

HSBC ASSET MANAGEMENT RENAMES FOUR INDEX FUNDS AHEAD OF THE LAUNCH OF NEW ETF SHARE CLASSES

- Four index funds to be renamed “UCITS ETFs” ahead of the launch of new ETF share classes
- New ETF and existing unlisted share classes aim to meet different investor needs
- Move will make HSBC Asset Management a top 10 bond ETF provider in Europe by AUM
- Funds affected have grown in AUM from c. \$500m in 2019 to c.\$6bn in 2023¹
- No other Irish domiciled fund has yet launched both ETF and unlisted shares

18 April 2023 - HSBC Asset Management has today announced the name changes of four HSBC Fixed Income index funds as it prepares to launch new ETF share classes, providing investors with access to both listed and unlisted share classes through a single fund.

Effective on the 18th of May 2023, the funds will be renamed “UCITS ETFs” in accordance with regulatory requirements in Ireland and will benefit from a dual ETF and unlisted index fund structure. The four affected funds are issued by the HSBC Global Funds ICAV platform and include:

- Global Government Bond Index Fund to become the **Global Government Bond UCITS ETF**;
- Global Corporate Bond Index Fund to become the **Global Corporate Bond UCITS ETF**;
- Global Sustainable Government Bond Index Fund to become the **Global Sustainable Government Bond UCITS ETF**; and
- China Government Local Bond Index Fund to become the **China Government Local Bond UCITS ETF**.

The issuing of the new share classes will meet growing investor demand for flexibility, by offering listed and unlisted share classes through a single fund in a move designed to increase investor choice. The move will allow clients that prefer ETF structures to access funds with significant assets under management (AUM) and a strong track record.

This development is expected to establish HSBC Asset Management as one of the top 10 largest fixed income ETF providers in Europe in terms of AUM², with total fixed income ETF AUM predicted to rise to c.\$6 billion as part of the move next month. This will strengthen HSBC Asset Management's total ETF AUM when combined with its existing c.\$20 billion equity ETF AUM.

Marco Montanari, Global Head of ETF & Indexing Capability, HSBC Asset Management said:

“Ensuring investors have access to the investment structures that suit their needs is a clear priority for HSBC Asset Management. Our move to issue listed and unlisted share classes for these four index funds will provide additional flexibility to investors to build their portfolios. Whether it's through economies of scale or the ability to trade freely in real time, these new listed share classes put investor choice at the front and centre of our index offering.”

Olga de Tapia, Global Head of ETF & Indexing Sales, HSBC Asset Management, said:

“Providing investors with ETF access to some of our biggest funds or those with a unique exposure is further evidence of our long-term commitment to the ETF market. These new share classes will help provide a more comprehensive suite of investment opportunities for clients seeking flexibility and scale.”

HSBC Asset Management's ETF & Indexing business has grown from strength to strength in recent years, with the four funds affected rising in AUM from \$497 million on 28 February 2019 to \$5.64 billion on 28 February 2023³.

HSBC Asset Management predicts that Fixed Income ETF assets industry-wide in Europe will more than double in the next five years from \$366bn as of the end of March 2023 to c.\$750bn in 2028⁴, implying a compounded annual growth rate of c.15% and slightly above the growth rate recorded for the past three years of c.14%.

The fees of the new ETF share classes of the four HSBC Fixed Income index funds will be disclosed on the effective date of their name change.

ENDS

Media enquiries to:

Ellis Ford – ellis.ford@hsbc.com / +44(0) 738 479 1611

Notes to editors

^[1] Source: HSBC Asset Management, as at 28 February 2023

^[2] Source: ETFbook.com, April 2023

^[3] Source: HSBC Asset Management, as at 28 February 2023

^[4] Source: HSBC Asset Management and ETFbook.com, April 2023

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<https://www.assetmanagement.hsbc.co.uk/en/intermediary/investment-expertise/sustainable-investments/sustainable-investment-product-offering>

HSBC Asset Management

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HSBC Asset Management is the marketing name for the asset management businesses of HSBC Holdings plc.

HSBC Holdings plc

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