribed status of the Fund, over 15% of the Fund's assets shall be in non-Maltese assets.

Furthermore, it is intended that the spread of listed Maltese equity holdings in the Fund shall reflect largely, but not exclusively, the total market value of the individual shares in issue and listed on the Malta Stock Exchange as a proportion of the total market value of such shares over appropriate periods of time. This policy will however be subject to the circumstances of the markets, in particular the level of demand and supply of stock and the prices at which trades can be done. The implementation of this policy may also be subject to the priority of responding as adequately as possible to any changes in the size of the Fund from time to time.

The Fund shall seek to diversify its assets so as to maintain a reasonable balance between risk and return, but shall not be restricted in the maturity, quality, geographical allocation, or market sector, currency of denomination or type of the assets that it can invest in, nor in the liabilities that it may assume, other than as specified under the general restrictions stated in pages 18 and 19 and the specific investment restrictions stated on pages 27 and 28.

## Investment restrictions

(\*See chart 3 on page 27)

## Currency

The Base currency of the Fund shall be the Euro.

## Dealing Day

Everyday which is a Business Day and where the Malta Stock Exchange was open for trading on the preceding Business Day.

## Taxation

The Fund shall be treated as a non-prescribed fund for taxation purposes. Your attention is drawn to the section headed 'Taxation' on page 69 of this Prospectus.

## Initial Fee

None.

Class A Shares will not be available to new investors, as from 1 July 2011.

## (\*chart 3)

## Investment restrictions

- a) The assets of the Fund may be denominated in currencies other than the Base Currency of the Fund.
- b) The assets described in the first column hereunder shall be subject to the limits in the second column. The said limits are cumulative and concurrent, so that if a particular position in an asset falls within more than one limit, it must be within all the applicable limits at the same time.

<i>Type of Asset</i>	<i>Maximum exposure limit as a Percentage of Net Asset Value of the Fund</i>
<i>Assets listed or traded on a Regulated Market:</i>	
(i) Equities	Total held - 100%
	Maltese - 84%
	Other - 100%
(ii) In any single equity issue	Malta, provided that the issuer has a market capitalisation of at least €58.23 million or its equivalent in the currency of denomination of the issuer - 20%
	if, the issuer has a market capitalisation of less than €58.23 million or its equivalent in the currency of denomination of the issuer - 10%
	Other - 10%
(iii) Debt Securities issued or guaranteed by an Eligible State	Total - 25%
	In any single issue - 10%
(iv) Debt Securities issued or guaranteed by a Credit Institution	Total - 25%
	In any single issue - 10%
(v) Other Debt Securities	Total - 25%
	In any single issue - 5%

<i>Money Market Instruments and deposits with/loans to Credit Institutions</i>		
(vi) Issued or guaranteed by an Eligible State		- 25%
(vii) Other Money Market Instruments and deposits with/loans to, Credit Institutions	Total Per issuer/institution	- 25% - 20%
<i>Other Assets</i>		
(viii) Collective investment schemes, whose investment objectives are compatible with those of the Fund,	Total held which are open-ended in any single collective investment scheme	- 75% - 75% - 15%
(ix) Exchange Traded Funds,	Total held which are open-ended which are close-ended per issuer of an Exchange Traded Fund per sub-Fund of an Exchange Traded Fund	- 75% - 75% - 50% - 35% - 15%
(x) Unlisted securities	Total	- 10%
<i>Maximum exposure to the same issuer/obligor</i>		
(xi) Eligible States	Malta Other	- 25% - 10%
(xii) Credit Institutions	Maltese Other	- 25% - 20%
(xiii) Others		- 15%
(c) Apart from the securities falling under (b)(ii) above and collective investment schemes and Exchange Traded Funds, the maximum holding of any class of security for any single issuer shall not exceed 10% of the class of security issued.		
(d) Investment in feeder funds or funds of funds is not permitted.		
(e) The Fund will not invest in any collective investment scheme or Exchange Traded Fund which has invested in the Fund. Furthermore, a sub-fund shall not invest in another sub-fund of the Company.		
(f) The Fund and the Manager, taking into account all of the collective investment schemes which the latter manages, shall not acquire sufficient instruments to give the Fund the right to exercise control over 20 per cent or more of the share capital or votes of a company, or sufficient instruments to enable it to exercise significant influence over the management of the issuer. This investment restriction shall not apply if the instruments are units in an open-ended collective investment scheme.		

# Equity Growth Fund – Accumulator Shares - Class B

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## Investment objective

To achieve long term capital growth for investors, primarily by investing in the local and international equity markets both directly and indirectly through investment vehicles which provide exposure to equities.

## Investment policy

The Fund shall aim to achieve its objective by primarily making long-term investments in:

- (a) Maltese equities;
- (b) equities listed on a Regulated Market in an Eligible State;
- (c) Exchange Traded Funds; and
- (d) collective investment schemes whose objectives are compatible with those of the Fund.

In order to achieve its objective, the Fund may also invest in Debt Securities, Money Market Instruments, deposits with Credit Institutions and other interest bearing assets denominated in Euro and/or in a currency of an Eligible State.

In order to maintain the Non-Prescribed status of the Fund, over 15% of the Fund's assets shall be in non-Maltese assets.

Furthermore, it is intended that the spread of listed Maltese equity holdings in the Fund shall reflect largely, but not exclusively, the total market value of the individual shares in issue and listed on the Malta Stock Exchange as a proportion of the total market value of such shares over appropriate periods of time. This policy will however be subject to the circumstances of the markets, in particular the level of demand and supply of stock and the prices at which trades can be done. The implementation of this policy may also be subject to the priority of responding as adequately as possible to any changes in the size of the Fund from time to time.

The Fund shall seek to diversify its assets so as to maintain a reasonable balance between risk and return, but shall not be restricted in the maturity, quality, geographical allocation, or market sector,

currency of denomination or type of the assets that it can invest in, nor in the liabilities that it may assume, other than as specified under the general restrictions stated in pages 18 and 19 and the specific investment restrictions stated on pages 30 and 31.

## Investment restrictions

(\*See chart 4 on page 30)

### Currency

The Base currency of the Fund shall be the Euro.

### Initial Offer Price

The Initial Offer Period of the Class B shares opens at 8:00am on 30 June 2011 and closes on same day at 12:30pm.

Shares received during the Initial Offer Period are allotted at the NAV price of the Fund issued on 1 July 2011.

### Dealing Day

Everyday which is a Business Day and where the Malta Stock Exchange was open for trading on the preceding Business Day.

### Taxation

The Fund shall be treated as a non-prescribed fund for taxation purposes. Your attention is drawn to the section headed 'Taxation' on page 69 of this Prospectus.

### Initial Fee

There shall be an Initial Fee of up to 3% (which may, at the Manager's entire discretion, be partially or fully waived from time to time and for such periods of time as the Manager may determine), on the Net Asset Value of the Shares repurchased or sold or such other rate as the directors may from time to time determine.

<b>(*chart 4)</b>		<b>Investment restrictions</b>	
a)	The assets of the Fund may be denominated in currencies other than the Base Currency of the Fund.		
b)	The assets described in the first column hereunder shall be subject to the limits in the second column. The said limits are cumulative and concurrent, so that if a particular position in an asset falls within more than one limit, it must be within all the applicable limits at the same time.		
	<i>Type of Asset</i>	<i>Maximum exposure limit as a Percentage of Net Asset Value of the Fund</i>	
	<i>Assets listed or traded on a Regulated Market:</i>		
(i)	Equities	Total held	- 100%
		Maltese	- 84%
		Other	- 100%
(ii)	In any single equity issue	Malta, provided that the issuer has a market capitalisation of at least €58.23 million or its equivalent in the currency of denomination of the issuer	- 20%
		if, the issuer has a market capitalisation of less than €58.23 million or its equivalent in the currency of denomination of the issuer	- 10%
		Other	- 10%
(iii)	Debt Securities issued or guaranteed by an Eligible State	Total	- 25%
		In any single issue	- 10%
(iv)	Debt Securities issued or guaranteed by a Credit Institution	Total	- 25%
		In any single issue	- 10%
(v)	Other Debt Securities	Total	- 25%
		In any single issue	- 5%

*Money Market Instruments and deposits with/loans to**Credit Institutions*

(vi) Issued or guaranteed by an Eligible State		- 25%
(vii) Other Money Market Instruments and deposits	Total	- 25%
with/loans to, Credit Institutions	Per issuer/institution	- 20%

*Other Assets*

(viii) Collective investment schemes, whose investment objectives are compatible with those of the Fund,	Total held	- 75%
	which are open-ended	- 75%
	in any single collective investment scheme	- 15%
(ix) Exchange Traded Funds,	Total held	- 75%
	which are open-ended	- 75%
	which are close-ended	- 50%
	per issuer of an Exchange Traded Fund	- 35%
	per sub-Fund of an Exchange Traded Fund	- 15%
(x) Unlisted securities	Total	- 10%

*Maximum exposure to the same issuer/obligor*

(xi) Eligible States	Malta	- 25%
	Other	- 10%
(xii) Credit Institutions	Maltese	- 25%
	Other	- 20%
(xiii) Others		- 15%

(c) Apart from the securities falling under (b)(ii) above and collective investment schemes and Exchange Traded Funds, the maximum holding of any class of security for any single issuer shall not exceed 10% of the class of security issued.

(d) Investment in feeder funds or funds of funds is not permitted.

(e) The Fund will not invest in any collective investment scheme or Exchange Traded Fund which has invested in the Fund. Furthermore, a sub-fund shall not invest in another sub-fund of the Company.

The Fund and the Manager, taking into account all of the collective investment schemes which the latter manages, shall not acquire sufficient instruments to give the Fund the right to exercise control over 20 per cent or more of the share capital or votes of a company, or sufficient instruments to enable it to exercise significant influence over the management of the issuer. This investment restriction shall not apply if the instruments are units in an open-ended collective investment scheme.

# Malta Government Bond Fund – Accumulator Class

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## Investment objective

To achieve a reasonable return in the form of capital gains, which return will result from the accumulated income, realised and unrealised capital gains, achieved by investing in a diversified portfolio of interest-earning assets.

## Investment policy

The Fund shall aim to achieve its objective by investing in assets that earn interest.

It is intended that these assets shall principally consist of Debt Securities and Money Market Instruments issued by the Government of Malta and to a lesser extent, deposits with Credit Institutions licensed in Malta.

In order to preserve the prescribed status of the Fund at all times, no less than 85% of the total assets of the Fund shall consist of assets situated in Malta (including securities denominated in currencies other than the Euro issued by entities which are registered or otherwise situated in Malta).

Up to 15% of the total assets of the Fund may be invested in non-Maltese assets (including foreign assets denominated in Euro). Such assets may consist of deposits with Credit Institutions, Debt Securities and Money Market instruments issued or guaranteed by Eligible States and of investment grade quality i.e. rated BBB- or higher as determined by Standard and Poor's, or if not rated by the latter, an equivalent rating as determined by an equivalent rating agent or, if unrated, estimated by the Manager to be of comparable quality.

The Fund shall in principle seek to diversify its assets so as to maintain a reasonable balance between risk and return, but shall not be restricted in the maturity, investment rating (unless defined otherwise), type, or currency of denomination of the assets that it can invest in, nor in the liabilities

that it may assume, other than as specified under the general restrictions stated in page 18 and 19 and the specific investment restrictions stated below:

## Investment restrictions

(\*See chart 5 on page 34)

## Portfolio of Assets and Liabilities

The Fund shall have one portfolio of assets and liabilities for the Malta Government Bond Fund – Accumulator Class and Malta Government Bond Fund – Income Class taken together.

## Currency

The base currency of the Fund shall be the Euro.

## Dealing Day

Dealing Day means everyday which is a Business Day and where the Malta Stock Exchange was open for trading on the preceding Business Day.

## Initial Offer Period

The Fund shall have an Initial Offer Period\* which shall commence on the 5 December 2016 at 8.00am and shall close at 9.00am on the 5 December 2016. During the Initial Offer Period, Shares shall be issued at the Initial Offer Price. After the closing of the Initial Offer Period, Shares may be acquired at the NAV per share on the relevant Dealing Day.

\*Note: the Initial Offer Period **is only applicable and relevant** for those investors who as at close of business on 25 November 2016 held units in the Malta Government Bond Fund – Accumulator Class under the HSBC No-Load Funds SICAV p.l.c. following a restructuring exercised approved by the members of the HSBC No-Load Funds SICAV p.l.c.

The Initial Offer Price is set at the Net Asset Value of such units as at close of business on 25 November 2016.



# Malta Government Bond Fund – Income Class

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## Investment objective

To maximise long-term total return for investors, primarily through investment in Maltese and foreign debt securities issued by Eligible States.

## Investment policy

The Fund shall aim to achieve its objective by investing in assets that earn interest.

It is intended that these assets shall principally consist of Debt Securities and Money Market Instruments issued by the Government of Malta and to a lesser extent, deposits with Credit Institutions licensed in Malta.

In order to preserve the prescribed status of the Fund at all times, no less than 85% of the total assets of the Fund shall consist of assets situated in Malta (including securities denominated in currencies other than the Euro issued by entities which are registered or otherwise situated in Malta).

Up to 15% of the total assets of the Fund may be invested in non-Maltese assets (including foreign assets denominated in Euro). Such assets may consist of deposits with Credit Institutions, Debt Securities and Money Market instruments issued or guaranteed by Eligible States and of investment grade quality i.e. rated BBB- or higher as determined by Standard and Poor's, or if not rated by the latter, an equivalent rating as determined by an equivalent rating agent or, if unrated, estimated by the Manager to be of comparable quality.

The Fund shall in principle seek to diversify its assets so as to maintain a reasonable balance between risk and return, but shall not be restricted in the maturity, investment rating (unless defined otherwise), type, or currency of denomination of the assets that it can invest in, nor in the liabilities that it may assume, other than as specified under

the general restrictions stated in page 16 and the specific investment restrictions stated below:

## Investment restrictions

(\*See chart 5 on page 34)

## Portfolio of Assets and Liabilities

The Fund shall have one portfolio of assets and liabilities for the Malta Government Bond Fund – Income Class and Malta Government Bond Fund – Accumulator Class taken together.

## Currency

The base currency of the Fund shall be the Euro.

## Dealing Day

Dealing Day means everyday which is a Business Day and where the Malta Stock Exchange was open for trading on the preceding Business Day.

## Initial Offer Period

The Fund shall have an Initial Offer Period\* which shall commence on the 5 December 2016 at 8.00am and shall close at 9.00am on 5 December 2016. During the Initial Offer Period, Shares shall be issued at the Initial Offer Price. After the closing of the Initial Offer Period, Shares may be acquired at the NAV per share on the relevant Dealing Day.

\*Note: the Initial Offer Period is only applicable and relevant for those investors who as at close of business on 25 November 2016 held units in the Malta Government Bond Fund – Income Class under the HSBC No-Load Funds SICAV p.l.c. following a restructuring exercise approved by the members of the HSBC No-Load Funds SICAV p.l.c.

The Initial Offer Price is set at the Net Asset Value of such units as at close of business on 25 November 2016.

<b>(*chart 5)</b>		<b>Investment restrictions</b>	
a)	The assets of the Fund may be denominated in currencies other than the Base Currency of the Fund.		
b)	The assets described in the first column hereunder shall be subject to the limits shown in the second column.		
	<i>Type of Asset</i>		<i>Maximum exposure limit as a Percentage of Net Asset Value of the Fund</i>
(i)	Debt Securities and Money Market Instruments, other than treasury bills, issued or guaranteed by an Eligible.	Total held	- 100%
		Other	- 15%
		In any single issue – Malta	- 50%
		Other	- 15%
(ii)	Other Debt Securities	Total held	- 0%
(iii)	Treasury bills	Total held – Maltese	- 100%
		Other	- 15%
(iv)	Other Money Market Instruments not referred to in para (i) above and issued by Credit Institutions and deposits with, or loans to, Credit Institution.	Total	- 100%
		Per issuer/institution	- 30%
(v)	Minimum total Maltese assets		- 85%

# Maltese Assets Fund – Accumulator Class

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## Investment objective

To achieve a reasonable return in the form of capital gains, which will result from the accumulated income, realised and unrealised capital gains, achieved by investing in a diversified portfolio of equity holdings and of interest-earning assets.

## Investment policy

The Fund shall aim to achieve its objective principally by making long-term investments in Maltese equities, Debt Securities and Money Market Instruments, and deposits with Credit Institutions licensed in Malta. The Fund may also invest in other collective investment schemes whose objectives are compatible with those of the Fund.

To minimise volatility and risk and to maintain a reasonable level of liquidity, it is intended that a portion of the Fund's assets will be in Money Market Instruments and Debt Securities. The Fund's assets may also comprise units in other collective investment schemes whose investment objectives are similar to those of the Fund.

Furthermore, it is intended that the spread of listed Maltese equity holdings in the Fund shall reflect largely, but not exclusively, the total market value of the individual shares in issue and listed on the Malta Stock Exchange as a proportion of the total market value of such shares over appropriate periods of time.

This policy will however be subject to the circumstances of the markets, in particular the level of demand and supply of stock and the prices at which trades can be done. The implementation of this policy may also be subject to the priority of responding as adequately as possible to any changes in the size of the Fund from time to time.

In order to preserve the prescribed status of the Fund at all times, no less than 85% of the total assets of the Fund shall consist of assets situated in Malta (including securities denominated in currencies other than the Euro issued by entities which are registered or otherwise situated in Malta).

Up to 15% of the total assets of the Fund may be invested in non-Maltese assets (including foreign assets denominated in Euro). Such assets may consist of any one or more of the following:

- (i) deposits with Credit Institutions;
- (ii) Debt Securities and Money Market Instruments rated BBB- or higher as determined by Standard & Poor's, or if not rated by the latter, an equivalent rating as determined by an equivalent rating agent or, if unrated, estimated by the Manager to be of comparable quality;
- (iii) equities listed on a Regulated Market in an Eligible State;
- (iv) collective investment schemes whose objectives are compatible with those of the Fund and which are listed on a Regulated Market in an Eligible State.

The Fund shall in principle seek to diversify its assets so as to maintain a reasonable balance between risk and return, but shall not be restricted in the maturity, quality, investment rating (unless otherwise defined), currency of denomination or type of the assets that it can invest in, nor in the liabilities that it may assume, other than as specified under the general restrictions stated in page 18 and 19 and the specific investment restrictions stated below.

## Investment restrictions

(\*See chart 6 on page 39)

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### Portfolio of Assets and Liabilities

The Fund shall have one portfolio of assets and liabilities for the Maltese Assets Fund – Accumulator Class and Maltese Assets Fund – Income Class taken together.

### Currency

The Base Currency of the Fund shall be the Euro.

### Dealing Day

Dealing Day means everyday which is a Business Day and where the Malta Stock Exchange was open for trading on the preceding Business Day.

### Initial Offer Period

The Fund shall have an Initial Offer Period\* which shall commence on the 5 December 2016 at 8.00am and shall close at 9.00am on 5 December 2016. During the Initial Offer Period, Shares shall be issued at the Initial Offer Price. After the closing of the Initial Offer Period, Shares may be acquired at the NAV per share on the relevant Dealing Day.

\*Note: the Initial Offer Period is only applicable and relevant for those investors who as at close of business on 25 November 2016 held units in the Maltese Assets Fund – Accumulator Class under the HSBC No-Load Funds SICAV p.l.c. following a restructuring exercise approved by the members of the HSBC No-Load Funds SICAV p.l.c.

The Initial Offer Price is set at the Net Asset Value of such units as at close of business on 25 November 2016.

# Maltese Assets Fund – Income Class

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## Investment objective

To maximise long-term total return for investors, primarily through investment in a diversified portfolio of equity holdings and of interest earning assets.

## Investment policy

The Fund shall aim to achieve its objective principally by making long-term investments in Maltese equities, Debt Securities and Money Market Instruments, and deposits with Credit Institutions licensed in Malta. The Fund may also invest in other collective investment schemes whose objectives are compatible with those of the Fund.

To minimise volatility and risk and to maintain a reasonable level of liquidity, it is intended that a portion of the Fund's assets will be in Money Market Instruments and Debt Securities. The Fund's assets may also comprise units in other collective investment schemes whose investment objectives are similar to those of the Fund.

Furthermore, it is intended that the spread of listed Maltese equity holdings in the Fund shall reflect largely, but not exclusively, the total market value of the individual shares in issue and listed on the Malta Stock Exchange as a proportion of the total market value of such shares over appropriate periods of time. This policy will however be subject to the circumstances of the markets, in particular the level of demand and supply of stock and the prices at which trades can be done. The implementation of this policy may also be subject to the priority of responding as adequately as possible to any changes in the size of the Fund from time to time.

In order to preserve the prescribed status of the Fund at all times, no less than 85% of the total assets of the Fund shall consist of assets situated

in Malta (including securities denominated in currencies other than the Euro issued by entities which are registered or otherwise situated in Malta).

Up to 15% of the total assets of the Fund may be invested in non-Maltese assets (including foreign assets denominated in Euro). Such assets may consist of any one or more of the following:

- (i) deposits with Credit Institutions;
- (ii) Debt Securities and Money Market Instruments rated BBB- or higher as determined by Standard & Poor's, or if not rated by the latter, an equivalent rating as determined by an equivalent rating agent or, if unrated, estimated by the Manager to be of comparable quality;
- (iii) equities listed on a Regulated Market in an Eligible State;
- (iv) collective investment schemes whose objectives are compatible with those of the Fund and which are listed on a Regulated Market in an Eligible State.

The Fund shall in principle seek to diversify its assets so as to maintain a reasonable balance between risk and return, but shall not be restricted in the maturity, quality, investment rating (unless otherwise defined), currency of denomination or type of the assets that it can invest in, nor in the liabilities that it may assume, other than as specified under the general restrictions stated in page 18 and 19 and the specific investment restrictions stated below.

## Investment restrictions

(\*See chart 6 on page 39)

## Portfolio of Assets and Liabilities

The Fund shall have one portfolio of assets and

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liabilities for the Maltese Assets Fund – Income Class and Maltese Assets Fund – Accumulator Class taken together.

#### Currency

The Base Currency of the Fund shall be the Euro.

#### Dealing Day

Dealing Day means everyday which is a Business Day and where the Malta Stock Exchange was open for trading on the preceding Business Day.

#### Initial Offer Period

The Fund shall have an Initial Offer Period\* which shall commence on the 5 December 2016 at 08:00am and shall close on the 5 December 2016 at 09:00. During the Initial Offer Period, Shares shall be issued at the Initial Offer Price. After the closing of the Initial Offer Period, Shares may be acquired at the NAV per share on the relevant Dealing Day.

\*Note: the Initial Offer Period is only applicable and relevant for those investors who as at close of business on 25 November 2016 held units in the Maltese Assets Fund – Accumulator Class under the HSBC No-Load Funds SICAV p.l.c. following a restructuring exercise approved by the members of the HSBC No-Load Funds SICAV p.l.c.

The Initial Offer Price is set at the Net Asset Value of such units as at close of business on 25 November 2016.

<b>(*chart 6)</b>		<b>Investment restrictions</b>	
a)	A percentage of the assets of the Fund may be denominated in currencies other than the Base Currency of the Fund.		
b)	The assets described in the first column hereunder shall be subject to the limits shown in the second column. The said limits are cumulative and concurrent, so that if a particular position in an asset falls within more than one limit it must be within all the applicable limits at the same time.		
	<i>Type of Asset</i>		<i>Maximum exposure limit as a Percentage of Net Asset Value of the Fund</i>
	<i>Assets listed or traded on a Regulated Market in an Eligible State:</i>		
(i)	Equities	Total held	- 75%
		Maltese	- 75%
		Other	- 15%
(ii)	In any single equity issue	Malta, provided that the issuer has a market capitalisation of at least e58.23 million or its equivalent in the currency of denomination of the issuer	- 25%
		if, the issuer has a market capitalisation of less than e58.23 million or its equivalent in the currency of denomination of the issuer	- 10%
		Other	- 10%
(iii)	Debt Securities issued or guaranteed by an Eligible State	Total	- 100%
		In any single issue – Malta	- 50%
		Other	- 15%
(iv)	Debt Securities issued or guaranteed by a Credit Institution	Total	- 50%
		In any single issue – Malta	- 25%
		Other	- 10%
(v)	Other Debt Securities	Total	- 25%
		In any single issue	- 5%
	<i>Money Market Instruments and deposits with/loans to Credit Institutions:</i>		
(vi)	Issued or guaranteed by an Eligible State		- 100%
(vii)	Other Money Market Instruments and deposits with/ loans to Credit Institutions	Total	- 100%
		Per issuer/institution	- 30%

*Other Assets:*

(viii)	Collective investment schemes, whose investment objectives are compatible with those of the Fund, and which are open-ended	Total	- 20%
(ix)	Exchange Traded Funds	Total	- 15%
(x)	Unlisted securities	Total	- 10%

*Maximum exposure to the same issuer/obligor:*

(xi)	Eligible States	Malta	- 100%
		Other	- 15%
(xii)	Credit Institutions	Maltese	- 50%
		Other	- 15%
(xiii)	Others		- 15%

*Prescribed status:*

(xiv)	Minimum total Maltese assets		- 85%
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- (c) Apart from the securities falling under b(i), b(iii) and (b)(vi) above, the maximum holding of any class of security for any single issuer shall not exceed 10% of the class of security issued.
- (d) The Fund and the Manager, taking into account all of the collective investment schemes which the latter manages, shall not acquire sufficient instruments to give the Fund the right to exercise control over 20 per cent or more of the share capital or votes of a company, or sufficient instruments to enable it to exercise significant influence over the management of the issuer. This investment restriction shall not apply if the instruments are units in an open-ended collective investment scheme.



# Risk factors

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## General risk factors

Investment in any of the Funds should be regarded as a medium to long term investment. There can be no guarantee that the investment objective of each Fund set out herein will be achieved.

The limitations arising from the size and illiquidity of some of the markets in which the Funds may invest, including the Maltese capital market, may create potential risks for Investors in that a Fund may sometimes experience delays in liquidating assets in order to maintain the liquidity requirements of that Fund.

The types of securities available on such markets may be limited, often giving little choice in terms of yield, maturities, and names of issuers of securities. Furthermore, the presence of credit institutions on such markets may also be limited. This may lead to the exposure to a particular security, sector, issuer, obligor or credit institution to be higher than would be the case in more diversified capital markets.

Investment in securities denominated in different currencies involves certain risks. These investments are subject to normal market fluctuations and to the risks inherent in all investments, including the risk of exchange rate fluctuations which may affect the value of the investment in terms of the Base Currency of a Fund, or of a Currency of Expression of a Fund or of the reference currency of the Investor, adverse international and regional political and economic developments, the possible imposition of exchange controls or other local governmental laws or restrictions applicable to such investments, potential market volatility, lack of liquidity in some markets, the possibility of fraudulent securities, and limitations on the availability and reliability of investor

information. Therefore, there are no assurances that any investment in any of the Funds will yield a profit.

Any financial instruments of the Company and its Sub-Funds that are required to be held in custody pursuant to the AIFMD shall be held in custody with the Depositary and/or its sub-custodians. Investors are hereby informed that cash and matured fiduciary deposits may not be treated as segregated assets and might therefore not be segregated from the Depositary's or sub-custodian's own assets in the event of the insolvency or the opening of bankruptcy, moratorium, liquidation or reorganization proceedings of the Depositary or its sub-custodian (as the case may be).

Where financial instruments are held with a sub-custodian of the Depositary or by a securities depositary or clearing system, such financial instruments may be held by such entities in client omnibus accounts and in the event of a default by any such entity, where there is an irreconcilable shortfall of such securities, the Company and its Sub-Funds may, subject to the provisions of AIFMD, have to share that shortfall on a pro-rata basis. Financial instruments may be deposited with clearing brokers which the Depositary is not obliged to appoint as its sub-custodians and which the Depositary shall have no liability in respect of the acts or defaults. There may be circumstances where the Depositary is relieved from liability for the acts or defaults of its appointed sub-custodians provided that the Depositary has complied with its duties in terms of AIFMD.

Where laws of a third country require that certain financial instruments be held in custody by a local entity and there are no local entities that satisfy the delegation requirements under the

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AIFMD, the Depositary can discharge itself of liability in certain circumstances under certain conditions.

In the event that the Company and its Sub-Funds invest in assets through financial or legal structures which it or the Manager (acting on behalf of the Company) does not directly or indirectly control or where the Company invests in fund of funds structures or master-feeder structures where the underlying funds have a depositary (or equivalent) which keeps in custody the assets of such funds, the Depositary is under no obligation to carry out its duties on a look-through basis down to the underlying assets of such structures and will not do so.

The Depositary's duty regarding monitoring of cash flows shall not apply to cash held by financial or legal structures directly or indirectly controlled by the Company or the Manager acting on behalf of the Company.

The Company can establish an unlimited number of separate Sub-Funds, each represented by a separate or a number of classes of Shares. In terms of regulations issued under the Companies Act, a Shareholder's interest will be limited to the assets and liabilities represented by the Sub-Fund in which he invests. Investors should, however, be aware that in the event a claim is made against the Company, if the assets attributable to a Sub-Fund in respect of which the claim is made are insufficient to cover such claim, then the creditor may none the less be allowed by non-Maltese courts to have recourse to the assets attributable to other Sub-Funds if such non-Maltese courts refuse to apply the protection afforded to Shareholders under Maltese law.

The price of shares can go down as well as up and Investors may not realise their initial investment. In particular, deduction of the Initial

Fee (as applicable) means that if an Investor withdraws from the Investment in the short term he may not get back the amount he invested.

### **Counterparty and Settlement Risk**

Settlement risk occurs when a transaction is not completed as duly agreed between the parties. This may be due to an error or omission in the necessary settlement, clearing or registration processes or due to the lack of credit worthiness of one of the parties to the transaction. Nevertheless, risk relating to unsettled transactions is considered small due to the short settlement period involved.

Counterparty risk occurs when a party to a contract fails to honour and defaults on its obligations thereunder. Funds which are party to these risks can incur considerable losses.

### **Equity Growth Fund**

The Fund will invest both directly and indirectly through investment vehicles which provide exposure to equities. When the Fund invests in other collective investment schemes and Exchange Traded Funds they will be subject to the same risk factors as the underlying assets in which these schemes and Funds invest.

Indeed particular risks may apply to the Equity Growth Fund in view of the fact that this Fund may invest in schemes or products which are, or may be, exposed to a larger or lesser extent to emerging markets. Such investments in emerging markets can be subject to risks not normally associated with more developed markets, such as the exposure to the risks of major political and economic changes. Such investments may also be adversely affected by higher counterparty risks, greater currency risks, higher price volatility and the effect of exchange control regulations. The supervision by governmental authorities and the

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legal environment of these economies may be less than adequate and some of these markets may not be subject to accounting, auditing and financial reporting standards comparable to those existing in more developed countries, thereby exposing this Fund to a greater degree of risk.

Furthermore, settlement and custody systems in emerging markets are not as well developed as those in more developed markets. Investors should also note that investment in the securities of smaller companies tend to be less liquid than the market in larger capitalised stocks and can be more sensitive to economic and other factors. In particular, smaller companies often have limited product lines, markets or financial resources.

In the event of a relatively high exposure by this Fund to one specific country or one specific economic sector, the Fund will in these circumstances face the risks normally associated with a lower diversification of assets as well as the risks, if any, which are particular to that country or economic sector in which the investment is made.

#### International Bond Fund

The exposure of the International Bond Fund to non-investment grade securities may involve greater risks of loss of income and principal than in those cases where exposure is to higher rated securities. Although non-investment grade securities may offer higher yields than higher rated securities, they are speculative in nature and generally involve greater price volatility and risk of default in payment of principal and income. In addition, the markets in which non-investment grade securities are traded are more limited than those in which higher-rated securities are traded.

The International Bond Fund faces risks associated with exposures to a larger or lesser

extent to emerging markets. Such investments in emerging markets can be subject to risks not normally associated with more developed markets, such as the exposure to the risks of major political and economic changes, higher counterparty risks, greater currency risks, higher price volatility and the effect of exchange control regulations. Some of these markets may not be subject to accounting, auditing and financial reporting standards comparable to those existing in more developed countries, thereby exposing the Fund to a greater degree of risks. Furthermore, settlement and custody systems in emerging markets are not as well developed as those in more developed markets.

In the event of a relatively high exposure by the International Bond Fund to one specific country or one specific economic sector, the International Bond Fund will in these circumstances face the risks normally associated with a lower diversification of assets as well as the risks, if any, which are particular to that country or economic sector in which the investment is made.

ANY INVESTOR WHO IS IN ANY DOUBT ABOUT THE RISKS OF INVESTING IN ANY OF THE FUNDS SHOULD CONSULT HIS OWN INTERMEDIARY OR OTHER LICENSED FINANCIAL ADVISER.

# The shares

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## Description of the shares

The shares in each Fund are ordinary shares, freely transferable, and unless otherwise stated enjoy equal rights participating equally in the profits of each Fund. The Company does not intend to distribute any dividends in respect of its Accumulator Shares, and any profits will accumulate within the relevant class of Accumulator Shares. The Company will however distribute dividends in respect of its Income Shares in such amounts as may be determined by the Directors in accordance with this Prospectus.

Where the amount subscribed is not exactly equivalent to the value of an exact number of whole shares, fractional shares may be issued. Fractional shares will be issued to four decimal places. Fractional shares will be consolidated into whole shares when a holder holds enough fractional shares to make up a whole share. Fractional shares carry no voting rights.

Shares are issued in registered form and will be evidenced by entries on the Register of the Company.

Certificates will not be issued for the shares and Members shall not be entitled to demand the issue to them of a certificate representing the shares. Shares shall not have distinctive numbers.

## Founder shares

The Shares subscribed by the promoters of the Company at the time of establishment of the Company are, for administrative purposes, referred to as 'Founder Shares'. The Founder Shares constitute a separate class of Shares, but do not constitute a sub-fund in the Company.

501 Shares have been subscribed by the founder subscribers as follows: HSBC Global Asset Management (Malta) Limited has subscribed to 500 Shares on its own account and HSBC Life

Assurance (Malta) Limited has subscribed to 1 Share on its own account.

## Institutional shares

Another 5 shares with no nominal value are referred to as the 'Institutional Shares'. The Institutional Shares constitute a separate class of shares, but do not constitute a sub-fund in the Company. The Institutional Shares are fully paid up and subscribed by the Manager.

The holders of the Institutional Shares have the right to appoint one (1) Director of the Company by means of a written instrument. The holders of the Institutional Shares shall enjoy such right until such time as the Manager holds Institutional Shares and continues to act as Manager to any of the Funds of the Company. It also has the right to remove from office any Director appointed by it.

## HBMT as Nominee

All the shares issued to Investors shall be registered, upon being issued, in the name of HSBC Bank Malta p.l.c. 'as nominee' (or in the name of its successor nominee) for the persons who apply to purchase shares in the Company. This arrangement is an implementation of the Investment Account System.

## Investment account system

The Investment Account System will be operated by HBMT in Malta. Each investor shall open an account (the 'Investment Account') with HBMT by completing the appropriate application form (which will also include the terms of appointment of HBMT 'as nominee' for the Investor). Through the Investment Account System, an Investor (the 'Account Holder') may purchase and sell units in the Company by means of written instructions to HBMT. All purchases and sales will be recorded and confirmed by the issue of

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statements. Furthermore, the Account Holder will periodically, at least annually, receive a valuation showing inter alia (a) the number of units held by him, (b) the current market price of each such unit (the Net Asset Value), and (c) the total value of his holdings.

Through this system HBMT will at all times have a record of the shares held by it on behalf of each Investor. The Investor remains the beneficial owner of the shares with all relative rights (other than having them registered directly in his name) and in practice the Investor will be able to exercise all the rights appertaining to the shares, through HBMT as nominee. The terms and conditions of nominee ship, under which HBMT holds the shares for Investors, are stated in the Investment Account Application Form to which the attention of the Investor is drawn.

The confirmation in writing by HBMT of a transaction involving the purchase of shares by an Investor or the repurchase of shares by the Company will be evidence of the acquisition or the transfer of title in the shares as the case may be. The beneficial ownership of any Investor's holding is acknowledged by the Company in the Articles of Association.

In view of the nominee ship by HBMT for the Investors, the name of the Investors will not appear in the Register and will be kept confidential subject to the provisions of the Professional Secrecy Act, 1994.

The fact that HBMT, as nominee, has no personal interests in the units purchased and held by itself on behalf of Account Holders is being stated as a matter of record for all effects at law.

# Purchasing and repurchasing of shares

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## Pricing of shares

The Administrator shall calculate as at 8.30 a.m. on each Dealing Day the Net Asset Value per share for each Fund.

Where a Fund has one or more Currencies of Expression apart from the Base Currency, then the Net Asset Value per Share for that Fund shall, after the calculation thereof is made in the Base Currency, be also converted into and expressed in the applicable Currency of Expression at the appropriate commercial rates of exchange applicable on the relevant Dealing Day.

The dealing price per share for purchasing or repurchasing the shares will be equivalent to the Net Asset Value per share of the Fund expressed in the Base Currency and, if applicable, in the relevant Currency of Expression. When an Investor has opted to have his Investment Account and statements referring to one of the Currencies of Expression, then the Net Asset Value per share of the Fund as converted into that Currency of Expression shall be utilised for the purpose of determining the number of units to be issued to him or the amount of repurchase proceeds to be payable to him, as applicable.

## Minimum Investment

In the case of the International Bond Fund - Accumulator Shares the Minimum Investment is of €1,000 while for the International Bond Fund - Income Shares the Minimum Investment is of €4,500 or their equivalent in any applicable Currency of Expression inclusive of the Initial Fee, or such other sum as may be fixed by the Directors and/or the Manager from time to time.

In the case of the Malta Bond Fund - Accumulator Shares and the Malta Bond Fund - Income Shares there is no minimum investment requirement.

In the case of the Equity Growth Fund - Accumulator Shares (Class A and Class B), the

Minimum Investment is of €1,000 inclusive of the Initial Fee, or such other sum as may be fixed by the Directors and/or the Manager from time to time.

In the case of the Malta Government Bond Fund – Accumulator Shares the Minimum Investment is of € 1000, while for the Malta Government Bond Fund – Income Shares the Minimum Investment is €4500, or such other sums as may be fixed by the Directors and/or the Manager from time to time.

In the case of the Maltese Assets Fund- – Accumulator Shares the Minimum Investment is of € 1000, while for the Maltese Assets Fund – Income Shares the Minimum Investment is €4500, or such other sums as may be fixed by the Directors and/or the Manager from time to time.

Holders of Shares who on or prior to 3 November 1999, held shares in the Malta Government Bond Fund and the Maltese Assets Fund shall not be subject to any Minimum Investment in relation to their existing holdings in such Funds.

The Manager and/ or the Company may, at their sole discretion, authorise HBMT to accept applications which are below the above minimum amounts.

## Procedure for Investors to purchase shares

Applications for shares may be made through such Intermediaries as would have been appointed by the Manager and/or the Company. The applicant must first open an Investment Account with HBMT by completing the Investment Account Application Form which is available from all branches of HSBC Bank Malta p.l.c. The applicant shall comply with the Prevention of Money Laundering Act, 1994 as amended and the Prevention of Money Laundering and Funding of Terrorism

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Regulations 2008 (the 'AML Regulations') and the Relevant Requirements referred to below.

Furthermore the applicant undertakes to provide HBMT with any information required by either HBMT or the Company (including the Manager, the Administrator or any appointed Service Provider) to comply with such AML Regulations and the Relevant Requirements.

*Anti-Money Laundering Requirements*

In order for the Administrator and/ or HBMT to meet their legal and regulatory obligations, relevant HSBC Group policies, or any request of a public or regulatory authority or pursuant to normal market practice which relate to the prevention of fraud, money laundering, terrorism or other criminal activities or the provision of financial and other services to any persons or entities which may be subject to sanctions (collectively 'Relevant Requirements'), the Administrator and/ or HBMT may take any necessary action including, without limitation, the checking of each prospective Investor or redeeming Investor against lists of persons, entities or organisations included on any so-called 'watch list' or website containing such information, the request of additional information or documentation as well as the interception and investigation of transactions in relation to the Fund including the source of or intended recipient of funds paid in or out in relation to the Fund.

In certain circumstances, such action may delay or prevent the processing of Investors' Instructions and the Investor agrees that the Administrator and /or HBMT may in such circumstances also refuse to process any such Instructions. In such event, where possible and permitted under applicable law, the Administrator and/or HBMT will endeavour to notify the

Investor of the existence of such circumstances as soon as is practicable.

The Administrator and /or HBMT shall not be liable for any loss or damage suffered by the Investor arising out of or caused in whole or in part by any actions which are taken by the Administrator or HBMT to comply with the Relevant Requirements.

*Applications*

An application to acquire shares is then made in writing using a Purchase Application Form.

HBMT will not process applications until it is satisfied with the information given in the Application Form and in compliance with the formalities required under the Prevention of Money Laundering legislation. HBMT reserves the right to reject any application to open an Investment Account or to purchase units in whole or in part. Any change to an Account Holder's personal details must be notified to HBMT immediately in writing.

Requests to buy shares (in original) which are received by HBMT on any Business Day up to 12.30 p.m. will, if accepted by HBMT, be submitted for dealing at the price calculated on the following Dealing Day. Requests received after 12.30 p.m. will be carried forward to the subsequent Dealing Day.

In all cases, applications (in original) will only be accepted if accompanied by payment in cleared funds by the above-mentioned deadline into the designated account held by HBMT for this purpose. Such clients' monies are held in an account with HSBC Bank Malta p.l.c. (the 'Bank'). The Bank has acknowledged that in its capacity as banker it will not attempt to enforce or execute any charge, right of set-off or other claim against the clients' account or combine

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the clients' account with any other account. No interest is paid to Investors in respect of monies held in such clients' account and any interest accrued on such clients' monies will be retained by HBMT.

Other methods of payment and the conditions applicable to cases of acquisition of units by the transfer of securities to the Fund are subject to the prior approval of the Manager (and/ or the Company) and of the Depository where applicable, who shall be entitled to lay down such conditions as they deem appropriate from time to time and from case to case.

In the event that a payment is received (cleared) **after** the latest time (i.e. 12.30 pm) prior to a Dealing Day or an Application Form cannot be processed due to it being incomplete or incorrect, monies will be held for the Investor in HBMT's clients' account with HSBC Bank Malta p.l.c. as bankers. No interest will be paid thereon to investors and any interest accrued on such clients' monies will be retained by HBMT.

HBMT may however on an exception basis and with the approval of the Manager accept to process an application received by the designated deadline, but in respect of which cleared monies have not yet been received, if this delay was due to error or circumstances beyond the control of the Investor or other justifiable reason acceptable to HBMT.

Purchase requests, if accepted, will be effected at the price per share calculated on the Dealing Day on which the transaction will be executed.

Settlement details are set out in the Purchase Application Form. At the time the initial investment is made, an Investor must indicate to HBMT whether he wants his Investment Account and statements to refer to the Base Currency or to a specific Currency of Expression of the relevant

Fund, and payment for the shares should then be made in the currency so identified by the Investor (the 'Payment Currency').

When payment is effected by an Investor in any currency other than the relevant Payment Currency selected by him for his Investment Account, HBMT will as soon as practicable convert such payment into that Payment Currency at the current market rate of exchange with such conversion being entirely at the cost and risk of the Investor. The converted value, denominated in the Base Currency or the chosen Currency of Expression as applicable, will then be applied, net of the relevant Initial Fee, to acquire units in the Fund. No purchases will be made until such time as a payment in a currency other than the relevant Payment Currency is so converted.

Each Investor must represent and warrant to HBMT that, among other things, he is able to buy shares without violating any applicable laws. Reference is made to the clauses of the Investment Account Application Form which are relevant in this regard.

Statements will be issued as soon as possible following the Dealing Day on which the order is processed and normally will be dispatched no later than the first Business Day following execution. Statements will contain full details of the transaction.

#### *Subscriptions in Specie*

The Company may, at its option, be entitled to receive applications for shares in the Company in accordance with the provisions of the Memorandum and Article s of Association and in accordance with applicable law.

The Company shall appoint an external expert, independent valuer in accordance with the relevant laws to draw up a valuer's report (the "Report")



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The Report shall include:

- a. A description of each of the assets comprising the consideration;
- b. The value of each asset and a description of the method of the valuation which was used;
- c. A confirmation that the value of the consideration is at least equal to the net asset value of the shares to be issued in return for such consideration.

The Company shall only issue Units in the relevant Sub-Fund once the assets referred to in the Report have been transferred in favour of the Company to the satisfaction of the Depositary.

The Report and any other reports which may be required from time to time shall all be held in Malta at the registered office of the Company

Any costs associated with the valuation of the assets and or the preparation of the Report as part of the purchase of shares in specie, will be borne by the relevant prospective investor.

In addition to the price per Unit in the relevant Fund, the Company may charge additional fees to the applicants representing a dilution levy if considered appropriate by the Directors. The Directors may also, at their discretion, deduct any such fees in order to ensure fairness between existing and new investors.

#### Procedure for Investors to request repurchase of shares by the Funds

Investors may at any time request in writing the repurchase by the Company of their shares. Repurchase requests, in a form acceptable to HBMT, may be made to HBMT in writing.

Requests to repurchase shares (in original) which are received by HBMT on any Business Day, up to 12.30 p.m. will, if accepted by HBMT, be submitted for dealing at the price calculated on the following Dealing Day. Requests received

after 12.30 p.m. will be carried forward to the subsequent Dealing Day.

Repurchase requests, if accepted, will be effected at the price per share calculated on the Dealing Day on which the transaction is executed.

Repurchase proceeds will not be remitted to the Investor until all documents requested have been received and found to be in order.

Payment of the repurchase proceeds will be made by HBMT within 14 Business Days of the relevant Dealing Day. Such payments shall be made through the direct crediting of the Investors' bank account in Malta as indicated to HBMT. Payment of the repurchase proceeds may be delayed in the case of extraordinary circumstances, including without limitation the default or delay in payments due to HBMT as nominee from banks or other persons (including the Funds and any of its service providers). In the case of joint holders, HBMT will act in accordance with the signing instructions indicated by the joint holders at the time of opening the account or in accordance with such other signing instructions as subsequently notified to HBMT in writing by the joint holders.

Repurchase proceeds can only be remitted to a person who is a party to the investment account.

Payments shall be made in the Base Currency provided that if an Investor requests payment of the repurchase proceeds to be effected in another currency (even if in a Currency of Expression), then such conversion as effected by HBMT shall be entirely at the cost and risk of the Investor.

However, when an Investor had initially subscribed for shares in a Currency of Expression, then the repurchase payment shall be made in the same Currency of Expression as initially chosen, and if the said Investor requests

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payment of the repurchase proceeds to be effected in another currency (even if in the Base Currency or another Currency of Expression), then such conversion as effected by HBMT shall be entirely at the cost and risk of the Investor.

Statements will be issued as soon as possible following the Dealing Day on which the order is effected and normally will be dispatched no later than the first Business day following execution. Statements will contain full details of the transaction.

Investors may not revoke or withdraw repurchase requests delivered to HBMT, even if the Directors elect to exercise their power of deferral.

In the case of partial repurchase requests HBMT shall comply with such requests only to the extent that the value of the remaining shares will not fall below the Minimum Investment level.

The Manager and/or the Company may nevertheless, on a case by case basis and at their sole discretion, authorise HBMT to accept partial requests, even if by so doing the value of the remaining shares falls below the Minimum Investment level.

#### *Redemptions in specie*

The Company may, when an Investor has made a repurchase request, with the approval of the Depositary and the Investor, satisfy any such repurchase instructions by the transfer to that Investor of assets of the Fund in specie.

In these circumstances, the Company shall transfer to such investor that proportion of the assets of the Company which is then equivalent in value to the shares of the Investor requesting the repurchase of shares, but adjusted as the Company may determine to reflect the liabilities of the Company.

The nature of the assets and the type of the assets to be transferred to an Investor in the aforementioned circumstances shall be determined by the Company on such basis as the Company, with the consent of the Depositary, shall deem to be fair and not prejudicial to the interests of the remaining Investors. For the foregoing purpose, the value of assets shall be determined on the same basis as used in calculating the Net Asset Value.

#### *Deferral of repurchases*

The Articles contain special provisions which allow the Directors to limit the total number of shares which may be repurchased on any Dealing Day to 5% of the outstanding shares in any Fund. In such an event the Directors will reduce all valid repurchase requests pro rata to the said 5% of the shares and shall repurchase the excess of the shares on the next Dealing Day, subject to the Directors' same power of deferral until the original repurchase requests have been fully satisfied.

#### *Mandatory repurchase*

The Directors, and/or the Manager and/or HBMT have the power to impose such restrictions as they think necessary for the purpose of ensuring that no shares in the Company are acquired or held by any person in breach of the law or requirements of any country or governmental authority. In this connection, the Company and/or the Manager and /or HBMT may (a) reject any application or (b) on notice in writing to an Investor, repurchase such shares.

In such event, the proceeds shall be held by the HBMT in its clients' account for the beneficiary and, in so far as it is permitted to do so, shall pay the same to the beneficiary in accordance with its instructions. No interest shall be payable by HBMT on such funds.

*Temporary suspension of repurchase of shares*

The Company has the power to suspend repurchase of shares and to repurchase only part of the shares for which repurchase requests have been received if the Company determines that the calculation of Net Asset Value is not practicable or reasonable, or that the repurchase of shares would involve the realisation of assets of the Fund which in the opinion of the Company could, if realised at that particular moment in time, adversely affect and prejudice the interest of the Investors.

No dealing in shares shall be made during any period when the repurchase of shares has been suspended.

Notice of the suspension of repurchase of shares will be given to any Investor making a repurchase request. The repurchase will then take place on the first Dealing Day following the end of the suspension.

*Exchange of shares*

Investors may exchange all or part of any holding of Shares in one sub-fund (the 'Original Shares') into shares in another sub-fund or in a different class of the same sub-fund; provided that an investor may only exchange his Original Shares with shares in the HSBC Property Investment Fund if such an investor qualifies as an Experienced Investor and his investment in the HSBC Property Investment Fund amounts to, at all times, to at least €10,000 or its equivalent in any other currency.

An irrevocable request to exchange shares made by an Investor shall be construed (including for tax purposes) as being a request for the repurchase of the stated number of Original Shares (save that the repurchase monies shall not be released to the Investor) and a simultaneous request for the proceeds from such repurchase to be applied in the purchase of New Shares indicated by the Investor.

The provisions on the repurchase and acquisition of shares contained in this Prospectus and the terms and conditions of the Investment Account System shall apply to such exchange of shares. The exchange of shares shall take place on the same Dealing Day at the relevant Dealing Prices.

If for any reason whatsoever the repurchase of the Original Shares and the purchase of the New Shares cannot both be completed on the same Dealing Day, then the request to exchange shares shall be processed on the next Dealing Day when such repurchase and purchase can both be completed.

The number of New Shares to be issued on exchange shall be determined in accordance (or as nearly as may be in accordance) with the following formula:-

$$NS = \frac{((A \times B) - C) \times D}{E} - F$$

where:-

- NS = the number of New Shares which will be issued; and
- A = the number of Original Shares to be exchanged; and
- B = the repurchase price of such Original Shares on the relevant Dealing Day; and
- C = any transaction costs and/or tax charges applicable (including any exchange charge payable); and
- D = if applicable, the rate of exchange determined by the Directors for converting the Base Currency of the Original Shares into the Base Currency of the New Shares; and
- E = the initial charge payable in respect of NS, if applicable; and
- F = the issue price of the New Shares on the relevant Dealing Day (including any commissions payable but excluding any Initial Fees).

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Subject to the rights of investors holding shares in the Malta Government Bond Fund and the Maltese Assets Fund on or prior to 3 November 1999 in the relevant Sub-Funds, any request for an exchange of shares shall also be subject to the Minimum Investment requirements if any, and HBMT shall not accept any request where such Minimum Investment requirements will not be met in respect of both the Original and the New Shares.

The Manager and/or the Company may nevertheless, on a case by case basis and at their sole discretion authorise HBMT to accept such requests, even if by so doing the value of the Original Shares falls below the Minimum Investment level.

Please refer to page 87 of this Prospectus for details on any switching fees that may be applicable on an exchange of shares.

#### **Valuation of assets and suspension of dealing**

The Net Asset Value of the Fund will be calculated on each Dealing Day as stated in Appendix I hereto.

The Directors have the power to suspend calculations of the Net Asset Value in the circumstances set out in the said Appendix I.

No issue or repurchase of shares will take place during any period when the calculation of the Net Asset Value is suspended. The Company reserves the right to delay payment of repurchase proceeds to persons whose shares have been repurchased prior to such suspension until after the suspension is lifted, such right to be exercised in circumstances when the Directors believe that to make such payment during the period of suspension would materially and adversely affect and prejudice the interest of continuing Investors.

Notice of any suspension or postponement of the calculation of the Net Asset Value of the

Fund will be published in a daily newspaper and/or such other newspapers as the Directors may from time to time determine and will also be notified to the Malta Stock Exchange and the MFSA, immediately it is so determined. The MFSA and the Malta Stock Exchange have the power to suspend the dealing in shares in terms of the Guidelines or the Bye-Laws as the case may be.

#### **Recording and issuance of Shares by the Administrator /Registrar**

In view of the Investment Account System adopted by the Company in terms of its Memorandum and Articles of Association, there will only be one Registered Shareholder in the records of the Company (i.e. 'HBMT as nominee'). The Administrator is therefore bound to recognise and issue shares only to 'HBMT as nominee' and not to any other party.

It will be the sole responsibility of HBMT to observe the dealing timeframes set out in the Prospectus and to forward applications for subscription, redemption and conversion of Shares within the timeframes and in line with the procedures as agreed by HBMT and the Administrator.

#### **Publication of share prices**

Details of the most recent Net Asset Value per share may be obtained from the Manager, the Administrator and all branches of HSBC Bank Malta p.l.c. and are also published on the website [www.hsbc.com.mt](http://www.hsbc.com.mt)

If the shares of any Fund are listed, the Net Asset Value per share will be notified without delay to the Malta Stock Exchange.

The share prices may also be published in such other media as may be determined from time to time by the Directors.

Where a Fund has both income distributing and accumulating classes of shares within the same Fund, the publication of share prices shall include the respective NAV per share for each such class.

### Investors' rights

The shares are registered in the name of HBMT 'as nominee' for all the Investors in the Company apart from when HBMT acquires shares on its own account. The Investors have the following rights:

#### *Rights of ownership*

The Account Holders are the beneficial owners of the units held for them by HBMT. When the Account Holder is himself a nominee, he is deemed to be the owner of the units.

#### *Voting rights*

Rules for the calling and conduct of meetings of Members are contained in the Articles. HBMT will pass such information to the Account Holder and issue such proxies as the said person shall request, including the Investor himself. The Investor would then be able to act directly in relation to the shares. On a show of hands, every person shall be entitled to one vote during general meetings. On a poll every person has one vote for every complete undivided share in the Company. An Account Holder entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way. Fractional shares shall not carry any voting rights.

### Annual and interim reports

Copies of the audited financial statements of the Company, which will be prepared in the Base Currency and will be up to the 31 March in each year, will be sent to HBMT as the registered Member not less than 14 Clear Days before the date fixed for the general meeting of the Company at which they will be presented, and

HBMT will forward such statements to any Investor who may request a copy.

Copies of the unaudited interim financial statements shall also be sent to all Investors who request a copy thereof through HBMT.

The Annual Report is published within 4 months after the end of the Accounting Period. The interim report is published within 2 months after the date on which it is to be prepared in terms of the Guidelines and the Bye-Laws. Copies of any annual and interim reports issued by the Company will be available, free of charge, from all branches of HSBC Bank Malta p.l.c. and by logging on [www.hsbc.com.mt/1/2/mt/en/personal/investing-and-planning/investments/local-funds/funds-financial-reports](http://www.hsbc.com.mt/1/2/mt/en/personal/investing-and-planning/investments/local-funds/funds-financial-reports)

Copies of the unaudited interim financial statements shall also be sent to all Investors who request a copy thereof through HBMT.

### Disclosures to Investors

The Manager shall periodically give Investors (where applicable), at least on a monthly basis, information regarding:

- the historical performance of the Funds;
- the latest NAV of the funds/the latest market price of the unit or share of the funds;
- the percentage of the Funds' assets which are subject to special arrangements arising from their illiquid nature; and
- the current risk profile of each of the Funds.

Such information will be published online on [www.hsbc.com.mt](http://www.hsbc.com.mt) and fact sheets will be made available to Investors and prospective investors, free of charge from all branches of HSBC Bank Malta p.l.c.

In addition, relevant details of the risk management systems and new arrangements for

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managing the liquidity of the Funds, employed by the Company will be provided for in the Annual Report, the latest version of which will be publicly available.

### Notices

Notices are lawfully served by the Company on HBMT as the registered Member.

Any notice or other document received, with the exception of the Annual and Interim reports, will be immediately forwarded to all Account Holders by HBMT. The annual and interim reports of the Fund will be available to investors by logging on *[www.hsbc.com.mt/1/2/mt/en/personal/investing-and-planning/investments/local-funds/funds-financial-reports](http://www.hsbc.com.mt/1/2/mt/en/personal/investing-and-planning/investments/local-funds/funds-financial-reports)* or provided upon request.

### Annual general meeting

The annual general meeting of the Company shall be held on a Business Day of each year as the Directors may determine in accordance with the Act and such meeting shall, for all effects and purposes, be deemed to be the annual meeting of Investors.

### Communication

The Company will provide most of its documentation in English. Investors may however communicate with the Company, HBMT or the Manager in English or Maltese.

### Complaints

If you need further information, have concerns or a complaint please contact the Manager at HSBC Global Asset Management (Malta) Limited, 1st Floor, Business Banking Centre, Mill Street Qormi QRM3101, Malta.

The Compliance Officer will investigate your query or complaint promptly and will give you a written reply as soon as possible. If your

complaint is not dealt with to your satisfaction you can forward your complaint to the Arbiter For Financial Services in terms of Chapter 555 of the Laws of Malta.

# The Manager

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## Name

HSBC Global Asset Management (Malta) Limited.

## Registered address

Business Banking Centre, Mill Street, Qormi QRM 3101.

## Date of incorporation

18 October 1996

## Registration No.

C 20653

## Status

The Manager is a limited liability company established in Malta and is a wholly owned subsidiary of HSBC Bank Malta p.l.c.

The Manager was duly licensed to provide investment services by the MFSA under the ISAct on the 31 January 1997. The corporate objectives of the Manager are the promotion, development, distribution and management of collective investment schemes in and from Malta. On the 21 July 2014, the Manager was licensed as an Alternative Investment Fund Manager ('AIFM') in accordance with Directive 2011/61/EU and is authorised to provide investment management services to collective investment schemes in terms of the ISAct.

## Authorised and Issued share capital

The authorised share capital is of €4,658,746.80 whilst the issued share capital is of €4,658,746.80 fully paid-up. The Manager is of the view that the issued shares capital constitutes sufficient own funds to cover potential liability risk which could arise from the professional negligence of the Manager.

## The Board of Directors of the Manager

**Mr Daniel Robinson** (English Nationality) has 15 years financial services experience. He has worked

across a number of businesses and markets within HSBC. Daniel has lead operational and cultural transformation programmes with budgets in excess of GBP30 million. He has lead frontline teams in different markets including Asia and the UK. Prior to moving to Malta, Daniel was a member of the European Retail Banking and Wealth Management executive committee where he lead a customer transformation programme across the UK business. Daniel is currently Head of Retail Banking and Wealth Management at HSBC Bank Malta p.l.c. and is appointed as a Director on the boards of HSBC Life Assurance (Malta) Ltd and HSBC Global Asset Management (Malta).

**Mr Matteo Pardi** (Italian Nationality) is Chief Executive Officer, HSBC Global Asset Management (France). Matteo joined HSBC in 2001 to establish HSBC Global Asset Management's presence in Italy and in 2007 became Head of Southern Europe (Italy, Iberia, Greece) for HSBC Global Asset Management. Since 2011, Matteo has been HSBC Global Asset Management's Head of Wholesale for Continental Europe. Before joining HSBC, Matteo worked in Paris for Banque Sovac Lazard Group and GE Capital and in Milan for Citigroup and JPMorgan Asset Management.

**Ms Muriel Rutland** (Maltese Nationality) is the Managing Director of HSBC Global Asset Management (Malta) Ltd, a position she has occupied since January 2013. Ms Rutland joined HSBC in 2002 as a first-class graduate in banking and finance. In 2009, she was appointed Chief Investment Officer and Deputy Chief Executive Officer of HSBC Global Asset Management (Malta) Ltd. Muriel also headed HSBC Global Asset Management (Malta) Ltd's fixed income desk until December 2012. Ms Rutland is a Director on the Board of Tigne Mall p.l.c. since June 2016.

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**Mr Andrew Beane** (English Nationality) appointed Chief Executive Officer in November 2015 and Director of HSBC Bank Malta p.l.c in March 2016. During 2016 he was also appointed Chairman of HSBC Life Assurance (Malta) Ltd and HSBC Global Asset Management (Malta) Ltd. Prior to taking up his appointments in Malta, Mr Beane was Chief of Staff to the CEO of HSBC Europe, Middle East and Africa in which capacity he served as a member of the Executive and Risk Committees of HSBC Bank plc. He is also a Non-executive Director of HSBC Bank Armenia. Mr Beane has been with the HSBC Group since 2002 and his previous roles include assignments in the United Kingdom, United Arab Emirates, Hong Kong and the United States, principally in the areas of Commercial Banking and Strategy & Planning.

**Ms Irina Seylanyan** (Armenian Nationality) appointed director of HSBC Global Asset Management (Malta) Ltd in October 2016. Ms Seylanyan occupies the position of the Head of Global Banking and Markets for HSBC Bank Malta p.l.c. since 1 May 2016. She joined HSBC Group in Armenia in 1997, where she occupied various senior positions, most notably as Head of Global Banking and Markets and Deputy CEO. Prior to moving to Malta Ms Seylanyan worked in London for 3 years, where she undertook a senior management role within the Global Commercial Banking focused on regulatory change. Ms Seylanyan holds degree in Engineering and is a fellow of the Association of Chartered Certified Accountants.

#### Management Agreement

By an agreement dated 31 January 1997 as amended and restated on 2 May 2002 the Manager was appointed to be the investment manager of the Company (the 'Management Agreement'). Subsequently an Addendum dated 7 October 2005 and Addendum dated 14

November 2006 to the Management Agreement was entered into between the Manager and the Company in relation to the Equity Growth Fund and the HSBC Property Investment Fund respectively. The Management Agreement was revoked and replaced by an amended and restated Management Agreement dated 21 July, 2014 to cater for the additional requirements under the AIFM Directive.

In terms of the Management Agreement, the Manager may, with the Company's consent, appoint an Investment Adviser.

The Management Agreement contains provisions indemnifying the Manager against actions and claims not resulting from fraud, wilful default or negligence of the Manager including unjustifiable failure to perform its obligations. In the absence of any of the foregoing, the Manager will not be liable to the Company.

The Manager will be entitled to receive a fee from the Company, details of which are given in this Prospectus, and to receive reimbursement from the Company of all its operating expenses in connection with the Fund, as more fully described in the Management Agreement.

Either party is entitled to terminate the Management Agreement by giving not less than three months' notice in writing to the other to expire at any time. The Management Agreement may also terminate or be terminated upon the occurrence of certain specified events therein mentioned, for example, the insolvency of either party.

A copy of the Management Agreement is available for inspection at the registered office of the Company and the Manager.



# The Administrator and Registrar

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## Name

Deutsche International Corporate Services (Ireland) Limited.

## Registered address

Pinnacle 2,  
Eastpoint Business Park  
Dublin 3, Ireland

## The Administrator and Registrar

Deutsche International Corporate Services (Ireland) Limited is a limited liability company registered in Ireland on 19 September 1989 with registration number 145928 and is a wholly owned subsidiary of Deutsche Bank AG.

The Administrator is regulated by the Central Bank of Ireland to provide fund administration services.

By an agreement dated 12 February 2014, entered into between the Company, Deutsche International Corporate Services (Ireland) Limited and the Manager, Deutsche International Corporate Services (Ireland) Limited was appointed as Administrator to perform certain administrative functions and services including acting as Registrar in relation to the Company and the Funds. This agreement was subsequently revoked and replaced with a new Administration Agreement dated 21 July 2014 primarily to reflect that the appointment of Deutsche International Corporate Services (Ireland) Limited to perform certain administrative functions and services including acting as Registrar in relation to the Company and the Funds was being made directly by the Company (and not the Manager).

## Fund Administration Agreement

The Company appointed Deutsche International Corporate Services (Ireland) Limited to provide

certain administration functions in respect of the Company and the Funds including acting as Registrar.

The Fund Administration Agreement, as may be amended or supplemented from time to time, contains provisions indemnifying the Administrator or any of its Affiliates, members, officers, directors, employees representatives, delegates or agents (each, an 'Indemnified Person'), from and against any and all actions, proceedings, claims, liabilities, obligations, losses, damages, penalties, causes of action, demands, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever, including, without limitation, reasonable attorney's fees and expenses (the 'Indemnified Losses'), that may be imposed on, incurred by, or asserted against it or them in any way relating to or arising directly or indirectly out of the Agreement, except to the extent that the Indemnified Losses are arising out of or in connection with any Indemnified Person's negligence, gross negligence, wilful default or fraud in performing its duties under the Agreement. Furthermore, where Losses result directly from an Indemnified Person's negligence only, the Indemnified Person's liability for such Losses shall in no event exceed 150% of the aggregate amount of fees received by the Administrator for services provided in the twelve (12) month period preceding the date of the claim made against the Administrator.

The Company has further undertaken that it will not hold the Investment Manager liable for Losses and/or request the Investment Manager to make up for any Indemnified Losses which are not paid or otherwise covered by the Administrator in cases where such Losses or Indemnified Losses result from, arise out of or are in connection with an Indemnified Person's negligence, gross negligence, willful default or fraud in performing its duties under the Agreement and accordingly this shall supersede and replace any liability clause in respect of administration services provided in terms of the original investment management agreement dated 31 January 1997 as subsequently revoked and replaced by the agreement dated 2 May 2002.

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The parties are entitled to terminate the Administration Agreement by giving at least 90 calendar days' prior written notice to the other parties. The Administration Agreement may also terminate or be terminated immediately upon the occurrence of certain specified events therein mentioned, for example, the insolvency of any of the parties.

A copy of the Administration Agreement is available for inspection at the registered office of the Company and the Administrator.

# The Depositary

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## Name

Sparkasse Bank Malta p.l.c.

## Registered address

101 Town Square,  
Ix-Xatt Ta' Qui-Si-Sana,  
Sliema SLM3112,  
Malta

## Status

Sparkasse Bank Malta p.l.c. is a public limited company registered under the laws of Malta, with registration number C27152 and registered office at 101 Townsquare, Ix-Xatt Ta' Qui-Si-Sana, Sliema SLM 3112, Malta.

The parent undertaking of Sparkasse Bank Malta p.l.c. is Anteilsverwaltungssparkasse Schwaz ("AVS"), a corporate entity governed by the Austrian Savings Bank Act, established in Austria, whose activities consist in holding and managing its assets, mainly its participation in Sparkasse Schwaz AG and Sparkasse Bank Malta p.l.c. The AVS currently holds 100 % of the shares of Sparkasse Schwaz AG and 90% of the shares in Sparkasse Bank Malta p.l.c. The remaining 10% of the shares in Sparkasse Bank Malta p.l.c. are held by Sparkasse Schwaz AG. Sparkasse Schwaz AG is a savings bank established in Austria; it is a member of the Austrian savings banks forming part of the Erste Group.

Sparkasse Bank Malta p.l.c. is licensed by the MFSA to carry out the business of banking as a credit institution in terms of the Banking Act (Chapter 371 of the Laws of Malta), and to provide investment services and to act as custodian for collective investment schemes under the Investment Services Act (Chapter 370 of the Laws of Malta). Sparkasse Bank Malta p.l.c. provides safekeeping and related services to various other funds and entities in various jurisdictions,

and is actively involved in the provision of a comprehensive range of financial services in Malta.

## Terms of agreement

The Company and the Manager have entered into a depositary agreement with Sparkasse Bank Malta p.l.c. in respect of the current Sub-Funds dated 5 December 2016 (the "Depositary Agreement"), for an unlimited period of time, under the terms of which Sparkasse Bank Malta p.l.c. was appointed as the depositary of the Sub-Funds in accordance with the requirements of the AIFMD (as transposed into Maltese law).

The Depositary Agreement may be terminated by the Depositary or the Company and the Manager (by joint notice) at any time subject to prior written notice of at least nine(9) months, in accordance with the terms of the Depositary Agreement. The Depositary Agreement may also be terminated with immediate effect in certain cases outlined therein.

The Depositary is responsible for:

- (i) the safekeeping of all the assets of each Sub-Fund, which means: (a) holding in custody all financial instruments of the Company' Sub-Funds that can be held in custody in accordance with the AIFMD (as transposed into Maltese law), and (b) verification of ownership and record keeping in respect of other assets of the Company's Sub-Funds;
- (ii) cash flow monitoring in terms of Article 22 (7) of AIFMD (as transposed into Maltese law); and
- (iii) the oversight functions in terms of article 21(9) of AIFMD (as transposed into Maltese law), namely:
  - (a) ensuring that the sale, issue, re-purchase, redemption and cancellation of shares

of the Sub-Funds are carried out in accordance with the provisions of the Investment Services Act, the Rules and regulations issued thereunder, and the Articles;

- (b) ensuring that the value of the shares of the Sub-Funds is calculated in accordance with the provisions of the Investment Services Act, the Rules and regulations issued thereunder, the Articles and the valuation procedures as outlined in the applicable Investment Services Rules;
- (c) carrying out the instructions of the Manager, unless they conflict with the provisions of the Investment Services Act, the Rules and regulations issued thereunder, and the Articles;
- (d) ensuring that in transactions involving the Sub-Fund's assets any consideration is remitted to the Company within the usual time limits;
- (e) ensuring that the Sub-Fund's income is applied in accordance with the provisions of the Investment Services Act, the Rules and regulations issued thereunder and the Articles.

The Depositary is responsible for verifying the calculation of any performance fee in terms of the Investment Services Act (Performance Fees) Regulations (Legal Notice 239 of 2006), if any, and ensuring that such performance fee is payable in accordance with the relevant provisions of the same Regulations.

Pursuant and subject to the terms of the Depositary Agreement and the AIFMD (as transposed into Maltese law), the Depositary is authorised to delegate its safekeeping function to sub-custodians, delegates, nominees and/or a prime broker (a "Sub-Custodian").

Upon the Company's and the Manager's request, the Depositary has agreed to appoint HSBC Bank plc, a public limited company incorporated in England and Wales with company registration number 00014259 and with its registered office at 8 Canada Square, London, E14 5HQ ("HSBC London") as a Sub-Custodian to safe-keep financial instruments for markets covered by HSBC London and its sub-custody network.

Pursuant to the terms of the global custody agreement between HSBC London and the Depositary (the "Sub-Custody Agreement"), HSBC London may delegate its duties under the Sub-Custody Agreement to agents, sub-contractors, nominees, sub-custodians and other third parties (the "Sub-Delegates") selected by the HSBC London. HSBC London will exercise due skill, care and diligence in the selection, appointment and periodic review of its Sub-Delegates (other than "Clearing Systems", i.e. the clearance and settlement systems operated by Euroclear Bank S.A./N.V., Euroclear UK & Ireland Limited and Clearstream Banking Luxembourg S.A. and any other generally recognised market clearance facility, settlement system, dematerialised book entry system, centralised custodial depository, foreign exchange settlement system or similar facility, system or depository).

HSBC London is independent from and not affiliated to the Depositary; the Depositary deals with HSBC London on an arm's length basis, and does not receive any commissions or inducements from it in respect of assets held with it in respect of the Sub-Funds.

The liability of the Depositary in terms of the AIFMD shall in principle not be affected by any delegation of its custody function to HSBC London. The Depositary shall be liable to the

Company, in respect of the relevant Sub-Fund, for the loss of a financial instrument held in custody, by the Depositary or a Sub-Custodian to whom the custody of financial instruments held in custody has been delegated. In the case of such a loss of a financial instrument held in custody, the Depositary shall return a Financial Instrument of identical type or the corresponding amount to the Company, in respect of the Fund, without undue delay. The Depositary shall not be liable if it can prove that the loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

In case of a loss of financial instruments held in custody by a Sub-Custodian, the Depositary may discharge itself of liability if it can prove that:

- (i) the requirements for the delegation of its custody tasks as per the Depositary Agreement are met;
- (ii) a written contract between the Depositary and the Sub-Custodian expressly transfers the liability of the Depositary to the Sub-Custodian and makes it possible for the Company or the AIFM acting on behalf of the Company to make a claim against the Sub-Custodian in respect of the loss of financial instruments or for the Depositary to make such a claim on the Company's or AIFM's behalf;
- (iii) the Depositary Agreement allows a discharge of the Depositary's liability and establishes the objective reason to contract such a discharge.

The Depositary does not currently intend to enter into any agreement with HSBC London to contractually discharge its liability for the loss of financial instruments. In the event that

the Depositary wishes to appoint or use another Sub-Custodian, it may however wish to enter into an arrangement to contractually discharge itself of liability in accordance with Article 21(13) of the AIFMD or Article 21(14) of the AIFMD (as transposed into Maltese law).

Save as aforesaid, the Depositary shall be liable to the Company, in respect of the relevant Sub-Fund, for all losses suffered by it as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations pursuant to the relevant provisions of the Investment Services Act (Chapter 370 of the Laws of Malta), the Investment Services Act (Custodians of Collective Investment Schemes) Regulations (S.L. 370.32) and the applicable Investment Services Rules. Otherwise, the Depositary shall not be liable for any loss or damage, save and to the extent that the AIFM or the Company suffers any loss or damage arising as a result of the negligence, wilful default or fraud on the part of the Depositary (and the Depositary shall only be so liable to the AIFM or the Company, as the case may be).

Pursuant to the Depositary Agreement, the Company agreed to hold harmless and fully indemnify the Depositary (and each of its directors, officers, employees and agents) against all actions, proceedings, claims, loss or damages, costs, demands and expenses (including reasonable pre-agreed legal and professional expenses) which may be brought against, suffered or incurred by the Depositary in relation to the Depositary's performance of its services, duties or functions under or pursuant to this Agreement or other agreements the Depositary enters into or executes because of its role as Depositary of the Fund; and the insolvency, acts or omissions of the Company, Manager, the Administrator or any other service provider, or any third party

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appointed by the Company or the AIFM; except where and to the extent that the Depositary is liable for such loss or prejudice in terms of the Depositary Agreement.

Pursuant to the Depositary Agreement, the Depositary shall not re-use, and shall not grant any Sub-Custodian the right to re-use, any assets of the Funds for its own account or the account of other clients, unless otherwise agreed between the Company or the AIFM acting on behalf of the Company, and the Depositary.

The fees and disbursements and expenses of HSBC London will be charged and payable from the assets of the Sub-Funds in addition to the Depositary's fees expenses as set out in the Depositary Agreement.

The Depositary may perform banking and certain investment services (in particular, the execution and, or receipt and transmission of orders in relation to financial instruments) for the Funds. Cash of the Company and its Sub-Funds will be held by the Depositary as banker.

The Depositary does not provide any services to the Funds other than those described above. In particular, it is not responsible for the valuation of the assets of the Funds, the calculation of the Net Asset Value, or the marketing or distribution of the Fund shares. The Depositary is not involved, directly or indirectly, with the business affairs, organisation, sponsorship or management of the Company or its Funds and is not responsible for the preparation of this document or any supplement and accepts no responsibility for any information contained in this document or any supplement.

# Conflicts of interest

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The Directors, the Manager, the Depositary, the Administrator and other companies within their respective groups and their officers and major shareholders are or may be involved in other financial, broking, investment or other professional activities which, in the course of their business, may on occasion give rise to conflicts of interest with the Company.

In such circumstances, such persons will have appropriate regard to their respective obligations under the agreements appointing them to act in the best interests of the Company, so far as practicable having regard to their obligations to other clients or schemes, when potential conflicts of interest may arise.

Having regard to these obligations, the Company may buy investments from or sell investments to such persons, provided that such dealings are on an arm's length basis and on terms no less favourable to the Company than could reasonably have been obtained had the dealing been effected with an independent third party. Such persons may also hold shares in the Company. Should a conflict of interest arise, the Directors, Manager, Fund Administrator and Depositary will endeavour to ensure that it is resolved fairly and that the Company should not be disadvantaged.

In the course of acting as Manager for the Funds, the Manager or its directors or employees may from time to time take decisions to invest in, instruments issued by;

- (a) collective investment schemes managed by the Manager;
- (b) collective investment schemes managed by a member of the HSBC Group;
- (c) HSBC Holdings p.l.c. or its subsidiaries when these investments /instruments

are listed and traded on the Malta Stock Exchange and other International Stock Exchanges.

In order to maximise the degree of protection of the Company's interests, the Manager has undertaken that, in any other circumstance not mentioned in (a) to (c) above in such circumstances, no decision shall be taken in relation to such securities without the consent and approval of an independent person appointed by the Manager for such purpose.

The Manager shall abstain from voting in respect of any resolution on an underlying investment on which the Manager may have a conflict of interest, unless the Manager has obtained appropriate instructions to vote on such a resolution from the independent Directors of the Company.

Additionally the Manager, Depositary and Fund Administrator within their respective Group ("the parties") have established procedures which are designed to identify and manage conflicts of interests. These include organisational and administrative arrangements to safeguard the interests of the Company and its members. A key element of this policy is that persons engaged in different business activities involving a conflict of interest must carry on those activities independently of one another.

Where necessary, the parties maintain arrangements which restrict the flow of information to certain employees in order to protect Members' interests and to prevent improper access to client information.

In some cases, procedures and controls of the parties may not be sufficient to ensure that a potential conflict of interest does not damage a Company's interests. In these circumstances, the

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parties may consider it appropriate to disclose the potential conflict to the Directors and obtain their formal consent to proceed. However, the parties will decline to act in any circumstance where there is residual risk of damage to the interests of the Company and its members.



# Fees, charges and expenses

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## Remuneration of the Manager

The Manager will receive a management fee as stated in Appendix IV and which shall be payable monthly in arrears. The management fee may be increased with the agreement of the Company and the Members shall be notified accordingly.

Where the Funds invest in units of any other collective investment scheme, Investment Management Products or Exchange Traded Fund managed or advised by a member of the HSBC Group, the Manager will charge one set of management fee and initial charges to the Company, provided that the Manager will not charge a fee higher than the respective management fee disclosed in the Prospectus.

Any commission which may be received by the Manager from any source by virtue of an investment in the units of another collective investment scheme, Investment Management Product or Exchange Traded Fund, shall be paid into the Fund(s) for which such units or other products have been acquired.

## Remuneration of the Service Provider

HBMT as Service Provider will receive the following fees in respect of the operation and maintenance of the Investment Account System.

### *Investment account fees*

The Service Provider will receive an investment account fee as stated in Appendix IV and which shall be payable monthly in arrears. The investment account fee will be charged directly to the particular Fund. There is no fee for nominee services.

### *Dividend Administration Fees*

The Service Provider will receive an administration fee as stated in Appendix IV in respect of the payment of dividends by an income

distributing class. This fee will be charged directly to the particular income distributing class of the Fund. The fee is not chargeable if a dividend is not declared by the Fund.

### *Switching Fees*

No separate switching fees are chargeable on an exchange of shares from one Fund to another Fund.

When a switch emanates from a Fund which carries an Initial Fee to another Fund which also levies an Initial Fee, investors will have the Initial Fee on the units switched reduced to 0.50%. However, when a switch emanates from a Fund which does not charge an Initial fee, full exit fees and Initial Fees (as applicable) shall be payable by Investors.

A switching fee of €11.65 or GBP9 for those investors who had opted for a Sterling Currency of Expression shall be payable by Investors on any exchange of shares between an accumulating and income distributing class within the same Fund. No Initial Fees or Exit Fees (if applicable) would be payable in such case.

### *Transaction Fee*

There are no exit fees for any of the Funds. In the normal course and in relation to the Malta Government Bond Fund and the Maltese Assets Fund, the Service Provider shall levy a charge of €23.29 on all repurchase transactions (including an exchange of shares from one Fund to another) in excess of 3 per calendar year, but shall reserve the right, at his discretion and on giving notice to a particular Investor, of increasing the charge up to no more than €1164.69 per transaction on any further transaction effected.

## Fees to Intermediaries, Distributors or Introducers

If investment in the Company was introduced by

an HSBC Group or a non-HSBC Group entity the Manager may re-allow or pay a one-time and/or an on-going fee or commission payment (which in exceptional circumstances may include non-monetary benefits) to the Intermediary, Distributor or Introducer as follows:

**Initial Fees** - The Manager may re-allow or pay all or part of the Initial Fee to Intermediaries or such other persons as the Manager may determine in its absolute discretion.

**Trail Commission** - The total trail commission payable to such Intermediary/Distributor/Introducer could be up to 0.50% of the current value of the units.

#### **Initial fees**

There shall be an Initial Fee payable by Investors as stated in Appendix IV.

The Initial Fees may, at the Manager's entire discretion, be partially or fully waived from time to time and for such periods of time as the Manager may determine.

#### **Administrator and Registrar fees**

The fees and expenses of the Administrator shall be borne by the Company. No charges will be levied for the provision by the Administrator of the services of Registrar to the Fund. Fees payable to the Administrator are stipulated in Appendix IV.

#### **Remuneration of the Depositary**

The Depositary will receive, for safe keeping of the assets of the Funds and other services including fiduciary and depositary services, a depositary fee. The Depositary will receive a depositary fee as stated in Appendix IV and which shall be payable quarterly in arrears.

The depositary fees may be increased with the

agreement of the Company and the Members shall be notified accordingly.

#### **Secretarial fees**

An annual retainer fee of EUR2,000 will be charged to cover 16 hours of work per annum. Additional hours will be charged on a time spent basis.

#### **Remuneration of directors**

The Directors of the Company shall receive such maximum annual aggregate emoluments as may be determined by the Company in the general meeting from time to time. It is anticipated that during the current Accounting Period of the Company the Chairman receives an honorarium of €11,000 per annum. The other Directors are entitled to each receive a maximum honorarium of €9,000 per annum. The maximum aggregate emoluments of the Directors shall not exceed €22,000. Directors shall be entitled to reimbursement of expenses as stated in the Articles.

#### **Audit and legal fees**

Audit fees shall be approved by the Members in the Annual General Meeting or as otherwise determined by the general meeting. Legal fees shall be agreed between the Manager and the legal advisers and will be negotiated on a time spent basis. Audit and legal fees will be paid out of the property of the Company.

#### **Other expenses**

The Manager and the Depositary are entitled to recover such disbursements as contemplated in the Management Agreement, the Depositary Agreement and the Memorandum and Articles of Association, including such reasonable out-of-pocket expenses, incurred in the performance of their duties, out of the assets of the particular Fund for the benefit of which such expenses

have been incurred, or out of the assets of the Company if such expenses were incurred for the benefit of the whole Company.

Save to the extent that such expenses may be waived or otherwise discharged by any other person, the Company shall also bear the following expenses incurred in the operation of the Company which shall include inter alia:-

- (i) All duties and charges and expenses which may be incurred in connection with the acquisition and disposal of the assets of the Company;
- (ii) All duties and charges which may be payable on the assets and income of the Company;
- (iii) All brokerage, bank and other charges incurred by the Company in relation to its business transactions (including charges in relation to any borrowing by the Company);
- (iv) All fees and expenses due to the Auditors, the Depository, the Manager, any sub-custodian; the legal advisers to the Company, any stockbroker, valuer, dealer, distributor or other supplier of services to the Company;
- (v) All expenses incurred in connection with the publication and supply of information to the Members and, in particular, without prejudice to the generality of the foregoing, the cost of printing and distributing the Annual Report, any report to the MFSA or any other regulatory authority, the half yearly or other report, any prospectus, marketing or promotional material, and the costs of publishing quotations of prices and notices in the press and the costs of obtaining a rating for the shares of the Company by a rating agency and all stationery, printing and postage costs in connection with the preparation and distribution of cheques, warrants, tax certificates and statements;
- (vi) All Preliminary Expenses and other expenses incurred in the registration of the Company with any government agencies or regulatory authorities in any jurisdiction where registration is desirable and in having the shares of the Company listed or dealt in on any Regulated Market;
- (vii) All expenses arising in respect of legal or administrative proceedings; and
- (viii) All expenses incurred in connection with the operation, administration and management of the Company, including, without limitation to the generality of the foregoing, (a) all Directors' fees and costs, all costs incurred in organising Directors' and Members' meetings and in issuing and obtaining proxies in relation to such meetings, costs incurred in keeping the Register and costs of any translations, and (b) all insurance premia on policies which the Manager is obliged to take out in accordance with the Guidelines or is entitled to take out under the Act, as Manager of the Fund, including professional indemnity cover, and any non-recurring and extraordinary items of expenditure and other similar costs.

To the extent that such costs are of benefit to more than one customer of the Manager, the Manager shall only charge the Fund the pro-rated share of the costs on a basis which, in the opinion of the Manager, is fair to all customers.

Such expenses shall be borne by the Company independently of whether they are incurred by itself directly or whether they are incurred by the

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Manager acting on its behalf. The Company shall also bear the expenses relating to the circulation to the beneficial owners of the shares held by HSBC Bank Malta p.l.c. 'as nominee' through the Investment Account System, of any notices and other materials required to be sent to Members in terms of the Act or ISAct.

Subject to what is provided in the Act, all expenses shall be charged either against income or against capital as the Directors shall determine.

#### **General**

The Manager and the Company maintain the highest standards to ensure that they always act in the best interests of investors and any of the payments described above are designed to improve the quality of the service provided to investors.

Further details on any aspect of the above, or further details on other specific charges applicable to any of the Funds will be made available to you on request and in accordance with applicable regulations.

#### **Preliminary expenses**

The costs and expenses of the formation of the Company and the Funds, and the expenses of the issue and listing of the shares, from time to time including the costs incurred in connection with the preparation and publication of the Prospectus and all legal and printing costs, are amortised in accordance with Rules laid out in the Act.

# Taxation

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## General

Investors and prospective investors are urged to seek professional advice as regards both Maltese and any foreign tax legislation applicable to the purchase, repurchase and disposal of shares in any of the Funds and to any distribution made by the Funds. The following is a summary of the anticipated tax treatment applicable to the Company and to its Members in Malta. This information, which does not constitute legal or tax advice, refers only to Members who do not deal in securities in the course of their normal trading activity.

The information below is based on tax law and practice applicable at the date of this Prospectus. Investors are reminded that tax law and practice and the levels of tax relating to each Fund and the Investors may change from time to time.

## The Company

In terms of current legislation, collective investment schemes are classified as either prescribed or non-prescribed funds. In general, a prescribed fund is defined as a fund resident in Malta, which has declared that the value of its assets situated in Malta amount to at least 85% of the value of the total assets of the fund. Other Maltese resident funds which do not have such an exposure to Maltese assets and all non-resident funds are treated as being non-prescribed.

On the basis of this definition, the following Funds of the Company are classified as follows for tax purposes:

Malta Bond Fund	Prescribed fund
Malta Government Bond Fund	Prescribed fund
Maltese Assets Fund	Prescribed fund
International Bond Fund	Non-Prescribed fund
Equity Growth Fund	Non-Prescribed fund

The Prescribed and non-Prescribed Funds will not derive any income or gains from immovable property situated in Malta.

### *Malta Bond Fund – Prescribed fund*

The Fund is subject to a 15% final withholding tax on bank interest payable by banks licensed under the Banking Act, 1994 and a 10% final withholding tax on interest, discounts or premiums received from (a) the Government of Malta, (b) corporations or authorities established by law, (c) companies or other legal entities, whether resident in Malta or otherwise, in respect of public issues and (d) companies or other legal entities resident in Malta in respect of private issues.

The Fund is exempt from tax on any other income and capital gains.

Capital gains, dividends, interest and any other income from foreign securities held by the Fund may be subject to tax imposed by the country of origin concerned and such taxes will not be recoverable by the Fund or by Investors.

### *International Bond Fund and Equity Growth Fund – Non-prescribed funds*

These Funds are exempt from Maltese income tax on any income and capital gains.

Capital gains, dividends, interest and any other income from foreign securities held by these Funds may be subject to tax imposed by the country of origin concerned and such taxes will not be recoverable by such Funds or by Investors.

## Value Added Tax

Fees chargeable to the Company may be subject to VAT in accordance with applicable law. If any VAT is charged, this will not be recoverable by the Company.

## Investors

Capital gains realised by Investors who are non-residents of Malta are not subject to tax in Malta. Capital gains realised by resident Investors on a repurchase of shares by the Fund, the transfer of shares to third parties or an exchange of shares are treated as follows:

### *Malta Bond Fund, Malta Government Bond Fund, Maltese Assets Fund – Prescribed fund*

Resident Investors are exempt from tax in Malta for as long as the shares are listed on the Malta Stock Exchange and the Fund remains classified as a prescribed fund on repurchases of any of their shares by the Company.

### *International Bond Fund and Equity Growth Fund – Non-prescribed funds*

Resident Investors may opt to be subject to a 15% final withholding tax which shall be deducted at source by the Fund on any capital gains realised by Investors. Alternatively, Investors may opt to receive any capital gains without deduction of tax in which case such Investors would be bound to declare such capital gains in their personal income tax return and would be subject to tax at the normal rates of tax which are applicable to them.

In case of transfers to third parties, the transferor is obliged to declare any capital gains in the income tax return and pay tax at the normal rates. Any capital gains on an eventual redemption will be calculated without reference to any intermediate transfer.

Capital gains arising from the exchange of shares in these Funds for shares in any other fund within the same Company are only taxable when the shares are eventually disposed of. Any gains or losses arising from the exchange of shares will be taken into account in the computation of any taxable capital gains.

The tax treatment of dividends distributed by the Funds, whether these are reinvested or otherwise, depends on the income tax status of the particular Investor and on the Fund's income tax accounts out of which the dividends are distributed as set out hereunder:

- (a) The distribution of profits derived by a prescribed fund from interest, discounts or premiums, which were subject to 10% or 15% withholding tax, will not attract any further tax in the hands of Investors and where such Investors are individuals they will not be required to declare such dividends in their income tax returns. However, such Investors will be entitled, depending on their personal circumstances, to claim a credit of the 10% or 15% tax withheld at Fund level in their income tax return.
- (b) The distribution of profits by a Fund from dividends received by that Fund out of the Maltese Taxed Account or the Foreign Income Account of other Maltese companies do not attract any further tax in the hands of Investors.
- (c) The distribution of other profits (including foreign sourced profits) to Maltese resident Investors (other than companies), or to nonresident Investors (including non-resident companies) who are owned and controlled by, directly or indirectly, or who act on behalf of, persons who are ordinarily resident and domiciled in Malta, are subject to a 15% withholding tax. Investors are not required to declare such dividends in their income tax returns. However, they are entitled, depending on their personal circumstances, to declare such dividends in their income tax return and claim a credit of the 15% tax withheld. The distribution of profits to other

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persons not referred to in this paragraph (c) is not subject to withholding tax.

#### **OECD Common Reporting Standard**

A number of OECD jurisdictions including Malta have entered into multilateral agreements to automatically exchange information for tax purposes using a commonly agreed reporting standard (based on the OECD Common Reporting Standard or “CRS”). The Company is expected to collect and report data about its investors under the CRS as from 1 January 2016. This means, for example, that data about investors in the Company who are resident (for tax purposes) in a country other than Malta will be automatically communicated to the Malta tax authorities who will exchange this data with tax authorities in the investors’ country of residence.

# Accountants' report at the time the Company was formed

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The following is the text of a report received by the Directors and the Sponsoring Stockbroker from Deloitte & Touche, the Auditors at the time of formation of the Company.

## The Directors

Tri-Med Malta Accumulator Fund SICAV p.l.c.  
Level 5, Suite 7, The Plaza Commercial Centre  
Bisazza Street,  
Sliema SLM 15,  
Malta

Karol Farrugia  
Rizzo, Farrugia & Co. (Stockbrokers) Ltd.  
3rd Floor, Airways House,  
High Street  
Sliema SLM 15,  
Malta

Date : 30 January, 1997

Dear Sirs,

Tri-Med Malta Accumulator Fund SICAV p.l.c., a Maltese company with variable share capital, was registered on the 24 January, 1997. Since the date of incorporation the Company has not engaged in any business, prepared any audited financial statements or declared or paid any dividends.

Yours faithfully,

Deloitte & Touche  
Certified Public Accountants and Auditors  
Sliema, Malta.

Note: The Accountants' report has been superseded by the interim and annual accounts of the Company which are issued regularly in terms of applicable licence conditions. Any person receiving or reviewing this prospectus should ensure it is accompanied by the latest interim or annual accounts.

With effect from 15 March 2002, the name of the Company has been changed to HSBC Malta Funds SICAV p.l.c.

With effect from 26 September 2014, the auditors of the Company are PricewaterhouseCoopers of 78, Mill Street, Qormi, QRM 3101, Malta.

With effect from 25 April 2005, the registered address of the Company has been changed to Hexagon House, Spencer Gardens, Blata l-Bajda HMR 12.

With effect from 1 October 2007, the registered address of the Company has been changed to 233, Republic Street, Valletta VLT 1116.

With effect from 23 April 2010, the registered address of the Company has been changed to 80, Mill Street, Qormi QRM 3101.

With effect from 1 December 2012, the registered address of the Company has been changed to 171, Old Bakery Street, Valletta VLT 1455.



# General information

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## Share capital

The authorised share capital of the Company is 100,000,000 shares which are not assigned any nominal value.

The paid up share capital of the Company shall at all times be equal to the Net Asset Value of the Company as determined in accordance with the Articles.

The Directors shall exercise all the powers of the Company to allot or issue shares in the Company. The maximum number of shares which may be allotted or issued by the Directors shall not exceed the amount of 100,000,000 shares, provided, however, that any shares which have been repurchased shall be deemed never to have been issued for the purpose of calculation of the maximum number of shares which may be issued.

In respect of the registered Member (i.e. 'HSBC Bank Malta p.l.c. as nominee') the Directors have delegated to the Fund Administrator, the duties of accepting the subscription for, receiving payment for and allotting or issuing new shares and attending to all requests for the repurchase of shares by the Company and the subsequent cancellation thereof.

In respect of all Investors using the Investment Account System the duties related to the allotment and issuance of new shares as well as attending to all request for the repurchase of shares in the Funds, are undertaken by HBMT.

Except as provided in the Articles, no person shall be recognised by the Company as holding any shares on trust and the Company shall not be bound by or recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any shares or (except only as otherwise provided herein or as by law may be required) any other right in respect of any

share, except an absolute right of title thereto in the registered holder. The beneficial ownership of Account Holders in shares held by HBMT is acknowledged by the Company.

The Directors shall not be bound to register more than four persons as joint holders of any share or shares and only the name and address of the first named holder need be entered in the Register. Notices sent to such person's address shall be deemed sufficient delivery to all.

## Best Execution Policy

The Company is required to establish and implement effective arrangements for complying with the Best Execution requirements arising in terms of the AIFMD.

In complying with the AIFMD, the Board of Directors of the Fund have considered and approved the Best Execution Policy to be adopted by the Manager in respect of trades done on behalf of the Fund, thereby ensuring that the Manager will take all reasonable steps to achieve the best possible execution result on a consistent basis.

The Manager shall review the Best Execution Policy annually or whenever a material change occurs that may affect the Manager's ability to continue to obtain the best possible result to Investors.

A copy of this Best Execution Policy may be provided to investors upon request.

## Distribution Policy

It is intended that the Company will distribute interim dividends in respect of Income Shares in such amounts as may be determined by the Directors in accordance with this Prospectus

Any final dividends will be declared by the Company's General Meeting following recommendations by the Directors.

The Directors may declare and distribute interim dividends in such amounts as appear to the Directors to be appropriate. It is intended that most or all of the net income in respect of an Income distributing class of shares will normally be distributed as interim dividends. It is expected that interim dividends, if any, will be declared on a quarterly basis in respect of interim accounting periods ending respectively on the 31 March, 30 June, 30 September, and 31 December of each year. The declaration of any such interim dividends will be made within two weeks from the end of the relevant interim accounting period, and the interim dividends (if any) so declared will be paid by not later than two months from the end of the relevant interim accounting period.

Payment of a dividend will be made to the Investor or, in the case of joint holders to the joint holders unless HBMT is requested otherwise, in which case the holders shall bear the extra costs. Payments in the Base Currency of the Fund shall be made through the direct crediting of the Investor's bank account in Malta as indicated to HBMT. Payments effected in the Currency of Expression, where applicable, shall be made by cheque.

If the relative direct credit is rejected for any reason outside the HBMT's control, HBMT shall (i) re-invest in the Investors' Investment Account the proceeds of the direct credit, less any bank charges if applicable, on the next dealing day but one following the date that notice of the rejection was received AND (ii) be deemed to have been given notice from the Investor that any future dividends will be automatically re-invested, and the resulting units added to the Investor's holding in accordance with the Prospectus AND (iii) send a statement to the investor reflecting the re-investment of the afore-said dividend proceeds.

Nonetheless, the Investor may, at any time, inform HBMT of alternative arrangements for the direct credit of subsequent dividends.

Payments shall be effected in the Base Currency of the Fund or in the Currency of Expression where applicable, unless a different arrangement has been agreed to by HBMT.

The directors reserve the right to stipulate a threshold below which dividend payments will be automatically re-invested.

The Company, the Manager and HBMT shall not be responsible for any loss or delay in transmission. Where a payment of a dividend is made by cheque (namely following any acceptance by HBMT at its entire discretion of a request by an Investor or in respect of payments effected in the Currency of Expression), a cheque which is duly endorsed shall be a good discharge to the Company, HBMT and /or the Manager.

Only those Investors holding Income Shares and who are listed on the Company's register of members as on the last day of the relevant interim accounting period (or on the last Business Day of such period if the said date does not fall on a Business Day) shall be entitled to receive the respective dividend payments for the relevant period.

The Fund will pay HBMT a fee to cover the operation of distribution of dividends – please refer to Appendix IV.

All payments are subject to any pledge of Shares duly constituted and notified to the Company as well as to any applicable fiscal laws and regulations – your attention is drawn to the section headed 'Taxation' of this Prospectus.

Investors holding Income Shares may also elect to have their dividends (less any withholding tax deductible upon payment thereof) reinvested

in further shares of that class of shares in the Fund. If an Investor wishes to opt for such reinvestment, he shall provide HBMT with written instructions at least seven working days prior to the end of the relevant interim accounting period. Reinvestment of dividends shall be effected on the same Dealing Day on which the relevant dividend will be payable to the Investor, and shall be effected at the NAV per share applicable on such Dealing Day. It is not intended for the time being that Initial Fees would be payable in respect of such reinvestment.

Investors entitled to receive dividend payments will, on or after the payment date, be sent a Dividend Certificate which shall include details in respect of the income distributed including, if required by any applicable legislation, a statement of how much of the amount to which they are entitled represents any tax deducted in respect of that income.

*(a) Allocation of Income*

Pursuant to the Company's Memorandum and Articles of Association, the income available for allocation in respect of the Shares shall be a sum equal to the aggregate of the income received or receivable by the Company in respect of those shares during the Accounting Period, calculated by taking into account the following additions and/or deductions :-

- (i) addition or deduction of a sum by way of adjustment to allow for the effect of sales or purchases of Investments, cum or ex dividend;
- (ii) addition of a sum representing any interest or dividend or other income accrued but not received by the Company at the end of the Accounting Period and deduction of a sum representing (to the extent that an adjustment by way of addition has been

made in respect of any previous Accounting Period) interest or dividends or other income accrued at the end of the previous Accounting Period;

- (iii) addition of an amount (if any) available for allocation in respect of the last preceding Accounting Period but not allocated in respect thereof;
- (iv) addition of a sum representing the estimated or actual repayment of tax resulting from any claims in respect of income tax relief or double taxation relief or other relief available or otherwise;
- (v) deduction of the amount of any tax or other estimated or actual liability properly payable out of the income of the Company;
- (vi) deduction of sums representing participation in income paid upon the repurchase of shares during the Accounting Period;
- (vii) deduction of such sum as the Directors may think appropriate in respect of any of the expenses provided in these Articles; PROVIDED ALWAYS that the Company shall not be responsible for any error in any estimates of income tax repayments or double taxation or other relief expected by way of taxation or of income receivable, and if the same shall not prove in all respects correct, the Directors shall ensure that any consequent deficiency or surplus be adjusted in the Accounting Period in which a further or final statement is made or such estimated income receivable is determined, and no adjustment shall be made to any dividend previously declared or to any Member to whom shares had been issued or from whom shares had been repurchased previously; and

(viii) deduction of any amounts declared as a distribution but not yet distributed.

*(b) Income Allocation Dates*

Any income which stands to be allocated to the income account in respect of an interim accounting period of any class of Income Shares shall be so allocated by not later than two months after the end of each interim accounting period as specified in this Prospectus for the purposes of dividend distributions, and in respect of an annual accounting period, the allocation shall be made by not later than two months after the end of the annual accounting period.

*(c) Equalisation Account*

The purchase price of any Shares in the Funds generally contains an element representing the accrued income earned by the shares since the start of the current dividend period.

This means that Investors buying Shares buy a percentage of net income, and the corresponding portion of the purchase price (the equalisation payment) will be notionally credited by the Funds to an equalisation account.

The equalisation account will be maintained in order to ensure that equal amounts are distributed in respect of each share of the relevant income distributing class notwithstanding different dates of issue.

When an equalisation payment has been effected, any subsequent dividends in relation to the relevant Income Shares shall include an amount corresponding to the afore-said equalisation payments and paid out of the equalisation account. However, the said amount

shall not be included as part of the dividend in the event that the Directors exercise their discretion (in terms of the last paragraph under this heading 'Equalisation Account') not to consider equalisation when determining distributions.

The repurchase price of the Share will also include an equalisation payment in respect of the net income of the Fund up to the date of repurchase, and upon the repurchase of any shares based on that repurchase price a sum equal to that part of the repurchase price of a share which reflects net income (if any) accrued up to its date of repurchase will be deemed to be an equalisation charge and debited by the Directors to the equalisation account.

In the absence of significant fluctuations between the repurchase and issue of shares, the Directors may choose not to consider equalisation when determining distributions to Investors holding Income Shares nor to pay to such Investors any excess of equalisation credits over debits. Any fluctuations between repurchases and issue of shares that could have an effect of one per cent (1%) or more on the Net Asset Value per share shall be considered significant.

### Liquidation

The Company and the Sub-Funds have been established for an indefinite period and unless closed or liquidated will exist in perpetuity.

### Of a Sub-Fund

A Sub-Fund may be wound up and dissolved either voluntarily or under supervision or by the Court. Upon the winding up or dissolution (whether the liquidation is voluntary, or under supervision or by the Court) of any Sub-Fund, the assets of such Sub-Fund available for distribution (after satisfaction of creditors' claims) shall be

distributed to the Shareholders of such Sub-Fund pro rata to their respective shareholding.

If any Sub-Fund shall be wound up or dissolved (whether the liquidation is voluntary, or under supervision or by the Court) the liquidator may, with the authority of an Extraordinary Resolution of the shareholders of the particular Sub-Fund, divide among such Members in accordance with the Articles of the Company, in specie the whole or any part of the assets of the particular SubFund, and whether or not the assets shall consist of property of a single kind and may for such purposes value any class or classes of property in accordance with the valuation provisions in the Articles and this Prospectus. The liquidation of any Sub-Fund may be completed and the Fund dissolved, but not so that any shareholder thereof shall be compelled to accept any asset in respect of which there is a liability.

#### **Of the Company**

The Company may be wound up or dissolved (whether the liquidation is voluntary, or under supervision or by the Court) following, or simultaneously with, the closure or winding up and dissolution of all the Funds of the Company. Upon the winding up or dissolution (whether the liquidation is voluntary, or under supervision or by the Court) of the Company, the assets of the Company available for distribution (after satisfaction of creditors' claims) shall be distributed amongst members pro rata to the number of Shares held by them.

Any proceedings in relation to the Company shall respect the legal status of each Sub-Fund as a patrimony separate from the assets and liabilities of each other Sub-Fund and proceedings under the Act shall apply mutatis mutandis to each Sub-Fund as though it were a distinct legal entity

and with such modifications as are necessary to accommodate the fact that a Sub-Fund is not a company. Any proceedings in relation to any one Sub-Fund shall not have any effect on the assets of any other Sub-Fund or of the Company itself. The term 'proceedings' as used herein refers to any proceedings in terms of Title II of Part V and of Part VI of the Act (as may be amended from time to time).

#### **External Transactions Act**

When acquiring shares in the International Bond Fund and the Equity Growth Fund, investors should comply with the External Transactions Act (Chapter 233 of the Laws of Malta) and with any rules and regulations issued thereunder.

#### **General**

- (i) The Company has not since its registration been engaged in, or is currently engaged in, any legal arbitration proceedings and no legal or arbitration proceedings are known to the Directors to be pending or threatened by or against the Company.
- (ii) Deloitte & Touche have given and not withdrawn their written consent to the issue of the Prospectus, with the inclusion of the Accountants' Report set out herein dated 30 January 1997, issued at the time the Company was formed, and to the reference to their name in the form and context in which it is included.
- (iii) The Company does not have, nor has it had since registration, any employees.

#### **Documents for Inspection**

The following documents shall be available for inspection at the offices of the Company Secretary (see page 92) during normal business hours:-

- 
- (a) Memorandum and Articles of Association of the Company;
  - (b) The report and consent letter of Deloitte & Touche referred to above;
  - (c) A copy of the Depositary Agreement;
  - (d) A copy of the Management Agreement;
  - (e) A copy of the Administration Agreement;
  - (f) A copy of the Service Provider Agreement;
  - (g) A copy of this Prospectus and any up-date thereof;
  - (h) A copy of the prospectuses of the underlying collective investment schemes and Exchange Traded Funds and/or other material, as may be approved by the MFSA, of the underlying Investment Management Products in which the Fund is investing.

## Appendix I

# Determination of net asset value

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Extract from the Company's Articles :

Article 11 :

- 11.0 The Company on each Dealing Day shall determine the Net Asset Value of shares in the Company, which shall be the value of the assets less the liabilities attributable to each class of shares divided by the number of shares in issue in such class. The Net Asset Value shall be expressed in the Base Currency (or in such other currency as the Directors shall determine) as a per share figure for each share in issue (rounding down to the nearest second decimal figure of the relevant Base Currency) and shall be determined for each Dealing Day in accordance with Article 12 hereof.
- 11.1 The Company at any time may, but shall not be obliged to, temporarily suspend the determination of the Net Asset Value of the shares and the sale of such shares, and the repurchase of all or part of such shares for which repurchase requests have been received, in the following instances:
- (i) during any period (other than holiday or customary weekend closings) when any market is closed which is the main market for a significant part of the Investments comprised in the Fund to which such class of shares relates, or in which trading thereon is restricted or suspended; or
  - (ii) during any period when an emergency exists as a result of which disposal by the Company of Investments which constitute a substantial portion of the assets of the Fund to which such class of shares relates is not practically feasible; or
  - (iii) during any period when for any reason the market value of Investments of the Fund to which such class of shares relates cannot be reasonably, promptly or accurately ascertained by the Company; or
  - (iv) during any period when remittance of monies which will, or may, be involved in the realisation of, or in the payment for, Investments, comprised in the Fund to which such class of shares relates cannot be carried out at normal rates of exchange; or
  - (v) during any period when the proceeds of sale or repurchase of such shares in the Company cannot be transmitted to or from the Company's account; or
  - (vi) during any period when in the opinion of the Directors the realisation of assets of the Fund to which such class of shares relates could, if realised at that particular moment in time, adversely affect and prejudice the Members' interest in the Company.
- 11.2 The Company may elect to treat the first Dealing Day on which the conditions giving rise to the suspension have ceased, as a substitute Dealing Day, in which case the Net Asset Value calculations and all sales and repurchases of shares shall be effected on the substitute Dealing Day.
- 11.3 Any such suspension shall be appropriately published by the Company in a local newspaper approved by the Depositary and MFSA. The Company shall furthermore notify such suspension to all persons who in the opinion of the Company are likely to be affected thereby in such manner as it may deem appropriate. Any such suspension shall be notified immediately to the MFSA and the Listing Authority, if applicable.
- 11.4 The dealing in shares shall also be suspended upon the order of the MFSA or the Listing Authority in terms of the Regulations.
- \* Following the implementation of the AIFMD, references to the "Custodian" are being replaced with "Depositary".*

## Appendix II

# Valuation of assets

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Extract from the Company's Articles :

Article 12 :

12.0 The Net Asset Value of each class of shares in the Company shall be the value of all the assets less all the liabilities of the Company attributable to such class of shares.

12.1 The value of the assets comprised in a Fund shall be ascertained on the following basis:-

(A) the value of any Investment quoted, listed or normally dealt in, on or under the rules of a Regulated Market shall be calculated in the following manner:

(i) by reference to the price appearing to the Directors to be the latest available dealing price or (if bid and offered quotations are made) the latest available middle quotation on such Regulated Market; and

(ii) if an Investment is quoted, listed or normally dealt in, on or under the rules of more than one Regulated Market, the Directors may adopt the price or, as the case may be, the middle quotation on the Regulated Market which, in their opinion, provides the principal market for such Investment; and

(iii) in the case of any Investment which is quoted, listed or normally dealt in, on or under the rules of a Regulated Market but in respect of which, for any reason:

(a) prices on that Regulated Market may not be available at any relevant time, or

(b) the value thereof based on the said prices or quotations as described in paragraphs (i) and (ii) above does not establish, in the opinion of the Directors, the fair value of

any investment, the value thereof shall be determined by such professional person as may be appointed by the Directors for such purpose or generally in relation to some or all the Investments of the Company and for such time as may be determined by the Directors.

(iv) the Directors shall not be under any liability by reason of the fact that a value reasonably believed by them to be the latest available price or, as the case may be, middle quotation for the time being may be found not to be such; and

(v) there shall be taken into account interest accrued on interest-bearing Investments up to the date at which the valuation is made unless such interest is included in the price or quotation referred to above;

(B) the value of any Investment which is not quoted, listed or normally dealt in on or under the rules of a Regulated Market shall be the initial value thereof ascertained as hereinafter provided or the value thereof as assessed on the latest valuation thereof made in accordance with the provisions hereinafter contained. For this purpose:-

(i) the initial value of such an Investment shall be the amount expended by the Fund in the acquisition thereof (including in each case the amount of the stamp duties, commissions and other expenses incurred in the acquisition thereof and the vesting thereof in the Company); or

(ii) the Directors may at any time cause a valuation to be made of any such Investment at a fair market value, by such professional person as may be appointed for such purpose by the Directors;

(C) the value of each unit or share in any collective investment scheme which



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- provides for the units or shares therein to be realised at any time at Net Asset Value shall be the last published net asset value per unit or share;
- (D) cash, deposits and similar property shall be valued at their face value (together with accrued interest);
- (E) property other than Investments shall be valued in such manner and at such time or times as the Directors shall from time to time determine;
- (F) notwithstanding any of the foregoing sub-paragraphs, the Directors may, after consultation with the Custodian\*, adjust the value of any Investment or other property or permit some other method of valuation to be used if they consider that in the circumstances (including without limitation a material volume of subscriptions or requests for repurchase of shares in the Company; or the marketability of the Investments or other property; or such other circumstances as the Directors deem appropriate) such adjustment or other method of valuation should be adopted to reflect more fairly the value of such Investment or other property;
- (G) every share allotted by the Company shall be deemed to be in issue and the capital of the Company shall be deemed to include the net amount of any cash or other property to be received in respect of each such share;
- (H) where, in consequence of any notice or repurchase request duly given, a reduction of the capital of the Company by the cancellation of shares has been or is to be effected but payment in respect of such reduction has not been completed, the shares in question shall be deemed not to be in issue and any amount payable in cash or Investments out of the capital of the Company in pursuance of such reduction shall be deducted;
- (I) where any Investment or other property has been agreed to be acquired or realised but such acquisition or disposal has not been completed, such Investment or other property shall be included or excluded, as the case may be, and the gross acquisition or net disposal consideration included or excluded as the Directors shall from time to time determine;
- (J) there shall be included in the assets an amount equal to all such costs, charges, fees and expenses as the Directors may have determined to amortise, less the amount thereof which has previously been or is then to be written off;
- (K) where an amount in one currency is required to be converted into another currency, the Directors may effect such conversion using the latest available rates of exchange as the Directors shall determine at the relevant time except where otherwise specifically provided therein;
- (L) there shall be deducted from the assets such sum in respect of tax (if any) as in the estimate of the Directors will become payable in respect of the current Accounting Period;
- (M) where the current price of an Investment is quoted ex dividend or interest, there shall be added to the assets a sum representing the amount of such dividend or interest

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- receivable by the Fund but not yet received;
- (N) there shall be added to the assets the amount (if any) available for allocation in respect of the last preceding Accounting Period but in respect of which no allocation has been made;
- (O) there shall be deducted from the assets the total amount (whether actual or estimated by the Directors) of any other liabilities properly payable including outstanding borrowings and accrued interest on borrowings (if any) but excluding liabilities taken into account in terms of sub-paragraph (I) above.
- 12.2 Notwithstanding the foregoing, when the above system of valuation would not reflect the current value of the assets accurately, the Directors shall be entitled, after consultation with the Depositary, to value the shares using the amortised cost method of valuation, whereby the Investments of the Company are valued at their cost of acquisition, adjusted for amortisation of premium or accretion of discount on the Investments, rather than at the current market value of the Investments.
- 12.3 Without prejudice to their general powers to delegate their functions herein contained, the Directors may delegate any of their functions in relation to the calculation of Net Asset Value to the Manager or the Depositary, to a committee of the directors or to any other duly authorised person. In the absence of wilful misconduct or manifest error, every decision taken by the Directors or any committee of the Directors or
- 12.4 The Company, the Manager or the Depositary shall not be responsible for any error in calculating the value of assets if the Company, the Manager or the Depositary has acted in good faith when making such calculations, and no adjustments shall be made to the values of any assets unless the valuation error exceeds 0.5% (half a percentage point) of the Net Asset Value in which case it shall be adjusted. The MFSA shall be notified of such event together with information on such remedial action which the Company, the Manager and the Depositary propose to take to ensure that such error does not occur again.
- \* Following the implementation of the AIFMD, references to the "Custodian" are being replaced with "Depositary".*

## Appendix III

# Allocation of assets and liabilities

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Extract from the Company's Articles :

Article 10A

10A Allocation of assets and liabilities.

10A.0 The assets and liabilities of each Fund shall be treated for all intents and purposes of law as a patrimony separate from the assets and liabilities of each other Fund.

10A.1 The liabilities incurred in respect of each Fund shall be paid out of the assets forming part of the patrimony of such Fund. In the event that the liabilities of a particular SubFund exceed its assets, then the proportion of liabilities in excess of the assets shall not be allocated to the other Funds and the creditors of that Fund whose liabilities exceed its assets shall have no claim or right of action against the assets of the other Funds.

10A.2 Without prejudice to what is provided in sub-articles 10A.0 and 10A.1 above, the assets and liabilities of each Fund shall be allocated in the following manner:-

(i) the proceeds from the issue of shares representing a Fund shall be applied in the books of the Company to that Fund, and the assets and liabilities and income and expenditure attributable thereto shall be applied to such Fund subject to the provisions of this Article;

(ii) where any asset is derived from another asset, such derived asset shall be applied in the books of the Company to the same Fund as the assets from which it was derived and in each valuation of an asset, the increase or diminution in value shall be applied to the relevant Fund;

(iii) where the Company incurs a liability which relates to a particular Fund or Funds or to any action taken in connection with a particular Fund or Funds, such a liability shall be allocated to the relevant Fund or Funds in accordance with the interest of each Fund or Funds; provided that all liabilities of the Company irrespective of the Fund to which they are attributable shall be binding upon the Company as a whole;

(iv) where an asset or liability of the Company is commonly owned or jointly incurred for the benefit of more than one Fund, such asset or liability, shall be allocated to all such Funds pro rata to the Net Asset Value of each Fund at the time the attribution is made or at such other time as the directors may determine.

10A.3 Without prejudice to what is provided in sub-articles 10A.0 and 10A.1 above, when issuing a class of shares in regard to any Fund, the Directors may, with the consent of the Depositary, allocate Commission, Duties and Charges, and ongoing expenses on a basis which is different from that which applies in the case of shares in other classes in the Fund.

10A.4 Without prejudice to what is provided in sub-articles 10A.0 and 10A.1 above, if the Directors determine that, notwithstanding the foregoing, the assets or liabilities in respect of any Fund shall be attributed to one class of shares on a basis different to that of another class of shares as may be set out in the Company's Prospectus from time to time, the number of undivided parts in the net

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assets of the Fund to which each such share shall be entitled shall be adjusted in such manner as the Directors shall, with the consent of the Depositary and the MFSA, determine so as to give effect to the different basis of attribution; provided that in so doing the Directors shall not damage or reduce the participatory rights of existing classes of shares in the Fund or the Company as a whole.

*\* Following the implementation of the AIFMD, references to the “Custodian” are being replaced with “Depositary”.*

## Appendix IV

# Schedule of fees

<b>Management Fees</b>	<p>The Management Fee applicable for each Fund shall be :</p> <p>0.685% of Net Assets up to 6 February 2017 and 0.785% of Net Assets thereafter for the Malta Bond Fund;</p> <p>0.570% of Net Assets for the International Bond Fund;</p> <p>1.000% of Net Assets for the Equity Growth Fund;</p> <p>0.785% of Net Assets for the Malta Government Bond Fund;</p> <p>1.060% of Net Assets for the Maltese Assets Fund.</p>
<b>Administration Fees*</b>	<p>The Administration Fee applicable for each Fund shall be between 1.10% to 0.12% of Net Assets* depending on the amount of Net Assets.</p> <p>The Administration Fee is computed as follows:</p> <ul style="list-style-type: none"> <li>– Net Assets up to €250 million – 0.12% p.a.</li> <li>– In Excess of €250 million – 0.10% p.a.</li> </ul> <p>The above is subject to a minimum fee of:</p> <ul style="list-style-type: none"> <li>• €8,334 per month, for the Malta Bond Fund excluding out-of-pocket expenses;</li> <li>• €8,334 per month for the International Bond Fund excluding out-of-pocket expenses;</li> <li>• €4,166 per month, for the Equity Growth Fund excluding out-of-pocket expenses.</li> <li>• €8,334 per month, for the Malta Government Bond Fund excluding out-of-pocket expenses;</li> <li>• €8,334 per month, for the Maltese Assets Fund excluding out-of-pocket expenses.</li> </ul> <p>The Administration Fee is applied pro-rata to each Sub-Fund in relation to the relative Net Asset Value.</p> <p><i>* Net Assets refer to the aggregate Net Asset Value of all the Funds managed by HSBC Global Asset Management (Malta) Limited and which are party to an agreement with Deutsche International Corporate Services (Ireland) Limited as their Administrator.</i></p>

\*For further details of these fees, investors may request a copy of the full Fee Schedule which provides a detailed description of all fees charged by the Administrator.

<b>Other Applicable Fees</b>	<p>The Funds shall pay KPMG Malta the following fees relating to the preparation of financial statements (annual and interim):</p> <ul style="list-style-type: none"> <li>• First SICAV Sub-Fund – maximum total amount: EUR5,000</li> <li>• Per Sub-Fund thereafter – maximum total amount: EUR3,500</li> </ul> <p>The Funds are subject to other out-of-pocket expenses relating to:</p> <ul style="list-style-type: none"> <li>– Cost of banking charges;</li> <li>– Postage and printing costs;</li> <li>– communication services fees; and</li> <li>– other expenses involved in the course of the KPMG's duties.</li> </ul>
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#### DEPOSITARY & CUSTODY FEES

<b>Depositary Services Fees (charged per Sub-Fund by Sparkasse Bank Malta p.l.c. as depositary)</b>	<p>The fees applicable for depositary services is of 0.035% p.a. of Total Net Assets* depending on the amount of Total Net Assets. Such aggregate fees shall be allocated pro rata between all sub-funds of the Funds, as defined below (in the case of each sub-fund, being the proportion that such sub-fund's net asset value bears to the aggregate net asset value of the Funds for the relevant valuation day).</p> <p>The above depositary services fees are subject to a minimum fee applied to each Sub-Fund of:</p> <ul style="list-style-type: none"> <li>• €5,000 per month excluding out-of- pocket expenses;</li> </ul> <p>These fees are applied pro-rata to each Sub-Fund in relation to the relative Total Net Assets.</p> <p><i>* Total Net Assets refer to the aggregate Total Net Assets of all the funds managed by HSBC Global Asset Management (Malta) Limited and which are party to a depositary agreement with Sparkasse Bank Malta p.l.c. as their depositary (together, the "Funds").</i></p>
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<b>Custody Fees (charged by HSBC London as sub-custodian of the depositary)</b>	Maltese Market	0.04% for per annum
	Foreign Markets	Ranging from 0.0015% to 0.04% depending on the relevant Foreign Market

<b>Other Applicable Custody Fees (charged by HSBC London as sub- custodian of the depositary)</b>	<p>The Funds are subject to other out-of-pocket and third party expenses relating to:</p> <ul style="list-style-type: none"> <li>– transaction fees (ranging from €4.00 to €40 per transaction);</li> <li>– coupons, dividends and corporate actions;</li> <li>– other value-added services;</li> <li>– disbursement fees; and</li> <li>– communication services fees.</li> </ul>
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**INVESTMENT ACCOUNT FEES**

<b>Malta Bond Fund</b>	0.125% per annum charged to the Fund on the value of shares held in the investment account of each investor, with a minimum of €11.65 and a maximum of €116.47.
<b>International Bond Fund</b>	0.125% per annum charged to the Fund on the value of shares held in the investment account of each investor, with a minimum of €23.29 and a maximum of €116.47, or appropriate equivalent amount expressed in the Currency of Expression.
<b>Equity Growth Fund</b>	0.125% per annum charged to the Fund on the Net Asset Value.
<b>Malta Government Bond Fund</b>	0.125% per annum charged to the Fund on the value of shares held in the investment account of each investor, with a minimum of €23.29 and a maximum of €116.47
<b>Maltese Assets Fund</b>	0.125% per annum charged to the Fund on the value of shares held in the investment account of each investor, with a minimum of €23.29 and a maximum of €116.47

**OTHER FEES**

<b>Dividend Administration Fee in respect of the payment of dividends by income Shares</b>	€4.66 per Investor eligible to receive the dividend on every dividend distribution. This fee shall be charged directly to that part of the relevant Fund's income attributable to the class of shares in respect of which the dividend has been paid. The fee is not chargeable if a dividend is not declared by the Fund.
<b>Fee for Exchange of Shares within the same Fund</b>	€11.65 or GBP 9 for those investors who had opted for a Sterling Currency of Expression per Investor on any exchange of shares between an accumulating and income distributing class within the same Fund.
<b>Transaction Fee</b>	In the normal course and in relation to the Malta Government Bond Fund and the Maltese Assets Fund, the Service Provider shall levy a charge of €23.29 on all repurchase transactions (including an exchange of shares from one Fund to another) in excess of 3 per calendar year, but shall reserve the right, at his discretion and on giving notice to a particular Investor, of increasing the charge up to no more than €1164.69 per transaction on any further transaction effected by the Investor in the same calendar year.

## INITIAL FEE

<b>Malta Bond Fund</b>	NIL
<b>International Bond Fund</b>	Up to 2% on the amount tendered in respect of an application to purchase shares
<b>Equity Growth Fund – Class A</b>	NIL
<b>Equity Growth Fund – Class B</b>	Up to 3% on the amount tendered in respect of an application to purchase shares
<b>Malta Government Bond Fund</b>	NIL
<b>Maltese Assets Funds</b>	NIL



## Appendix V

# U.S. Foreign Account Tax Compliance Act

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Sections 1471 through 1474 of the U.S. Internal Revenue Code ('FATCA') impose a 30% withholding tax on certain payments to a foreign financial institution ('FFI') if that FFI is not compliant with FATCA. The Company and the Funds are a FFI and thus, subject to FATCA. Beginning 1 July 2014, this withholding tax applies to payments to the Funds that constitute interest, dividends and other types of income from U.S. sources (such as dividends paid by a U.S. corporation) and beginning on 1 January 2017, this withholding tax is extended to the proceeds received from the sale or disposition of assets that give rise to U.S. source dividend or interest payments.

These FATCA withholding taxes may be imposed on payments to the Funds unless (i) the Funds becomes FATCA compliant pursuant to the provisions of FATCA and the relevant regulations, notices and announcements issued thereunder, or (ii) the Funds are subject to an appropriate Intergovernmental Agreement to improve international tax compliance and to implement FATCA ('IGA'). The Funds intend to comply with FATCA in good time to ensure that none of their income is subject to FATCA withholding.

Malta has signed an IGA with the U.S. and the Funds intend to take any measures that may be required to ensure compliance under the terms of the IGA and local implementing regulations.

In order to comply with their FATCA obligations, the Funds will be required to obtain certain information from their investors so as to ascertain their U.S. tax status. If the investor is a specified U.S. person, U.S. owned non-U.S. entity, non-participating FFI ('NPFPI') or does not provide the requisite documentation, the Funds may need to report information on these investors to the appropriate tax authority, as far as legally permitted. If an investor or an intermediary

through which it holds its interest in the Funds either fails to provide the Funds, its agents or authorised representatives with any correct, complete and accurate information that may be required for the Funds to comply with FATCA or is a NPFPI, the investor may be subject to withholding on amounts otherwise distributable to the investor, may be compelled to sell its interest in the Funds or, in certain situations, the investor's interest in the Funds may be sold involuntarily. The Funds may at their discretion enter into any supplemental agreement without the consent of investors to provide for any measures that the Funds deem appropriate or necessary to comply with FATCA.

Other countries are in the process of adopting tax legislation concerning the reporting of information. The Funds also intend to comply with such other similar tax legislation that may apply to the Funds, although the exact parameters of such requirements are not yet fully known. As a result, the Funds may need to seek information about the tax status of investors under such other country's laws and each investor for disclosure to the relevant governmental authority.

Investors should consult their own tax advisors regarding the FATCA requirements with respect to their own situation. In particular, investors who hold their units through intermediaries should confirm the FATCA compliance status of those intermediaries to ensure that they do not suffer FATCA withholding tax on their investment returns.

## Appendix VI

# Restrictions on Offers and Sales

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### RESTRICTIONS ON OFFERS AND SALES TO U.S. PERSONS

Units of the Funds may not be offered or sold to any 'U.S. Person' (a 'USP'). For the purposes of this restriction, the term USP shall mean the following:

1. An individual who is deemed a resident of the U.S. under any U.S. law or regulation
2. An entity:
  - i. that is a corporation, partnership, limited liability company or other business entity:
    - a. that was created or organized under U.S. federal or state law including any non-U.S. agency or branch of such entity; or
    - b. where regardless of place of formation or organization, was organized principally for passive investment (such as an investment company or fund or similar entity other than an employee benefit plan or employee pension scheme for the employees, officers, or principals of a non-U.S. entity having its principal place of business outside the United States);
      - and owned directly or indirectly by one or more USPs, with respect to which such USPs (unless defined as a Qualified Eligible Person under CFTC Regulation 4.7(a)) directly or indirectly hold in the aggregate 10% or greater beneficial interest; or
      - where a USP is the general partner, managing member, managing director or other position with authority for directing the entity's activities; or
      - was formed by or for a USP principally for the purpose of investing in securities not registered with the SEC; or
      - where more than 50% of its voting ownership interests or non-voting ownership interests are directly or indirectly owned by USPs; or
  - ii. that is a trust created or organized under U.S. federal or state law or regardless of the place of creation or organization;
    - a. where one or more USPs has the authority to control all substantial decisions of the trust; or
    - b. where the administration of the trust or its formation documents are subject to the supervision of one or more U.S. courts; or
    - c. where any settlor, founder, trustee, or other person responsible for decisions related to the trust is a USP; or
  - iii. that is an estate of a deceased person regardless of where the person resided while alive where an executor or administrator is a USP.
3. An employee benefit plan established and administered in accordance with the laws of the U.S.
4. A discretionary or non-discretionary investment account or similar account (other than an estate or trust) held by a non-U.S. or U.S. dealer or other fiduciary for the benefit or account of a USP (as defined above).

For the purpose of this definition, the 'United States' and 'U.S.' means the United States of

America (including the States and the District of Columbia), its territories, possessions and other areas of subject to its jurisdiction.

If, subsequent to a shareholder's investment in the Funds, the shareholder becomes a USP, such shareholder (i) will be restricted from making any additional investments in the Funds and (ii) as soon as practicable have its units compulsorily redeemed by the Funds (subject to the requirements of applicable law).

The Directors may, from time to time, waive or modify the restriction (ii) above.

#### RESTRICTIONS ON OFFERS AND SALES TO CANADIAN RESIDENTS

The units described in this prospectus have not been authorised in Canada and accordingly shares in the Company may not be offered, promoted, or distributed directly or indirectly in Canada or to a person resident of Canada. A distribution or solicitation may be deemed to occur in Canada where a distribution or solicitation is made to a person (including an individual, corporation, trust, partnership or other entity, or other legal person) resident or otherwise located in Canada at the applicable time. For these purposes, the following persons will generally be considered to be a Canadian resident:

1. An individual, if
  - i. the individual's primary principal residence is located in Canada; or
  - ii. the individual is physically located in Canada at the time of the offer, sale or other relevant activity.
2. A corporation, if
  - i. the corporation's head office or principal office is located in Canada; or
  - ii. 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
  - iii. the individuals that make investment decisions or provide instructions on behalf of the corporation are Canadian Resident individuals (as described above).
3. A trust, if
  - i. the principal office of the trust (if any) is located in Canada; or
  - ii. 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
  - iii. the individuals that make investment decisions or provide instructions on behalf of the trust are Canadian Resident individuals (as described above).
4. A partnership, if
  - i. the partnership's head office or principal office (if any) is located in Canada; or
  - ii. the holders of the majority of the interests of or in the partnership are held by Canadian Residents (as described above); or
  - iii. the general partner (if any) is a Canadian Resident (as described above); or
  - iv. the individuals that make investment decisions or provide instructions on behalf of the partnership are Canadian Resident individuals (as described above).

# Directory

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## HSBC Malta Funds SICAV p.l.c.

171, Old Bakery Street  
Valletta VLT 1455  
Malta

## Manager

HSBC Global Asset Management (Malta) Ltd.  
Business Banking Centre  
Mill Street  
Qormi QRM 3101  
Malta

## Company Secretary

Ganado Services Limited  
171, Old Bakery Street  
Valletta VLT 1455  
Malta

## Fund Administrator and Registrar

Deutsche International Corporate Services  
(Ireland) Limited  
Pinnacle 2  
Eastpoint Business Park  
Dublin 3  
Ireland

## Service Provider

HSBC Bank Malta p.l.c.  
Service Delivery Wealth - Fund Distribution  
Operations Centre  
80, Mill Street  
Qormi QRM 3101  
Malta

## Depository

Sparkasse Bank Malta p.l.c.  
101 Town Square  
Ix-Xatt Ta' Qui-Si-Sana  
Sliema SLM 3112  
Malta

## Sponsoring stockbroker

Rizzo Farrugia & Co. (Stockbrokers) Ltd.  
3rd Floor, Airways House  
High Street  
Sliema SLM 1549  
Malta

## Auditors

PricewaterhouseCoopers  
78, Mill Street  
Qormi QRM 3101  
Malta

## Legal Advisers

Ganado & Associates  
171, Old Bakery Street  
Valletta VLT 1455  
Malta

## Regulatory Body

Malta Financial Services Authority  
Notabile Road  
Attard BKR 3000  
Malta

