

Investment Management Services



Notice

Fund Manager HSBC Global Asset Management Ltd.

Date January 2016

Notice

On January 20, 2016, HSBC has announced a change within the Global Emerging Market Debt ('EMD') investment team. Abdelak Adjriou, co-Portfolio Manager for the HSBC Emerging Markets Local Debt Fund, will be leaving HSBC Global Asset Management in February 2016. His responsibilities will be assumed immediately by the remaining members of the EM Debt team. HSBC will be looking to replace Abdelak through a new hire.

Products Affected

Manulife HSBC Emerging Markets Debt Fund (GBRS)

Impact

People

The HSBC EM Debt team is a dedicated 11-member team based in New York, which is composed of 6 portfolio managers, 3 portfolio engineers and 2 credit analysts prior to Mr. Adjriou's departure. This announcement follows closely to the departure of Mr. Guillermo Ossés, the former Head of the EM Debt team, announced in November 2015.

Upon Mr. Ossés' departure, Mr. Nishant Upadhyay assumed his responsibilities and has been appointed the Head of the EM Debt team as at December 2015. Mr. Upadhyay joined the HSBC EM Debt team in September 2015 from PIMCO, following the departure of portfolio manager Phil Yuhn in June 2015.

As one of six portfolio managers on the EM Debt team, Mr. Adjriou's focus has been in local currency markets and as a co-manager for the local debt strategies with two other portfolio managers. He joined the EM Debt team in 2013 from HSBC Global Asset Management (France) where he was a portfolio manager on the European Yield Curve Strategy team.

Investment Process and Philosophy

The HSBC EM debt strategies are managed with a team-based process whereby all members of the team are involved in idea generation, research and portfolio construction.

The investment process is methodical and has historically been consistently applied.

Closing Remarks

IMS had discussed Mr. Ossés departure with HSBC following its announcement and our initial assessment was published in an i-Watch® Alert in November 2015. Due to concerns with the continued turnover within the team, IMS recommended the Fund be placed under Increased Scrutiny at that time.

Upon the announcement of Mr. Adjriou's departure, our concerns with the team's stability have been elevated. IMS is scheduled to meet with the team on-site in February 2016 to further assess the impact of these numerous departures on the day-to-day management of the Fund and will communicate if further concerns arise.

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