# HSBC OpenFunds

Prospectus

1 April 2025

# Contents

# Introduction

This document is important. If you are in any doubt as to the meaning of any information in this Prospectus you should consult your financial adviser.

HSBC Asset Management (Fund Services UK) Limited, the Authorised Corporate Director ("the ACD") of the Company, is the person responsible for the information contained in this Prospectus. To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts, does not contain any untrue or misleading statement and does not omit anything likely to affect the import of such information or any matters required by the FCA Rules, as laid down in the FCA Handbook to be included in it. The ACD accepts responsibility accordingly.

This is the Prospectus of HSBC OpenFunds ("the Company") valid as at 1 April 2025. The Company is an AIF.

This Prospectus has been prepared by the ACD in accordance with the FCA Rules.

Copies of this Prospectus have been sent to the FCA and State Street Trustees Limited, the Depositary.

The Company is incorporated in England and Wales as an investment company with variable capital under registered number IC000488. The FCA Product Reference Number is 457011. The Shareholders are not liable for the debts of the Company.

No person has been authorised by the Company to give any information or to make any representations in connection with the offering of Shares other than those contained in the Prospectus and, if given or made, such information or representations must not be relied upon as having been made by the Company. The delivery of this Prospectus (whether or not accompanied by any reports) or the issue of Shares shall not, under any circumstances, create any implication that the affairs of the Company have not changed since the date hereof.

The distribution of this document and the offering or sale of Shares in certain jurisdictions may be restricted by law. No action has been taken by the Company or the ACD that would permit an offer of Shares or possession or distribution of this document in any jurisdiction where action for that purpose is required, other than in the United Kingdom (the "UK"). This document does not constitute an offer of or an invitation to purchase or subscribe for any Shares by anyone in any jurisdiction in which such offer or invitation is not authorised or to any person to whom it is unlawful to make such offer or invitation. Persons into whose possession this document comes are required by the Company and the ACD to inform themselves about and to observe any such restrictions. The document may be translated into languages other than English. In the event of any inconsistency or ambiguity in relation to the meaning of any word or phrase in any translation, the English text shall prevail.

Potential investors should not treat the contents of this document as advice relating to investment, legal, taxation or any other matters and are recommended to consult their own professional advisers concerning the acquisition, holding or disposal of Shares.

The provisions of the Company's Instrument of Incorporation are binding on each of its Shareholders (who are taken to have notice of them). This document has been approved for the purpose of the Financial Services and Markets Act 2000 by the ACD.

Shares in the Company are not listed on any stock exchange.

This Prospectus uses information that the ACD has made available to Shareholders and is based on UK law and practice at the date hereof. The Company cannot be bound by an out of date Prospectus when it has issued a new Prospectus and investors should check with the ACD that this is the most recently published Prospectus.

# Definitions

**“Accumulation Share”** means a type of share where the income earned by the Fund is retained in the Fund

**“ACD”** means the Authorised Corporate Director of the Company, which is HSBC Asset Management (Fund Services UK) Limited. The ACD is also the Alternative Investment Fund Manager

**“Act”** is the Financial Services and Markets Act 2000 as amended, replaced or re-enacted from time to time

**“actively managed”** means where a fund manager uses their expertise to pick investments to achieve a fund’s objectives

**“Administrator”** means Northern Trust Global Services SE, which is appointed by the ACD to administer the Funds on its behalf

“**Annual Management Charge**” means the ongoing fee paid to the ACD for managing the Fund, usually charged as a percentage of the value of the Fund and subject to any applicable discount

**“AIF”** refers to an alternative investment fund which has the same meaning as the Glossary to the FCA Handbook

**“AIFM”** refers to alternative investment fund managers which has the same meaning as the Glossary to the FCA Handbook. The AIFM for the Funds is HSBC Asset Management (Fund Services UK) Limited which is also the ACD

**“AIFMD”** refers to the Alternative Investment Fund Managers Directive and has the same meaning as listed in the Glossary to the FCA Handbook

“**AIFMD BTS**” means the UK version of Commission Delegated Regulation (EU) No.694/2014 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to regulatory technical standards determining types of alternative investment fund managers, which is part of UK law by virtue of the EUWA.

**“approved counterparty”** means an FCA approved company who the fund manager will deal with when investing in derivatives

**“approved security”** means classes of securities which the fund manager can invest in e.g. shares in companies, bonds or other forms of securities debt and any other negotiable securities. For further details, please refer to Appendix 3

**“asset allocation”** means dividing the money invested in a fund across different assets, such as in different geographical areas or by industry sectors such as oil and gas or financial companies

**“asset backed securities”** means asset-backed securities which will include credit card receivables, home equity loans, student loans and auto loans as well as mortgage-backed securities which are pooled mortgages sold to investors. These types of investment sit within the fixed-income sector.

**“associate”** means a subsidiary of the HSBC Group

**“auditor”** means the auditor of the Company, being KPMG LLP, Chartered Accountants

**“bond(s)”** means a loan, usually to a company or government, that pays interest

**“bond index futures”** means a contract stating that the holder agrees to purchase a bond index at a particular price on a specified future date

**“Business Day”** means any day that the London Stock Exchange (or its successor organisation) is open for business (except for, unless the ACD otherwise decides, the last business day before Christmas Day); and other days at the ACD’s discretion

**“Canadian Resident”** means:

1. An individual, if
   - (a) the individual’s primary principal residence is located in Canada; or
   - (b) the individual is physically located in Canada at the time of the offer, sale or other relevant activity.
2. A corporation, if
   - (a) the corporation’s head office or principal office is located in Canada; or

(b) securities of the corporation that entitle the holder to elect a majority of the directors are held by Canadian Resident individuals (as described above) or by legal persons resident or otherwise located in Canada; or

(c) 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

(a) the principal office of the trust (if any) is located in Canada; or

(b) the trustee, or in the case of multiple trustees, the majority of trustees, are Canadian Resident individuals (as described above) or are legal persons resident or otherwise located in Canada; or

(c) 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

(a) the partnership's head office or principal office (if any) is located in Canada; or

(b) the holders of the majority of the interests of or in the partnership are held by Canadian Residents (as described above); or

(c) the general partner (if any) is a Canadian Resident (as described above); or

(d) the individuals that make investment decisions or provide instructions on behalf of the partnership are Canadian Resident individuals (as described above).

**"client money"** means money that we hold on behalf of investors in a bank account that is separate from our own money

**"collective investment scheme"** means a fund that more than one person contributes to with the aim of increasing the value of their investments or receiving income from a pooled investment. A fund manager will invest the pooled money into one or more types of asset, such as stocks, bonds or property

**"commodities"** means basic goods or services, for example oil or wheat

**"Company"** means HSBC OpenFunds

**"conversion"** means the exchange of Shares of one Share Class for Shares of another Share Class of the same Fund

**"currency forward contracts"** means a contract in the foreign exchange market that locks-in the exchange rate for the purchase or sale of a currency on a future date

**"Dealing Day"** means Monday to Friday (except for, unless the ACD otherwise decides, the last Business Day before Christmas Day, a bank holiday in England and Wales or any other day on which the London Stock Exchange or its successor organisation is closed); and other days at the ACD's discretion

**"Depositary"** means State Street Trustees Limited, the depositary of the Company

**"Depositary Agreement"** means the agreement between the Depositary and the AIFM on behalf of the Funds in accordance with the requirements of the AIFMD

"**depositary receipt**" means a certificate issued by a bank representing shares in a foreign company traded on a local stock exchange. The depositary receipt gives an investor the opportunity to hold shares in the equity of foreign countries and gives them an alternative to trading on an international market

**"derivative(s)"** means an investment whose value is linked to another investment, or to the performance of a stock exchange or to some other variable factor, such as interest rates

**"developed markets"** means countries with relatively high levels of personal income and established economies

**"dilution adjustment"** means an amount you pay to cover the dealing costs incurred by the Fund when it buys or sells investments as a result of you buying or selling Shares in the Fund. It is normally only charged when those costs are large enough to have a negative impact on the value of the Shares remaining in the Fund and is used to protect the existing investors

**"diversification"** means holding a variety of investments that typically perform differently from one another

**"duration"** means a measure of how long it takes in years for an investor in a bond to recoup the price they paid for the bond from its interest payments. It provides an indication of how much bond prices are likely to change if and when interest rates change

"**EEA**" means the European Economic Area

**“efficient portfolio management (EPM)”** means managing the Fund in a way that is designed to reduce risk or cost and/or generate income or growth

**“Eligible Derivatives Markets”** means derivative markets which the ACD, after consultation with and notification to the Depositary, has decided are appropriate for the purpose of investment of or dealing in the scheme property in accordance with the FCA Rules

**“Eligible Institution”** means one of certain institutions being a CRD credit institution authorised by its Home State Regulator or a MiFID investment firm authorised by the FCA or an EEA MiFID investment firm authorised by its Home State Regulator as defined in the glossary to the FCA Handbook

**“emerging markets”** means countries that are progressing toward becoming advanced, usually shown by some development in financial markets, the existence of some form of stock exchange and a regulatory body

**“ESG”** means environmental, social and governance factors which can be considered as non-financial performance indicators which include ethical, sustainable and corporate governance issues.

**“equity”** or **“equities”** means shares issued by a company

**“equity index futures”** means a contract stating that the holder agrees to purchase an equity index at a particular price on a specified future date

**“EU”** means European Union

“**EUWA**” means the European Union (Withdrawal) Act 2018

**“exchange traded”** means a type of investment that is traded on a stock exchange

**“FCA”** means the Financial Conduct Authority or its successor organisation

**“FCA Rules”** means the rules laid down in the FCA Handbook, in particular the Investment Funds Sourcebook (FUND) and the Collective Investment Schemes Sourcebook Instrument 2004 (COLL), as amended or replaced from time to time

**“financial instruments held in custody”** means financial instruments of an AIF that can registered in a financial instruments account opened in the depositary's books, or physically delivered to the depositary, as defined in the FCA rules

**“Fund”** or “**Funds”** means a sub-fund of the Company (being part of the scheme property of the Company which is pooled separately) to which specific assets and liabilities of the Company may be allocated and which is invested in accordance with the investment objective applicable to such sub-fund

**“Green Card Holder”** means an individual who is a US permanent resident (even if they do not actually reside in the US)

**“Group 1 Shares”** are Shares held at the start of a distribution period and which continue to be held throughout the distribution period

**“Group 2 Shares”** are Shares that have been purchased during a distribution period

**“growth”** means the increase in the value of investments

**“Hard Currency”** means money that is issued by a country that is viewed as politically and economically stable, for example US Dollars

**“hedge fund”** means an investment fund that pools money from investors and invests in a variety of assets, often with complex investment strategies and risk management techniques

**“hedging”** means using derivative type investments as a way to reduce risk

**“high yield bond”** means a bond paying a higher level of interest but which has a lower credit rating than investment grade

**“HSBC Group”** means HSBC Holdings plc and its subsidiaries, as defined in Section 1159 of the Companies Act 2006

**“income”** means money generated by a fund, such as interest from a bond or a dividend from a share, which can be paid out to its investors or retained in the fund and reinvested

**“Income Share”** means a type of share where the income earned by the fund is paid out to you

**“infrastructure”** means the basic facilities such as transport, power supplies and buildings that service a country or organisation

**“infrastructure securities**” means shares of infrastructure companies that own, manage or develop infrastructure. Examples of infrastructure assets include water treatment facilities, sewer lines, oil and gas storage and transportation, electricity transmission and distribution, airports, toll roads, and broadcasting and mobile towers

**“Initial Charge”** means an up-front fee paid to the ACD when you buy Shares

**“Instrument of Incorporation”** means the instrument of incorporation of the Company, as amended from time to time, prepared and registered by the Company in accordance with the OEIC Regulations and FCA Rules

**“investment grade”** means a credit rating that indicates the issuer of a bond has a relatively low risk of being unable to make interest payments and repay the money to it

**“larger denomination Shares”** means any Share other than a smaller denomination Share

**“liquidity”** means the degree to which an investment can be quickly bought or sold on a market without affecting its price

**“Local Currency”** means money that is issued by a country in its own currency. The currency may fluctuate more in value where the status of the country is politically or economically uncertain.

“**market capitalisation indices**” means market indices based on the weighted market value of their components.

**“market indices”** means a hypothetical portfolio of investment holdings which represents a segment of the financial market that has specific characteristics, for example equity indices or bond indices

**“Member State”** means a member state of the European Community and any other state, which is within the European Economic Area

“**MiFI regulations**” means the Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (SI 2017/701)

**“money market instruments”** means investments usually issued by banks or governments that are a loan to the issuer by the buyer, held over a short period of time. The buyer receives interest and the return of the original amount at the end of a certain period

**“Net Asset Value”** or “**NAV”** means the value of the scheme property of the Company (or of any Fund as the context requires) less the liabilities of the Company (or of the Fund concerned) as calculated in accordance with the Company’s Instrument of Incorporation

**“Non-UCITS Retail Scheme”** means an authorised fund which is neither a UCITS Scheme nor a Qualified Investor Scheme

**“OEIC Regulations”** means the Open-Ended Investment Companies Regulations 2001 (as amended or re-enacted from time to time)

**“Ongoing Charges Figures (OCF)”** means a measure of what it costs to invest in a Fund. It includes the fee paid to the ACD and other operating costs

**“over-the-counter”** means a contract that is traded (and privately negotiated) directly between two parties, without going through an exchange or other intermediary

**“Pricing and Valuation Committee”** means the HSBC Pricing and Valuation Committee which has ultimate oversight responsibilities the exceptions to pricing policies, which includes approving the methodologies for the valuation of illiquid securities. It is functionally independent of the AIFM

**“private debt”** means investment funds that loan money to companies, where the loans are not publicly traded

**“private equity”** means investment funds, generally organised as limited partnerships, that buy and restructure companies that are not publicly traded

**“Property-related securities”** means shares of property companies, that own, manage or develop property and Real Estate Investment Trusts (REITs), which are investment companies that own buildings and land

**“Register”** means the Register of Shareholders in the Fund.

**“return(s)”** means the money made or lost on an investment

**“scheme property”** means the property of the Company required under the Open-Ended Investment Companies Regulations 2001 to be given for safekeeping to the Depositary

**"Share"** or "**Shares"** means an equally valued holding in a Fund of the Company, representing part ownership of that Fund, (including larger denomination Shares and smaller denomination Shares).

**"Share Class(es)"** means one of the types of Share representing part ownership of the Fund that is different to other Share Classes for some reason, such as it pays out income rather than retaining it in the Fund

**"Shareholder"** means a holder of Shares in the Company

**"smaller denomination Shares"** means one hundredth of a larger denomination Share (designed to deal with fractional entitlements to Shares)

**"SRRI"** means the Synthetic Risk and Reward Indicator as defined in the Risk section of this document

**"Stock Connects"** means the Shanghai-Hong Kong Stock Connect Programme and the Shenzhen-Hong Kong Stock Connect Programme as described in Risks section

**"stocklending"** means the process whereby those holding investments (such as a fund) lend them to other parties who pay a fee for borrowing

**"sustainable investment strategies"** means considering financial returns alongside environmental, social and governance factors

**"switching"** means the exchange of Shares of one Fund for Shares of another Fund (whether of the same or a different Share Class)

**"UCITS"** means Undertaking for Collective Investment in Transferable Securities. This will include a UCITS scheme or an EEA UCITS scheme as defined in the FCA Rules

**"UCITS Directive"** means the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS)

**"UCITS scheme"** means a UK UCITS

"**UK UCITS**" means, in accordance with sections 236A and 237 of the Financial Services and Markets Act 2000, a collective investment scheme which may consist of several sub-funds, which is either an authorised unit trust scheme, an authorised contractual scheme, or an authorised open-ended investment company, and has identified itself as a UCITS in its prospectus and has been authorised accordingly by the FCA.

**"UNGC"** means the United Nations Global Compact, which is a corporate sustainability initiative to align strategies and operations with universal principles on human rights, labour, environment and anti-corruption and take strategic actions to advance broader societal goals

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

"**US Citizen**" means an individual born in the US or an individual whose parent is a US citizen or a former alien who has been naturalised as a US Citizen

**"US Law"** means the laws of the US, its territories, possessions and all other areas subject to its jurisdiction. US Law shall additionally include all applicable rules and regulations, as supplemented and amended from time to time, as promulgated by any US regulatory authority, including, but not limited to, the Securities and Exchange Commission and the Commodity Futures Trading Commission

**"US Person"** means the following:

1. An individual (including a US Citizen or Green Card Holder) who is a resident of the US under any US Law.
2. An individual who is a US Citizen or Green Card Holder who has not formally renounced their US citizenship (including a person with dual or multiple nationality) even though they may reside outside of the US;
3. A corporation, partnership, limited liability company, collective investment vehicle, investment company, pooled account, or other business, investment, or legal entity:
    a. created or organized under US Law;
    b. created (regardless of domicile of formation or organization) principally for passive investment (e.g. an investment company, fund or similar entity excluding employee benefit or pension plans):
        i. and owned directly or indirectly by one or more US Persons who hold, directly or indirectly, in aggregate a 10% or greater beneficial interest, provided that any such US Person is not defined as a Qualified Eligible Person under CFTC Regulation 4.7(a);

    ii. where a US Person is the general partner, managing member, managing director or other position with authority to direct the entity's activities;

    iii. where the entity was formed by or for a US Person principally for the purpose of investing in securities not registered with the SEC unless such entity is comprised of Accredited Investors, as defined in Regulation D, 17 CFR 230.501(a), and no such Accredited Investors are individuals or natural persons; or

    iv. where more than 50% of its voting ownership interests or non-voting ownership interests are directly or indirectly owned by US Persons;

  c. that is an agency or branch of a non-US entity located in the US; or

  d. that has its principal place of business in the US.

4. A trust created or organized under US Law; or where, regardless of domicile of formation or organization:

    i. any settlor, founder, trustee, or other person responsible in whole or in part for investment decisions for the trust is a US Person;

    ii. the administration of the trust or its formation documents are subject to the supervision of one or more US courts; or

    iii. the income of which is subject to US income tax regardless of source.

5. An estate of a deceased person who was a resident of the US at the time of death or the income of which is subject to US income tax regardless of source; or where, regardless of the deceased person's residence while alive, an executor or administrator having sole or shared investment discretion is a US Person or the estate is governed by US Law.

6. An employee benefit or pension plan that is established and administered in accordance with US Law; or established for employees of a legal entity that is a US Person or has its principal place of business in the US.

7. A discretionary or non-discretionary or similar account (including a joint account) where one or more beneficial owners is a US Person or held for the benefit of one or more US Persons; or the discretionary or similar account is held by a dealer or fiduciary organized in the US.

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

**"volatility"** means a measure of the size and frequency of changes in the value of an investment over a short space of time

**"yield"** means the income from an investment, usually stated as a percentage of the value of the investment

Words and phrases in this document and defined in the FCA Rules (but not here) shall bear the same meaning as in the FCA Rules unless the context shall otherwise require.

# Company Details

HSBC OpenFunds is authorised by the FCA with effect from 7 November 2006.

## Head Office

8 Canada Square, London E14 5HQ

This is the address in the United Kingdom for service on the Company of notices or other documents required or authorised to be served on the Company.

## Base Currency

The base currency of the Company and each of the Funds is Pounds Sterling of the United Kingdom.

## Share Capital

Maximum: £100,000,000,000
Minimum: £100

Shares in the Company and Funds have no par value. The Share capital of the Company will at all times equal the total sum of the Net Asset Value of each of the Funds.

# Directory

| | |
|---|---|
| The Company and Head Office: | **HSBC OpenFunds**<br>8 Canada Square, London E14 5HQ |
| Authorised Corporate Director: | **HSBC Asset Management (Fund Services UK) Limited**<br>8 Canada Square, London E14 5HQ |
| Registrar: | **HSBC Asset Management (Fund Services UK) Limited**<br>(Delegated to Northern Trust Global Services SE)<br>50 Bank Street, Canary Wharf, London, E14 5NT |
| Administrator: | **HSBC Asset Management (Fund Services UK) Limited**<br>(Delegated to Northern Trust Global Services SE)<br>Sunderland SR43 4BF |
| Depositary: | **State Street Trustees Limited**<br>Quartermile 3, 10 Nightingale Way, Edinburgh EH3 9EG |
| Auditors: | **KPMG LLP**<br>15 Canada Square, London E14 5GL |

# The Constitution of the Funds

## Umbrella Company

The Company is authorised, and the ACD is authorised and regulated, by the FCA. The Company is structured as an “umbrella” company, in that the Company proposes to issue Shares linked to different Funds which have been established. The Company is a Non-UCITS Retail Scheme and its FCA Product Reference Number is 457011.

Each Fund is invested as if it belongs to the “Non-UCITS Retail Scheme” category specified in the FCA Rules. For investment purposes the assets of each Fund will be treated as separate and will be invested in accordance with the investment objective and investment policy of that Fund.

Under MiFI regulations there is a distinction between complex and non-complex financial instruments. The FCA has stated that, in its view, a Non-UCITS Retail Scheme is neither automatically non-complex nor automatically complex. Instead, a Non-UCITS Retail Scheme should be assessed against the criteria set out in the MiFI regulations and in its rules. The ACD has determined that each of the Funds of the Company has satisfied the criteria set out in the MiFI regulations delegated regulation to be considered non-complex.

The Company is an AIF.

The Funds set out below are those currently available.

| Current Funds | FCA Product Reference Number |
|---|---|
| Global Listed Real Assets Fund | 644378 |
| Global Strategy Adventurous Portfolio | 787666 |
| Global Strategy Balanced Portfolio | 644384 |
| Global Strategy Cautious Portfolio | 644385 |
| Global Strategy Conservative Portfolio | 787667 |
| Global Strategy Dynamic Portfolio | 644383 |
| Global Strategy Sustainable Adventurous Portfolio* | 974371 |
| Global Strategy Sustainable Balanced Portfolio* | 974372 |
| Global Strategy Sustainable Cautious Portfolio* | 974373 |
| Global Strategy Sustainable Conservative Portfolio* | 974374 |
| Global Strategy Sustainable Dynamic Portfolio* | 974375 |
| Global Responsible Multi-Asset Adventurous Portfolio** | 925674 |
| Global Responsible Multi-Asset Balanced Portfolio** | 824079 |
| Global Responsible Multi-Asset Cautious Portfolio** | 925672 |
| Global Responsible Multi-Asset Conservative Portfolio** | 824080 |
| Global Responsible Multi-Asset Dynamic Portfolio** | 925673 |
| World Selection – Adventurous Portfolio | 659583 |
| World Selection – Balanced Portfolio | 644380 |
| World Selection – Cautious Portfolio | 644379 |
| World Selection – Conservative Portfolio | 659591 |
| World Selection – Dividend Distribution Portfolio | 644377 |
| World Selection – Dynamic Portfolio | 644381 |
| World Selection – Interest Income Portfolio | 644382 |

* This Fund is currently being wound up and is no longer available for investment.

** Notice has been issued to Shareholders in the Global Responsible Multi-Asset Adventurous Portfolio, Global Responsible Multi-Asset Balanced Portfolio, Global Responsible Multi-Asset Cautious Portfolio, Global Responsible Multi-Asset Conservative Portfolio and the Global Responsible Multi-Asset Dynamic

Portfolio of an increase to the annual management charges, the introduction of discounts to the annual management charges and the potential to invest in a wider range of alternative asset classes for these Funds, which take effect from 6 May 2025. For further information please refer to the Shareholder notice available on the HSBC Asset Management website www.assetmanagement.hsbc.co.uk or you can contact us.

Details of the individual Fund investment objective, investment policy, investment strategy, SRRI and Share Classes offered for each of the Funds can be found in Appendix 1.

It is the AIFM's intention to manage each of the above Funds such that each Fund qualifies as a permitted link for long term insurance contracts.

The AIFM has adopted, as its core principle in its business practice, the guidelines published by the FCA in regard to treating customers fairly, for the benefit of both Shareholders and the Company.

The historic performance of the Funds for the last five years (where available) can be found in Appendix 2.

## Additional Funds and Share Classes

Further Funds and new Share Classes may be added in the future by the ACD from time to time with the approval of the FCA. On the introduction of any new Fund or Share Class a revised Prospectus will be prepared.

For all Funds, the ACD reserves the right to invest or remove seed money at its discretion when it considers it appropriate to do so. Typically, seed money is invested when a new fund and/or Share Class is launched and removed when the ACD considers the fund and/or Share Class to be viable.

## Allocation of Assets and Liabilities

Each Fund has a portfolio of assets to which that Fund's assets and liabilities are attributable. So far as the Shareholders are concerned each Fund is treated as a separate entity.

The assets of a Fund of the Company belong exclusively to that Fund and shall not be used to discharge directly or indirectly the liabilities of, or claims against, any other person or body, including the Company, or any other Fund of the Company, and shall not be available for any such purpose.

While this principle of segregation of assets and liabilities between the Funds is established in English law under the OEIC Regulations (as amended), this is not the case across all jurisdictions. Accordingly, where claims are brought by local creditors in foreign courts or under foreign law contracts, it is not yet known whether foreign courts will recognise and give full effect to this segregation.

Each Fund will be charged with the liabilities, expenses, costs and charges of the Company in respect of or attributable to that Fund as they occur.

Within the Funds, charges will be allocated between Share Classes in accordance with the terms of issue of Shares of those Share Classes. Any expenses specific to a Share Class will be allocated to that Share Class and otherwise shall be allocated between Share Classes by the ACD in a manner that is considered fair to Shareholders. With the exception of the audit fee, which is allocated according to the complexity of the audit in respect of the relevant Fund and the FCA authorisation fee, which is allocated equally between each Fund so authorised and then apportioned equally between all Share Classes of the relevant Fund, such fees will normally be allocated to all Share Classes in proportion to the respective Net Asset Value of the relevant Share Classes.

Any assets, liabilities, expenses, costs or charges not attributable to a particular Fund may also be allocated by the ACD in a manner which is considered fair to the Shareholders. They will normally be allocated to all Funds in proportion to the respective Net Asset Value of the relevant Funds.

# Share Classes

The Company may issue several Share Classes in respect of each Fund being; Retail Income, Retail Accumulation, Retail X Income, Retail X Accumulation, Institutional Income, Institutional Accumulation, Institutional A Income, Institutional A Accumulation, Income C, Accumulation C, Income P, Accumulation P, Income Z, Accumulation Z and CTF Accumulation.

The Share Classes currently in issue are Retail Income, Retail Accumulation, Retail X Accumulation, Income C, Accumulation C, Institutional A Accumulation, Institutional Income, Institutional Accumulation, Income P, Accumulation P and CTF Accumulation.

These Share Classes are distinguished on one or more of the following criteria: accumulation or distribution of income, minimum subscription, minimum holding, Annual Management Charge and distribution channel. All Funds are marketable to all investors, subject to the Share Dealing Restrictions on page 18.

The Share Classes available for each Fund are subject to the eligibility criteria detailed below. For all Share Classes the ACD has discretion to apply lower minima than those stated. For details of charges specific to each Share Class, please refer to the Fees and Expenses section on page 50.

**Share Classes Currently Offered in the Funds:**

| Share Class Type: | Funds in which Share Class is offered: | |
|---|---|---|
| Retail Income | World Selection – Balanced Portfolio | World Selection – Dividend Distribution Portfolio |
| Retail Accumulation | Global Listed Real Assets Fund<br>World Selection – Balanced Portfolio | World Selection – Dividend Distribution Portfolio |
| Retail X Accumulation | Global Strategy Balanced Portfolio<br>Global Strategy Cautious Portfolio | Global Strategy Dynamic Portfolio |
| Income C | Global Listed Real Assets Fund<br>Global Strategy Adventurous Portfolio<br>Global Strategy Balanced Portfolio<br>Global Strategy Cautious Portfolio<br>Global Strategy Conservative Portfolio<br>Global Strategy Dynamic Portfolio<br>Global Strategy Sustainable Adventurous Portfolio*<br>Global Strategy Sustainable Balanced Portfolio*<br>Global Strategy Sustainable Cautious Portfolio*<br>Global Strategy Sustainable Conservative Portfolio*<br>Global Strategy Sustainable Dynamic Portfolio*<br>Global Responsible Multi-Asset Adventurous Portfolio**<br>Global Responsible Multi-Asset Balanced Portfolio**<br>Global Responsible Multi-Asset Cautious Portfolio** | Global Responsible Multi-Asset Conservative Portfolio**<br>Global Responsible Multi-Asset Dynamic Portfolio**<br>World Selection – Adventurous Portfolio<br>World Selection – Balanced Portfolio<br>World Selection – Cautious Portfolio<br>World Selection – Conservative Portfolio<br>World Selection – Dividend Distribution Portfolio<br>World Selection – Dynamic Portfolio<br>World Selection – Interest Income Portfolio |

| | | |
|---|---|---|
| Accumulation C | Global Listed Real Assets Fund<br>Global Strategy Adventurous Portfolio<br>Global Strategy Balanced Portfolio<br>Global Strategy Cautious Portfolio<br>Global Strategy Conservative Portfolio<br>Global Strategy Dynamic Portfolio<br>Global Strategy Sustainable Adventurous Portfolio*<br>Global Strategy Sustainable Balanced Portfolio*<br>Global Strategy Sustainable Cautious Portfolio*<br>Global Strategy Sustainable Conservative Portfolio*<br>Global Strategy Sustainable Dynamic Portfolio*<br>Global Responsible Multi-Asset Adventurous Portfolio** | Global Responsible Multi-Asset Balanced Portfolio**<br>Global Responsible Multi-Asset Cautious Portfolio**<br>Global Responsible Multi-Asset Conservative Portfolio**<br>Global Responsible Multi-Asset Dynamic Portfolio**<br>World Selection – Adventurous Portfolio<br>World Selection – Balanced Portfolio<br>World Selection – Cautious Portfolio<br>World Selection – Conservative Portfolio<br>World Selection – Dividend Distribution Portfolio<br>World Selection – Dynamic Portfolio<br>World Selection – Interest Income Portfolio |
| Institutional A Accumulation | Global Listed Real Assets Fund | |
| Institutional Income | World Selection – Adventurous Portfolio<br>World Selection – Balanced Portfolio<br>World Selection – Cautious Portfolio | World Selection – Conservative Portfolio<br>World Selection – Dynamic Portfolio |
| Institutional Accumulation | World Selection – Adventurous Portfolio<br>World Selection – Balanced Portfolio<br>World Selection – Cautious Portfolio | World Selection – Conservative Portfolio<br>World Selection – Dynamic Portfolio |
| Accumulation P | Global Responsible Multi-Asset Adventurous Portfolio**<br>Global Responsible Multi-Asset Balanced Portfolio**<br>Global Responsible Multi-Asset Cautious Portfolio**<br>Global Responsible Multi-Asset Conservative Portfolio**<br>Global Responsible Multi-Asset Dynamic Portfolio** | World Selection – Adventurous Portfolio<br>World Selection – Balanced Portfolio<br>World Selection – Cautious Portfolio<br>World Selection – Conservative Portfolio<br>World Selection – Dynamic Portfolio<br>World Selection – Interest Income Portfolio |
| Income P | World Selection – Balanced Portfolio<br>World Selection – Cautious Portfolio | World Selection – Dynamic Portfolio<br>World Selection – Interest Income Portfolio |
| CTF Accumulation | Global Strategy Balanced Portfolio | |

* This Fund is currently being wound up and is no longer available for investment.

** Notice has been issued to Shareholders in the Global Responsible Multi-Asset Adventurous Portfolio, Global Responsible Multi-Asset Balanced Portfolio, Global Responsible Multi-Asset Cautious Portfolio, Global Responsible Multi-Asset Conservative Portfolio and the Global Responsible Multi-Asset Dynamic Portfolio of an increase to the annual management charges, the introduction of discounts to the annual management charges and the potential to invest in a wider range of alternative asset classes for these Funds, which take effect from 6 May 2025. For further information please refer to the Shareholder notice available on the HSBC Asset Management website www.assetmanagement.hsbc.co.uk or you can contact us.

## Subscription criteria

The details of subscription and holding criteria are:

***Retail Income and Retail Accumulation Share Classes:*** These are Net Income and Net Accumulation Share Classes. For lump sum investments, each has a minimum initial subscription of £1,000, and a minimum additional subscription of £500. The minimum redemption limit is £100. Both Share Classes are only available to Shareholders who held these Share Classes as at 17 January 2020 or otherwise at the discretion of the ACD.

***Retail X Accumulation Share Class:*** This is a Net Accumulation Share Class. For lump sum investments, the minimum initial subscription is £1,000, and a minimum additional subscription of £500. The minimum redemption limit is £100. This Share Class is only available to Shareholders who held this Share Class as at 17 January 2020 or otherwise at the discretion of the ACD.

***Income C and Accumulation C Share Classes***: These are Net Income and Net Accumulation Share Classes. Available for lump sum investment, each has a minimum initial subscription of £1,000,000 and a minimum additional subscription of £500.

***Income P and Accumulation P Share Classes***: These are Net Income and Net Accumulation Share Classes. Available for lump sum investment, each has a minimum initial subscription of £1,000,000 and a minimum additional subscription of £1,000. These Share Classes are only available to HSBC Group Companies or otherwise at the discretion of the ACD.

***Institutional A Accumulation Share Class:*** This is a Net Accumulation Share Class. Available for lump sum investment, with a minimum initial subscription of £25,000,000 and a minimum additional subscription of £1,000,000.

***Institutional Income and Institutional Accumulation Share Classes:*** These are Net Income and Net Accumulation Share Classes. Available for lump sum investment, each has a minimum initial subscription £10,000,000 and a minimum additional subscription of £1,000,000. These Share Classes are only available to HSBC Group Companies or otherwise at the discretion of the ACD.

***CTF Accumulation Share Class***
This Share Class is a Net Accumulation Share Class. The initial subscription is £10. The minimum additional subscription is £10 per month.

The CTF Accumulation Share Class is only available to the Child Trust Fund Manager, currently HSBC Trust Company (UK) Limited, or otherwise at the discretion of the ACD.

The Finance Bill 2017 removed the requirement for tax to be deducted from interest distributions of open ended investment companies. The changes took effect on 6 April 2017. As a result, the price of Net Shares is now calculated gross of tax on income to reflect that income tax is no longer deducted from interest distributions and UK tax is no longer accounted for on Net Share classes. Therefore there is no distinction between Gross Shares and Net Shares in this respect.

## Exceptions to Subscription Criteria

***Exceptions***
The ACD may, at its absolute discretion, allow investment into a Share Class where the investor does not meet the minimum subscription criteria as set out above. These exceptions may be made for HSBC Group companies, institutional and retail investors.

***Discounts***
In certain circumstances the ACD may, at its absolute discretion, agree to a rebate of a proportion of its Annual Management Charge.

The ACD may apply discounts to the AMC for certain Funds and Share Classes to pass on some of the economies of scale savings that are achieved when a Fund increases significantly in size. The discounts to the AMC are based on the Net Asset Value of a Fund. Further details can be found in the Fees and expenses section on page 50.

***Regular Savers***
The ACD operates a regular savings plan for Shareholders in the Retail Accumulation, Retail X Accumulation and Accumulation C Share Classes, subject normally to a minimum monthly subscription of £50 in any one Fund and a minimum additional subscription of £10 per month.

Please note the Retail Accumulation Share Class and Retail X Accumulation Share Class are only available to Shareholders who held these Share Classes on 17 January 2020 or otherwise at the discretion of the ACD. The minimum holding for a regular saver if contributions are to cease is £1,000.

## Holding Criteria

For all Share Classes the minimum holding is the same as the minimum initial subscription.

## Conversions

Shareholders are entitled (subject to certain restrictions) to convert all or part of their Shares in a Share Class for Shares of another Share Class within the same Fund. Details of this conversion facility and the restrictions are set out in the Share Conversion section on page 22.

## Switching

Shareholders are entitled (subject to certain restrictions) to switch all or part of their Shares in a Fund for Shares in another Fund (whether of the same or a different Share Class). Details of this switching facility and the restrictions are set out in the Switching section on page 23.

## Income and Accumulation Shares

Holders of Income Shares will receive distributions of income.

Holders of Accumulation Shares do not receive payments of income as these are Accumulation Shares and any income arising in respect of an Accumulation Share is automatically accumulated and reflected in the price of each Accumulation Share.

Shareholders' liability to tax is explained in more detail in the Section "Taxation" on page 62.

Tax vouchers or certificates of deduction of income tax for both Income and Accumulation Shares will be issued in respect of distributions made or accumulated and tax accounted for.

Each allocation of income made in respect of any Fund at a time when more than one Share Class is in issue in respect of that Fund will be done by reference to the relevant Shareholder's proportionate interests in the scheme property of the Fund in question. Shareholders must have their distribution of income paid direct to their bank or building society current account.

Where both Income Shares and Accumulation Shares are in existence in relation to a Fund, the relevant Shareholder's proportionate interest in the scheme property of the Fund represented by each Accumulation Share increases as income, if any, is accumulated.

In these circumstances, the income of the Fund is allocated between Income Shares and Accumulation Shares according to the relevant Shareholder's proportionate interests in the scheme property of the Fund represented by the Accumulation Shares and Income Shares in existence at the end of the relevant accounting period.

## Governing Law

An investment in Shares is governed by English law.

# Dealing in Shares

The ACD's Share dealing lines are open from 9.00 am until 5.00 pm on each Dealing Day.

## Pricing

The Company deals on the basis of "single pricing". This means both the issue and the redemption price of a Share at a particular valuation point will be the same.

The price of a Share in the Company is calculated by reference to the Net Asset Value ("NAV") of the Fund to which it relates. The Share Class NAV is derived from the Fund NAV proportionate to the value of the assets attributable to each Share Class. The price of a Share is calculated by dividing the Share Class NAV by the number of Shares of that Share Class in issue. In addition the ACD may make an Initial Charge on Shares purchased (such charge is currently 0%). The ACD also reserves the right to make a redemption charge (often referred to as an Exit Charge) on Shares sold. Although no such redemption charge is currently intended, if the ACD were to levy such a charge, the amount of the charge would be taken from the proceeds of the investment before they are paid out. If the ACD decides to increase the Initial Charge or introduce a redemption charge in the future it will only do so after giving an appropriate period of notice to Shareholders (see "Fees and Expenses" section on page 50).

For both purchases and sales, a dilution adjustment may be made to the price of a Share (see section titled "Dilution" on page 57).

For all Funds the Company deals on a forward pricing basis only (and not on the basis of published prices). A forward price is the price calculated at the next valuation point (Refer to Valuation Section on page 28) after the deal instruction is received.

As indicated in the Valuation section on page 28, in determining the Net Asset Value of a Fund an estimated amount is deducted for anticipated tax liabilities at that point in time including (but not limited to) income tax where applicable in respect of income received by a Fund during an accounting period. For Net Shares, the price that Shareholders receive when they buy, sell, switch or convert Shares therefore reflects any income received during the accounting period and accounted for by the Fund net of any income tax and other liabilities. Prospective investors should consider whether this method of valuation meets with their investment needs. Note that for the World Selection – Interest Income Portfolio, the price that Shareholders receive from 15 January 2017 is calculated gross of tax on income received by the Fund from this date.

The prices of Shares will be published on the HSBC Global Asset Management (UK) Limited website; www.assetmanagement.hsbc.com, or you can call the Fund Servicing Centre on 0800 358 3011 (international +44 (0)800 358 3011). Lines are open 9.00 am to 5.00 pm Monday to Friday (excluding public holidays). To help the ACD and the Administrator continually improve their services and in the interests of security, they may monitor and/or record your communications with them.

## Share Dealing Restrictions

The Administrator may refuse or delay your application for the purchase of Shares or your instruction for the sale of Shares. In these circumstances the Administrator will use reasonable endeavours to contact you personally unless it is not permitted to do so. In particular, applications to purchase Shares may be refused if the ACD or the Administrator:

(a) reasonably believes that you are not eligible to hold Shares under the terms of the relevant Fund prospectus;

(b) reasonably considers that by accepting your instruction it may break a law, regulation, code, court order or other duty; or

(c) becomes aware or has reason to believe you are resident in or otherwise connected to a country into which the ACD is not permitted to distribute or offer the Shares; or

(d) if, subsequent to a Shareholder's investment in the Company, the shareholder becomes a US Person, such shareholder:

 (i) will be restricted from making any additional investments in the Company; and

(ii) as soon as practicable have its Shares compulsorily redeemed by the Company (subject to the requirements of applicable law).

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

In addition, the ACD or the Administrator also have the right to refuse to sell Shares to a prospective investor if:

(a) there are reasonable grounds relating to the circumstances of the applicant; or

(b) the number or value of the Shares applied for is less than the minimum for that Share Class.

The Administrator may also refuse to accept applications for subscriptions or switches of Shares in a Fund which it knows or in its absolute discretion considers to be associated with market timing activities.

In general terms, market timing activities are strategies which may include frequent purchase and sale of Shares, with a view to profiting from anticipated changes in market prices between valuation points or arbitraging on the basis of market price changes subsequent to those used in the valuation of a Fund.

Such market timing activities are disruptive to Fund management, may lead to additional dealing charges which cause losses/dilution to a Fund and may be detrimental to performance and to the interests of long-term Shareholders.

In the event of any of the above occurrences, the Administrator will return any money sent, or the balance of such monies, at the risk of the applicant.

In accordance with the requirements arising under FATCA (more detail can be found in the Taxation Section on page 62), an application from a non-personal investor to purchase Shares will require such documentation as the ACD may require to establish the investor's status under FATCA and payment for the investment amount must accompany the application.

When the payment is received it will be held in accordance with the FCA Rules and Shares will be purchased to avoid unnecessary delay in making the investment and comply with the requirements of timely execution. However, the Shares will not be registered in the applicant's name until the W Form (or such other form that the ACD may require) has been validated. Following validation, the Shares will be registered in the name of the applicant.

If the W Form (or such other form that the ACD may require) cannot be validated, the Administrator will contact the applicant requesting further information and/or a replacement form. Once this has been received and validated the Shares will be registered in the applicant's name.

If a new W Form (or such other form that the ACD may require) is not received by the date advised, or the application is withdrawn after the Shares have been purchased, the Shares will be sold and the money will be returned to the applicant, at the risk of the applicant. In these circumstances, the applicant may receive less than the original investment amount as a result of market movement.

Shares of the Company may not be offered or sold to any US Person.

The Shares described in this prospectus may only be distributed in Canada through a distributor appointed by the ACD to do so, and this prospectus may not be used to solicit, and will not constitute a solicitation of, an offer to buy Shares in Canada unless such solicitation is made by a distributor appointed by the ACD to do so. A distribution or solicitation may be deemed to occur in Canada where a distribution or solicitation is made to a Canadian Resident at the applicable time.

Investment in the Shares for the purpose of creating a structured product replicating the performance of the Fund(s) is only permitted after entering into an agreement to this effect with the ACD. In the absence of such an agreement, the ACD can refuse or repurchase an investment into the Shares if this is related to a structured product and deemed by the ACD to potentially conflict with the interest of other Shareholders.

## Buying Shares

Investors, including regular savers, wishing to buy Shares must initially provide a completed application form/registration document and appropriate anti-money laundering documentation to the Administrator.

Subsequently, applications to buy Shares can be made by telephoning the Administrator's Fund Servicing Centre on 0800 358 3011. Requests to subsequently alter regular savings amounts must be notified to the Administrator in writing. The ACD does not currently accept email instructions for the buying of Shares. The ACD accepts instructions to buy Shares, in respect of unrestricted Share Classes, that are placed through Electronic Instruction Routing service providers with which the ACD has contracted and which Shareholders have access to.

Application forms are available from the ACD by writing to the Administrator or by telephoning the Administrator's Fund Servicing Centre on 0800 358 3011. Visit the HSBC Global Asset Management (UK) Limited website for supporting literature at www.assetmanagement.hsbc.com, choose "United Kingdom" then "Individual Investors" or "Financial Intermediary" then choose "Documents". Choose a fund that you would like to consider, each fund listed has a "Documents" tab that contains the prospectus and key investor information document (KIID) that you should read prior to making your decision. The ACD may introduce other methods by which Shares can be purchased in the future.

Any subscription monies remaining after a whole number of Shares have been issued will not be returned to the applicant. Instead, smaller denomination Shares will be issued in such circumstances.

The Register and all documentation sent to Shareholders will show the number of larger denomination Shares and smaller denomination Shares of the same Share Class.

If a Shareholder has title to more than 100 smaller denomination Shares of any one Share Class then sufficient smaller denomination Shares will be consolidated to one larger denomination Share, so that the Shareholder has title to less than 100 smaller denomination Shares.

The Administrator may at any time, for the purposes of effecting a transaction in Shares with a Shareholder, substitute that Shareholder's entitlement to one or more larger denomination Shares into an entitlement to smaller denomination Shares of the same Share Class, in a ratio of one larger denomination Share to 100 smaller denomination Shares.

Applications to buy Shares will not be acknowledged. However, a contract note will be issued by the end of the Business Day following the later of the day of receipt by the Administrator of the application for the purchase of Shares or the day of the valuation point by reference to which the purchase price is determined. Where appropriate, applicants will be informed of their right to cancel. The contract note will give details of the Shares purchased, the price used and the time and date by which a cleared payment must be received. The time and date specified will be a Business Day, regardless of whether this is a Dealing Day.

If a cleared payment is not received by the time and date specified in the contract note the instruction to buy Shares may be cancelled and in such circumstances no Shares will be issued to the applicant.

The applicant or their financial intermediary will be liable for the cost of the cancellation. Furthermore, failure to make payment by the date specified may result in the Company or the ACD bringing an action against the defaulting applicant or their intermediary, or deducting any costs or losses incurred by the Company or the ACD against any existing holdings of the applicant.

Certificates will not be issued in respect of Shares.

Ownership of Shares will be evidenced by an entry on the Company's Register of Shareholders (the "Register"). The Registrar may delay updating the Register to reflect the ownership of Shares until such time as it has received a cleared payment in respect of the Shares. Once a cleared payment has been received, if any Shareholder requires evidence of title to Shares then upon such proof of identity as it shall reasonably require the Registrar will provide the Shareholder with a certified copy of the relevant entry in the Register.

Shareholders will be able to monitor their holdings by a statement showing transactions in Shares and current holdings which will be sent out to all Shareholders (or in the case of joint holdings to the first named) twice a year by the ACD. The Register is prima facie evidence of entitlement to Shares. Shareholders must notify the ACD of any change of address. Individual statements of Shareholders' (or in the case of joint holdings, the first named) Shares will also be issued at any time on request by the registered holders. The right is reserved to make a charge for duplicate copies of statements.

## Selling Shares

Sole Shareholders wishing to sell Shares should telephone the Administrator's Fund Servicing Centre on 0800 358 3011 or write to the Administrator. In the case of joint Shareholders wishing to sell Shares the Administrator will need to receive written instructions signed by all registered Shareholders. The ACD does not currently accept email instructions for the sale of Shares. The ACD accepts instructions to sell Shares, in respect of unrestricted Share Classes, that are placed through Electronic Instruction Routing service providers with which the ACD has contracted and which Shareholders have access to. The ACD may introduce other methods for selling Shares in the future.

Instructions to sell are irrevocable.

Shareholders are entitled on any Dealing Day to request that the Company redeem their Shares in accordance with the procedures set out below.

To ensure that Shareholders who remain invested in the Company are not disadvantaged by the reduction of the liquidity of the Funds as a result of the sale of a significant number of Shares over a limited period, the ACD may apply the following in order to permit the orderly disposal of securities to meet the sale of Shares:

(a) The ACD may, with the consideration of the fair and equal treatment of Shareholders, defer the sale of Shares in a Fund at a valuation point to the next valuation point. The ACD can defer sales of Shares where the aggregate transactions in Shares of all Share Classes in that Fund would result in a net decrease that exceeds 10% of the Net Asset Value of that Fund.

(b) Where such sales of Shares are deferred to the next valuation point, the sales will be prioritised over dealing instructions received from Shareholders since the previous valuation point.

(c) The ACD, or the Administrator, will inform Shareholders where sales of Shares are to be deferred.

A contract note giving details of the number and prices of Shares sold will be sent to the selling Shareholder (the primary holder in the case of joint holders) If written instructions are required this will be accompanied by a form of renunciation for completion and execution by the Shareholder (or in the case of joint holders, by all the joint holders). This will be sent no later than the end of the Business Day following the later of:

(a) the day of the request to sell Shares; or

(b) the day of the valuation point by reference to which the redemption price is determined.

The redemption monies will be paid within three Business Days of the later of:

(a) the receipt by the Administrator of the telephone request to sell, or where written instructions are required, the form of renunciation (or other sufficient written instructions) duly signed by all the relevant Shareholders and completed as to the appropriate number of Shares, together with any other appropriate evidence of title; and

(b) the valuation point following receipt by the Administrator of the request to sell; or

(c) the valuation point at which the Shares are sold, where the request to sell is deferred.

Where the Administrator is unable to pay money out to you, for example the proceeds from the sale of Shares for which supporting documentation is needed, the money may, subject to the FCA Rules, be held by the ACD as client money in a client bank account with HSBC Bank plc and/or other financial institutions. No interest will be paid to you in respect of any client money held in the client money bank account.

While the ACD does not accept liability for acts, omissions and defaults of authorised financial institutions that hold client money on its behalf, in the event of insolvency you may be an eligible claimant under the Financial Services Compensation Scheme and be entitled as an individual to claim up to £85,000 in respect of the total cash you hold directly and indirectly hold with the failed financial institution.

Where amounts of client money are held that are deemed to be de minimis amounts as set out in the FCA Rules, the ACD may after a period of six years has elapsed following the date of the last movement on the relevant account, pay away such amounts to charity provided it has made at least one attempt to contact the rightful beneficial owner(s) as set out in the FCA Rules, being the registered Shareholder, and the Shareholder has not responded to the communication within 28 days of the communication being issued. The ACD does not require the consent of Shareholders to do this.

After a period of six years has elapsed (following the date of the last movement on the relevant account as set out in the FCA Rules) any unclaimed client monies which remain in the ACD's client money account which do not meet the FCA's defined de minimis criteria, may be paid away to a registered charity of the ACD's choice. Before doing so the ACD must ensure that it has taken all reasonable steps in accordance with the FCA Rules, to ensure payment of the client monies to their rightful beneficial owner(s),

In all circumstances monies paid to a charity would no longer be treated as client money. The making of a payment of unclaimed client money to a charity would not prevent a Shareholder from making a future claim to the ACD for repayment of such client monies upon production to the ACD of satisfactory evidence of their entitlement to those monies.

### Treatment of Client Money when Buying or Selling Shares

When the Administrator receives money following an application to buy Shares, or when it receives the proceeds from the Fund when Shares are sold, the Client Money Rules allow the ACD a period of one Business Day before it must treat that money as Client Money. This is called the Delivery versus Payment ("DvP") exemption and it is an exception to the general requirement that money held for investors must always be held in a Client Money bank account.

When the ACD uses the DvP exemption at certain periods of time money that you pay to it when you buy Shares, or money that the ACD is due to pay you when you sell Shares is held in the ACD's own bank account. During this time it does not receive the same level of protection as it would receive if it was held in a Client Money bank account.

However, any monthly direct debit payments made by regular savers will not use the DvP exemption and instead will be held as Client Money from the date of collection until the settlement date for the relevant Fund. Any cheque payments made by the ACD to you will be issued from a Client Money Account.

Any Client Money will be held in a Client Money bank account at a UK Bank and /or other financial institutions. No interest is paid in respect of any monies held in the Client Money bank account. In the event that HSBC Asset Management (Fund Services UK) Limited, HSBC Bank plc (or a third party bank with which your money is deposited) were to fail, the FCA's Client Money distribution rules contained in the FCA rules apply to your Client Money. The purpose of the Client Money distribution rules is to protect your interests with the aim of making the timely return of your money following any such failure.

In the event that the appointment of the ACD is terminated and a replacement ACD is appointed ("New ACD"), the ACD may also transfer any Client Money it holds on behalf of Shareholders to the New ACD. In these circumstances, the ACD will ensure that the New ACD will hold Client Money in accordance with the FCA Rules or, to the extent the New ACD is not required to hold this money as Client Money, the ACD will exercise all due skill, care and diligence in assessing whether the New ACD will apply adequate measures to protect Client Money when transferred to that New ACD. Shareholders will be entitled to request the return of any Client Money from the new ACD if they so wish.

### Minimum Redemption

Shareholders may sell part of their holding but the Administrator reserves the right to refuse a redemption request if the value of the Shares of any Fund to be redeemed in the Retail Share Classes is less than £100 or where the remaining holding in a Share Class would fall below the stated minimum for that Share Class if it were effected. In this circumstance the ACD may require redemption of the entire holding.

### Share Conversion

Subject to the qualifications and restrictions shown below, a Shareholder may request to convert (exchange) all or some of his Shares of one Share Class ("the Original Shares") for the appropriate number of Shares of another Share Class in the same Fund ("New Shares") The ACD may not impose restrictions as to the Share Classes of New Shares unless there are reasonable grounds relating to the circumstances of the Shareholder or the terms of the issue of the Share Class concerned for refusing to issue Shares of a particular Share Class to him. In no circumstances will a Shareholder who converts Shares of one Share Class for Shares of another Share Class in the same Fund be given a right by law to withdraw from or cancel the transaction.

The number of New Shares issued is determined by the following formula:

$$N = \frac{O \times (CP \times ER)}{SP}$$

Where N is the number of New Shares, O is the number of Original Shares to be converted, CP is the price at which one Original Share can be redeemed, ER is 1 (for the same currency Shares or an appropriate exchange rate where the currency of the Shares involved are different) and SP is the price of a New Share (in the cases of CP and SP at the applicable valuation point). Each number referred to in the definition of N or O shall be expressed to the second decimal place and rounded thereto in the case of N, so that the numbers before the decimal point represent the number of larger denomination Shares and the numbers after the decimal point when multiplied by 100 represents the number of smaller denomination Shares.

If the conversion would result in the Shareholder holding a number of Original Shares or New Shares of a value which is less than the minimum holding in the Share Class concerned, the ACD may (at its discretion) convert the whole of the applicant's holding of Original Shares to New Shares or refuse to effect any conversion of the Original Shares.

The New Shares will retain the same Group 1 Shares and Group 2 Shares split (where applicable) as that held with the Original Shares until the next distribution date. Equalisation will be applied to Group 2 Shares.

A Shareholder wishing to convert Shares should send written instructions to the Administrator. Any instructions to the Administrator must be signed by all registered Shareholders. Where instructions to convert are received and the New Shares are Income Shares, the ACD may require written bank account details in order to pay income distributions. The ACD may however, delay or reject an application for a conversion of Shares if, in its opinion, to undertake such a transaction within the Fund would be detrimental to the other Shareholders.

Notification must be received by the Administrator before the valuation point on a Dealing Day in the Fund concerned, to be dealt with at the price at the valuation point on that Dealing Day or at such other valuation point as the ACD at the request of the Shareholder giving the relevant exchange notice may determine. A conversion request received after a valuation point will be held over until the next Dealing Day. If a conversion instruction relates to Original Shares for which a cleared payment has not been received, the Administrator may delay converting the Shares until any outstanding payment is received and cleared.

Conversions will be effected by the Administrator recording the change of Share Class on the Register at the date of conversion.

Conversion instructions, once given, are irrevocable. A conversion is not treated as a redemption of Shares and will, therefore, not be deemed a disposal for the purposes of Capital Gains Tax.

The ACD does not propose to charge a fee for conversions.

### Switching

Subject to the qualifications below, a Shareholder may at any time switch (exchange) all or some of his Shares of one Fund ("the Original Shares") for the appropriate number of Shares of another Fund ("New Shares") (whether of the same or a different Share Class). In no circumstances will a Shareholder who switches Shares in one Fund for Shares in another Fund be given a right by law to withdraw from or cancel the transaction. The number of New Shares issued is determined by the following formula:

$$N = \frac{O \times (CP \times ER)}{SP}$$

Where N is the number of New Shares to be issued, O is the number of Original Shares to be exchanged, CP is the price at which one Original Share can be redeemed, ER is 1 (for the same currency Shares or an appropriate exchange rate where the currency of the Shares involved are different) and SP is the price at which a New Share can be purchased (in the cases of CP and SP at the applicable valuation point). Each number referred to in the definition of N or O shall be expressed to the second decimal place and rounded down thereto in the case of N, so that the numbers before the decimal point represent the number of larger denomination Shares and the numbers after the decimal point when multiplied by 100 represents the number of smaller denomination Shares.

Where it is desired to switch Shares between Share Classes issued in respect of different Funds, the ACD may not impose restrictions as to the Share Classes of New Shares unless there are reasonable grounds relating to the circumstances of the Shareholder or the terms of the issue of the Share Class concerned for refusing to issue or sell Shares of a particular Share Class to him.

If the switch would result in the Shareholder holding a number of Original Shares or New Shares of a value which is less than the minimum holding in the Share Class concerned, the ACD may (at its discretion) switch the whole of the applicant's holding of Original Shares to New Shares or refuse to effect any switch of the Original Shares. No switch will be made during any period when the right of Shareholders to require the redemption of their Shares is suspended.

The general provisions on procedures relating to redemption will apply equally to a switch. Shareholders wishing to switch Shares held in their sole name should send written instructions to the Administrator or may telephone the Administrator's Fund Servicing Centre on 0800 358 3011. However in the case of joint Shareholders the switch cannot be carried out until the Administrator has received written instructions signed by all registered Shareholders.

Where instructions to switch are received over the telephone and the New Shares are Income Shares, the ACD may request written bank account details in order to pay income distributions.

Notification must be received by the Administrator before the valuation point on a Dealing Day in the Fund or Funds concerned to be dealt with at the prices at those valuation points on that Dealing Day, or at such other valuation point as the ACD at the request of the Shareholder giving the relevant exchange notice may determine. As with the general provisions for redemptions, detailed in the Selling Shares section on page 21, the ACD may defer a switch at a valuation point to the next valuation point. The value of Original Shares to be switched from a Fund will be aggregated with other transactions in Shares of the Fund in considering whether this would result in a net decrease that exceeds 10% of the Net Asset Value of that Fund.

A switching request received after a valuation point will be held over until the next Dealing Day.

If a Shareholder switches Original Shares in one Fund for New Shares in another Fund the ACD may impose a switching fee and in certain circumstances make a dilution adjustment to the price of a Share. Details of these charges are described on page 50 in the Section titled "Fees and Expenses".

The ACD may adjust the number of New Shares to be issued to reflect the imposition of any switching fee together with any other fees, charges or levies in respect of the issue or sale of the New Shares or repurchase or cancellation of the Original Shares as may be permitted pursuant to the FCA Rules.

Switching instructions, once given, are irrevocable.

It should be noted that a switch of Original Shares in one Fund for New Shares in any other Fund is treated as a redemption and will, for persons subject to United Kingdom taxation, be a disposal for the purposes of Capital Gains Tax.

Switches between different Share Classes in the same Fund are not treated as a redemption and will not, for persons subject to United Kingdom taxation, be a disposal for the purposes of Capital Gains Tax.

### Dealing Charges

The charges applicable to all dealings in Shares are set out in the Fees and Expenses Section on page 50.

### Compulsory Transfer and Redemption

Shares in the Company may not be acquired or held by any person in circumstances ("relevant circumstances"):

(a) which constitute a breach of the law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory; or

(b) which would (or would if other Shares were acquired or held in like circumstances) result in the Company incurring any liability to taxation or suffering any other adverse consequence (including a requirement to register under any securities or investment or similar laws or governmental regulation of any country or territory).

In this connection, the ACD may (amongst other things) reject any subscription, sale, transfer or switching of Shares.

If it comes to the notice of the ACD that any Shares ("affected Shares") have been acquired or are being held directly or beneficially in any of these relevant circumstances or by virtue of which the Shareholder in question is not qualified to hold such Shares or if it reasonably believes this to be the case, the ACD may give notice (an "action notice") to the holder of the affected Shares requiring the transfer of such Shares to a person who is qualified or entitled to own them or may give a request in writing for the redemption or cancellation of such Shares in accordance with the FCA Rules. If any person upon whom such a notice is served does not within 30 days after the date of such notice transfer his affected Shares to a person qualified to own them or establish to the satisfaction of the ACD (whose judgement shall be final and binding) that he and any person on whose behalf he holds the affected Shares are qualified and entitled to own them, he may be deemed upon the expiration of the 30 day period to have given a request in writing for the redemption or cancellation of all the affected Shares pursuant to the FCA Rules.

A person who becomes aware that he has acquired or holds affected Shares in any of these relevant circumstances, or by virtue of which he is not qualified to hold such affected Shares, shall forthwith, unless he has already received an action notice, either transfer all his affected Shares to a person qualified to own them or give a request in writing for the redemption of all his affected Shares pursuant to the FCA Rules.

The ACD may also compulsorily redeem the Shares held by a Shareholder where:

(a) the value of the Shares held by the Shareholder is lower than the minimum holding amount set out in the Subscription Criteria on page 16 for the Share Class held by the Shareholder; and

(b) the Shareholder is not eligible to hold any other Share Class for the same Fund in accordance with the Subscription Criteria set out on page 16.

The ACD will give 60 days' prior notice to Shareholders before undertaking such a compulsory redemption of Shares. Shareholders may make additional subscriptions such that the value of their Shares meets the minimum holding amount or redeem all of their Shares during the notice period, as set out in the Dealing in Shares section on page 18.

The redemption and payment of redemption monies to Shareholders will be carried out in accordance with the procedures set out in the Selling Shares section on page 21.

## Compulsory Conversion

The ACD may convert (exchange) some or all of the Shares ("Original Shares") of one Share Class held by a Shareholder to the appropriate number of Shares ("New Shares") of another Share Class for the same Fund in the following circumstances:

(a) where the ACD has considered and reasonably believes that the conversion to another Share Class would be beneficial to the Shareholder. The conditions under which a conversion is beneficial may vary for different Shareholders, however this is likely to be the case where the Annual Management Charge of another Share Class for the same Fund is lower than the Annual Management Charge for the existing Share Class held by the Shareholder. The ACD will give 60 days' prior notice to Shareholders before undertaking such a compulsory conversion of Shares. Shareholders may opt out of the conversion during the notice period by contacting the Administrator or ACD; or

(b) where the value of the Shares held by a Shareholder is lower than the minimum holding amount, set out in the Subscription Criteria on page 16, for the Share Class held by the Shareholder. The ACD may convert the Shares to another Share Class that the Shareholder is eligible to hold in accordance with the Subscription Criteria section on page 16. The ACD will give 60 days' prior notice to Shareholders before undertaking such a compulsory conversion of Shares. Shareholders may make additional subscriptions such that the value of their Shares meets the minimum holding amount or redeem all of their Shares during the notice period, as set out in the Dealing in Shares section on page 18; or

(c) where a distribution of income remains unclaimed by a Shareholder for consecutive distributions as shown in the table below then the ACD may convert the Share Class to Accumulation Shares.

| | |
|---|---|
| Monthly distributions | 19 unclaimed consecutive distributions (uncashed distribution cheques) |
| Quarterly distributions | 7 unclaimed consecutive distributions (uncashed distribution cheques) |
| Half yearly distributions | 4 unclaimed consecutive distributions (uncashed distribution cheques) |
| Yearly distributions | 3 unclaimed consecutive distributions (uncashed distribution cheques) |

The ACD will give 60 days' prior notice to Shareholders before undertaking such a compulsory conversion of Shares. Shareholders may opt out of the conversion during the notice period by contacting the Administrator or ACD and will be required to provide bank or building society current account details into which future distributions of income can be paid.

The number of New Shares will be determined in accordance with the formula set out in the Share Conversion section on page 22.

## In Specie Redemptions

If a Shareholder requests the redemption or cancellation of Shares representing more than 5% (or such smaller percentage as the ACD may decide) of the Fund's Net Asset Value the ACD may arrange that in place of payment of the price of the Shares in cash, the Company cancels the Shares and transfers scheme property or, if required by the Shareholder, the net proceeds of sale of relevant scheme property, to the Shareholder.

Before the proceeds of the cancellation of Shares become payable, the ACD must give written notice to the Shareholder that the scheme property or the proceeds of the sale of scheme property will be transferred to that Shareholder.

The scheme property to be transferred will be selected by the ACD in consultation with the Depositary with a view to achieving no more advantage or disadvantage to the Shareholder requesting cancellation or redemption than to the continuing Shareholders of the Fund concerned.

The scheme property to be transferred or the proceeds of sale of the relevant scheme property shall be subject to the retention by the Company of scheme property or cash equivalent in value to any redemption charge under the FCA Rules and any duty or tax, or amounts owing by the Shareholder to the Company to be paid in relation to the redemption of Shares.

## In Specie Applications

In exceptional circumstances the ACD may at its discretion and by special arrangement, agree to arrange for the Company to issue Shares in exchange for assets other than money, provided the Depositary has taken reasonable care to ensure that the acquisition of those assets in exchange for the Shares is not likely to result in any material prejudice to the interests of Shareholders of the Fund concerned.

The ACD will ensure that the beneficial interest in the assets is transferred to the Company with effect from the issue of the Shares.

The ACD will not issue Shares in any Fund in exchange for assets, the holding of which would be inconsistent with the investment objective of that Fund.

## General

To satisfy a request for the issue, redemption or exchange of Shares, the ACD will normally sell Shares to or re-purchase Shares from Shareholders to meet such requests. The ACD is entitled to hold Shares for its own account and to satisfy requests for sales from its own holding. In some circumstances and in accordance with the FCA Rules, the Company will issue or cancel Shares to meet such requests. The FCA Rules require the ACD to procure the issue or cancellation by the Company where necessary to meet any obligation to sell or redeem Shares. The ACD is under no obligation to account to the Company or to Shareholders for any profit it makes on the issue, reissue or cancellation of Shares and will not do so.

The amount to be charged by or paid to the ACD for the sale of a Share by the ACD will not be more than the price of a Share notified to the Depositary at the relevant valuation point plus any Initial Charge and/or dilution adjustment to the issue price of a Share which may apply.

The amount to be paid by the ACD for the redemption of a Share will not be less than the price of a Share notified to the Depositary at the relevant valuation point minus any redemption charge and/or dilution adjustment to the redemption price of a Share which may apply.

Each of the Funds is designed and managed to support longer-term investment and active trading is discouraged. High value or frequent trading into and out of a Fund may harm performance by disrupting portfolio management strategies and by increasing expenses.

The ACD may at its discretion refuse to accept applications for, or conversion or switching of, Shares, especially where transactions are deemed disruptive, particularly from possible market timers or investors who, in its opinion, have a pattern of short-term or excessive trading or whose trading has been or may be disruptive to the Fund(s). For these purposes, the ACD may consider an investor's trading history in the Fund(s) or other HSBC funds and accounts under common ownership or control.

### Money Laundering

Under current UK money laundering legislation, persons conducting investment business are responsible for compliance with money laundering regulations. So as to ensure compliance, appropriate identification enquiries may be made in certain circumstances whether in respect of the sale, purchase or transfer of Shares or distribution of income. Until satisfactory proof of identity is provided, the Administrator reserves the right, in the case of a purchase or transfer of Shares, to refuse to carry out the transaction requested and in the case of a sale of Shares, to hold the proceeds in a client money account until such time as the appropriate information is received. In the case of a sale of Shares, where appropriate proof of identity and verification of address is not received from you, the ACD also reserves the right to cancel the deal and, in such cases, the ACD may refuse to accept any further instruction to sell your Shares until such time as full identity and verification of address is received.

### Suspension of Dealings in the Company

The ACD may (with the prior agreement of the Depositary and will if the Depositary so requires) temporarily suspend the issue, cancellation, sale, redemption, conversion and switching of any Share Class in any of the Funds where, due to exceptional circumstances, it is in the interests of all the Shareholders in the Fund. Such suspension shall be allowed to continue for as long as it is justified having regard to the interests of Shareholders.

Shareholders will be notified of any suspension as soon as reasonably practicable after suspension commences, including details of the exceptional circumstances which have led to the suspension, in a clear, fair and not misleading way and giving Shareholders details of how to find further information about the suspensions.

Where such suspension takes place, the ACD will publish details on the HSBC Global Asset Management (UK) Limited website or other general means, sufficient details to keep Shareholders appropriately informed about the suspension, including, if known, its possible duration.

During the suspension none of the obligations in Section 6.2 (Dealing) of the FCA Rules will apply but the ACD will comply with as much of Section 6.3 (Valuation and Pricing) of the FCA Rules during the period of suspension as is practicable in light of the suspension.

Suspension will cease as soon as practicable after the exceptional circumstances leading to the suspension have ceased but the ACD and the Depositary will formally review the suspension at least every 28 days and will inform the FCA of the review and any change to the information given to Shareholders.

During the period of suspension the ACD may, at its discretion, agree to issue, redeem, convert or switch Shares at prices calculated by reference to the first valuation point after resumption of dealing.

# Valuation

**The price of a Share in the Company is calculated by reference to the Net Asset Value of the Fund to which it relates. The Net Asset Value per Share of a Fund is currently calculated as at 12 noon on each Dealing Day.**

The ACD may at any time carry out an additional valuation if it is considered desirable to do so.

## Calculation of the Net Asset Value

The value of the scheme property of a Fund is the value of its assets less the value of its liabilities determined in accordance with the following provisions:

1. All the scheme property (including receivables) of the Company (or the Fund) is to be included, subject to the following provisions.
2. Property which is not cash (or other assets dealt within 3 below) or a contingent liability transaction shall be valued as set out below and the prices used shall (subject as follows) be the most recent prices which it is practicable to obtain:

   (a) units or shares in a collective investment scheme:

      (i) if a single price for buying and selling units or shares is quoted, at that price; or

      (ii) if separate buying and selling prices are quoted, the average of the two prices provided the buying price has been reduced by any Initial Charge included therein and the selling price has been increased by any exit or redemption charge attributable thereto; or

      (iii) if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no recent price exists or if the most recent price available does not reflect the ACD's best estimate of the value of the units or shares, at the value which, in the opinion of the ACD, is fair and reasonable;

   (b) any other transferable security:

      (i) if a single price for buying and selling the security is quoted, at that price; or

      (ii) if separate buying and selling prices are quoted, at the average of the two prices; or

      (iii) if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no price exists, or if the most recent price available does not reflect the ACD's best estimate of the value of the security, at a value which, in the opinion of the ACD, is fair and reasonable;

   (c) property other than that described in (a) and (b) above:

      (i) at a value which, in the opinion of the ACD, represents a fair and reasonable mid-market price (where available); or

      (ii) where a mid-market price is not available, through the Pricing and Valuation Committee which has ultimate oversight responsibilities in relation to exceptions to pricing policies, which include approving the methodologies for the valuation of illiquid securities.

3. Cash and amounts held in current and deposit accounts and in other time-related deposits shall be valued at their nominal values.

4. Property which is a contingent liability transaction shall be treated as follows:

   (a) if a written option (and the premium for writing the option has become part of the scheme property), deduct the amount of the net valuation of premium receivable. If the property is an off-exchange derivative it shall be included at a valuation using a method agreed between the ACD and the Depositary;

   (b) if an off-exchange future, it shall be included at the net value of closing out in accordance with a valuation method agreed between the ACD and the Depositary;

(c) if any other form of contingent liability transaction, include at the net value of margin on closing out (whether as a positive or negative value). If the property is an off-exchange derivative it shall be included at a valuation using a method agreed between the ACD and the Depositary.

5. In determining the value of the scheme property, all instructions given to issue or cancel Shares shall be assumed to have been carried out (and any cash paid or received) whether or not this is the case.

6. Subject to paragraphs 7 and 8 below, agreement for the unconditional sale or purchase of property which are in existence but uncompleted shall be assumed to have been completed and all consequential action required to have been taken. Such unconditional agreements need not be taken into account if made shortly before the valuation takes place and, in the opinion of the ACD, their omission shall not materially affect the final net asset amount.

7. Futures or contracts for differences which are not yet due to be performed and unexpired and unexercised written or purchased options shall not be included under paragraph 6.

8. All agreements are to be included under paragraph 6 which are, or ought reasonably to have been, known to the person valuing the property.

9. Deduct an estimated amount for anticipated tax liabilities at that point in time including (as applicable and without limitation) capital gains tax, income tax, corporation tax, value added tax, stamp duty and stamp duty reserve tax.

10. Deduct an estimated amount for any liabilities payable out of the scheme property and any tax thereon treating periodic items as accruing from day to day.

11. Deduct the principal amount of any outstanding borrowings whenever payable and any accrued but unpaid interest on borrowings.

12. Add an estimated amount for accrued claims for tax of whatever nature, which may be recoverable.

13. Add any other credits or amounts due to be paid into the scheme property.

14. Add a sum representing any interest or any income accrued due or deemed to have been accrued but not received.

15. Currencies or values in currencies other than the base currency or (as the case may be) the designated currency of a Fund shall be converted at the relevant valuation point at an exchange rate that is not likely to result in any material prejudice to the interests of Shareholders or potential Shareholders.

16. Where stocklending is undertaken, income received from stocklending transactions will be accrued and received into the income account of the relevant Fund and reflected in that Fund's NAV. Allocation of income in respect of the stocklending transaction is set out in Appendix 3, Part F.

# Income Equalisation

The price of a Share is based on the value of the proportionate interest of that Share Class in the relevant Fund including its proportionate interest in the income of the Fund since the preceding distribution or, in the case of Accumulation Shares, deemed distribution. In the case of the first distribution received, a part of the amount, namely the equalisation payment, is treated by HM Revenue & Customs as a return of the price paid by the Shareholder for his Shares and is not taxable as income in the hands of the Shareholder. However, this amount must be deducted from the cost of the Share in computing any capital gains.

In the case of Accumulation Shares, no equalisation payment is made and so no adjustment need be made to the cost of the Shares for the purposes of Capital Gains Tax.

**Equalisation does not apply to Group 1 Shares, which are Shares already held at the beginning of the distribution period. It applies only to Group 2 Shares, which are Shares purchased during the relevant distribution period.**

# Risks

**The following are important warnings and potential investors should consider the following risk factors before investing in the Company.**

**The risk categories that specifically apply to each Fund of the Company are shown in Appendix 1.**

## General

There are inherent risks in investing in securities markets. Security prices are subject to market fluctuations and can move irrationally and be unpredictably affected by many and various factors including political and economic events, pandemics and market rumours. There can be no assurance that any appreciation in the value of investments will occur. The value of investments and the income derived from them may go down as well as up and investors may receive back less than the original amount invested.

There is no guarantee that the investment objectives of any Fund will be achieved.

The ACD may, under certain circumstances (as detailed in Dealing in Shares section on page 18) compulsorily redeem or convert all or a portion of a Shareholder's Shares in a Fund. Such compulsory redemption and conversion may create adverse tax and/or economic consequences to the Shareholder depending on the timing thereof.

Neither the ACD, Depositary or any other party connected with the management and operation of the Company or Funds will have any obligation to reimburse any portion of a Shareholder's losses that may occur in the event of the termination of a Fund, a compulsory redemption or a compulsory conversion.

It is important to note that past performance cannot be regarded as an indication of future performance. Please remember that inflation will reduce what you could buy in the future with your investment.

Under the requirements of MiFI regulations, the AIFM will monitor the management of the Funds to ensure the risks published remain relevant and that any change to the risk exposure is communicated to the Shareholders.

## Cancellation

Except in the case of the CTF Accumulation Share Class, if you make an investment we will give you 30 days in which to exercise your cancellation rights. In the case of the CTF Accumulation Share Class we will give you 14 days in which to exercise your cancellation rights. If you cancel your investment within the cancellation period, you will receive a refund of your Initial Charge (if applicable) but you may get back less than the amount you originally invested if the market has fallen in that time.

## Efficient Portfolio Management (EPM) and Counterparty Risk

The Funds will be subject to the risk of the inability of any counterparty to perform its contractual obligations either by failing to pay or failing to deliver securities. If a counterparty defaults, the relevant Fund may suffer losses as a result.

The Funds may use EPM, however there is no guarantee that the use of EPM will result in a positive effect for any Fund and its investors and may result in losses.

Where a Fund enters into stocklending transactions, there is no counterparty risk as the Fund is indemnified. Any government securities are guaranteed by the government, or a government department or agency of the country concerned.

There is no guarantee that any Fund will achieve the objective for which it entered into a transaction in relation to EPM. The Company has ceased undertaking any stocklending transactions in respect of the Funds however, it may recommence its stocklending programme at any time subject to this prospectus being updated accordingly. Stocklending transactions may, in the event of a default by the counterparty, result in the securities lent being recovered late or only in part. Where stocks are lent, collateral is received in return and will be held by the Depositary.

## Leverage Risk

Leveraging may occur as a result of transactions carried out for the purposes of EPM and borrowing.

The use of derivatives instruments can involve risks different from, and in certain cases greater than, the risks associated with more traditional assets. The value of derivative contracts is dependent upon the performance of underlying assets. A small movement in the value of the underlying assets can cause a large movement in the exposure and value of derivatives. Leverage risk can occur due to investment leverage (gearing) resulting from using derivatives for investment purposes, where the gross market risk of the Fund is greater than the value of its net assets. When this happens the value of the Fund can go up or down by more than expected relative to the performance of the markets and/or assets the Fund is invested in. There is also leverage risk associated with using instruments that contain derivatives, although where these derivative instruments are used for efficient portfolio management purposes, the total market risk should not be greater than the NAV. Thus typically the value of the Fund should not go up nor down more than expected had these derivative instruments not been used. Unlike exchange traded derivatives, over-the-counter derivatives have credit and legal risk associated with the counterparty or the institution that facilitates the trade.

Furthermore, where the Fund undertakes borrowing the Fund will incur interest charges on the amount borrowed and in circumstances where the amount borrowed is in a different currency to the base currency of the Fund, the Fund will be exposed to an additional currency risk. In addition, if the borrowing is used to purchase assets for the Fund or to retain assets in the Fund following redemptions from Shareholders, the Fund will be exposed to an additional market risk on the borrowed amount. Each Fund is limited to borrowing not more than 10% of its net asset value on any Business Day and such borrowing shall be on a temporary basis only and shall not exceed a period of three months.

## Collateral Risk

Collateral received, other than cash, will be highly liquid and traded on a regulated market or a multilateral trading facility with transparent pricing, will be of a high quality and valued on at least a daily basis in accordance with the valuation methodology set out in the Valuation section. Assets that exhibit high price volatility will not be accepted as collateral unless suitably conservative Haircuts are in place.

When accepting collateral, such collateral will be sufficiently diversified in terms of country, markets and issuers and preference will be given to high-quality governmental bonds denominated in the currency of the relevant Fund. The collateral received by the Fund must equal or exceed, in value, an amount allowing the net exposure to counterparty risk to remain below the limit of 10% of the Fund's NAV and it will be valued on at least a daily basis. The collateral must be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty. Where there is a title transfer, the collateral received should be held by the Depositary. For other types of collateral arrangement, the collateral can be held by a third party custodian which is subject to prudential supervision and which is unrelated to the provider of the collateral. The collateral must be held at the credit risk of the counterparty and must be immediately available to the relevant Fund without recourse to the counterparty in the event of a default by that entity.

Collateral may be in the form of cash or non-cash and may represent initial and variation margin for applicable transactions.

Non-cash collateral cannot be sold or pledged, will be marked to market daily, will be issued by an entity independent of the counterparty and will be diversified such that no more than 10% of the collateral may be represented by the securities of any one issuer. The credit quality of the non-cash collateral will be consistent with the investment objectives and policies of the relevant Fund.

Collateral held in cash may not be held on deposit with the counterparty or any of its affiliates or associated companies.

Cash collateral may not be invested other than in the following:

- Deposits capable of being withdrawn within 5 working days, or such shorter time, as may be dictated by the repo contract;
- Government or other public securities;
- Certificates of deposit issued by relevant institutions;

- Letters of credit with a residual maturity of three months or less, which are unconditional and irrevocable and which are issued by relevant institutions; or
- Daily dealing money market funds that hold a rating of AAA or equivalent.

Where a Fund receives collateral the counterparty will forfeit its collateral if it defaults on the transaction. However, if the collateral is in the form of securities, there is a risk that when those securities are sold they will realise insufficient cash to settle the counterparty's debt to the Fund or to purchase replacements for the securities that were lent to the counterparty. This may result in losses for investors. Where a Fund provides collateral, it is exposed to the risk that the counterparty will be unable or unwilling to honour its obligations to return the collateral provided.

### Fixed Income Securities

Fixed interest securities include corporate bonds and gilts. If the yield on a corporate bond, gilt or other fixed interest security is fixed and interest rates go up, the relative yield will be reduced as may its capital value. In addition investing in corporate bonds carries the risk of the issuer becoming insolvent. In this case the bondholder would rank as an unsecured creditor in the liquidation and may not recover all or any of the debt due.

### Currency Exchange Rates

Investments for some Funds will be made in assets denominated in currencies other than the base currency and exchange rate movements may affect the value of an investment favourably or unfavourably, separately from gains or losses otherwise made by such investments.

### Investing in Europe

Where a Fund invests in a European country which has the Euro as its Local Currency, there is a risk that that country could cease using the Euro in the event that there is a collapse of the European monetary union, in which case such countries may revert back to their former (or another) currency.
This could lead to additional performance, legal and operational risks to the Fund and may ultimately negatively impact the value of the Fund. The performance and value of the Fund may potentially be adversely affected by any or all of the above factors, or there may be unintended consequences in addition to the above arising from the potential European crisis that adversely affect the performance and value of the Fund.

### Geographical Concentration

Where a Fund invests predominantly in one geographical area, any decline in the economy of this area may affect the prices and value of the Shares or units held by that Fund.

### High Yield

Income offered by bonds often reflects, in part, the risk rating of the issuer. The underlying Funds can invest in sub investment grade bonds, which may produce a higher level of income than investment grade bonds, but carry increased risk of default on repayment. This may affect the level of income you receive and/or the capital value of your investment.

Furthermore, the Funds may invest in the highest yielding sectors of the fixed income universe, including but not limited to, non-investment grade corporate bonds (high yield bonds) and all other types of debt instrument available globally (loan agreements, structured debt, emerging market debt). This may affect the level of income you receive and/or the capital value of your investment. The higher income offered by these bonds often reflects, in part, the higher credit risk associated with these instruments. It also reflects a higher level of liquidity risk: at times liquidity conditions of these instruments may worsen, and underlying funds may be forced to sell their holdings at unfavourable prices.

### Smaller Companies

Where Funds hold investments in smaller companies, it should be noted that by their nature these companies are generally new to the market and may therefore be subject to significant price movements. They may also be difficult for the Fund manager to buy and sell.

## Concentrated Portfolios

The Funds may invest in concentrated portfolios. A concentrated portfolio does not have the diversity of investment that is generally expected from a pooled fund. In addition where the underlying funds focus on a single sector within the portfolio there is a limit on the risk diversification within the Fund. However, due to the diversification of the holding within HSBC OpenFunds these risks are expected to be minimized.

## Banned Weapons Policy

The ACD has determined that no Fund of the Company may invest directly in securities issued by companies that the ACD considers, after reasonable enquiries, to be involved in the use, development, manufacturing, stockpiling, transfer or trade of controversial weapons (i.e. those banned by international convention), including but not limited to cluster munitions and/or anti-personnel mines and/or biological weapons and/or blinding laser weapons and/or chemical weapons and/or non-detectable fragments. This policy restricts the Fund from investing in relevant securities, meaning the Fund will not benefit from any potential capital growth or income from such companies. In the case of Funds that track an index, if the index includes a security prohibited under this policy, the Fund will not hold that security, which may affect the Fund's ability to replicate the performance of the index. This policy does not apply to third party funds or derivative instruments any Fund may invest in. This policy applies to all HSBC Group funds.

## Derivatives

Some of the underlying funds may hold derivative financial instruments and these may involve a high degree of financial risk. There is a risk that a small movement in the price of the underlying security, or benchmark, may result in a disproportionately large movement (favourable or unfavourable) in the price of the derivative instrument; the risk of default by a counterparty and the risk that transactions may not be liquid.

It is envisaged that the use of such instruments will not affect the overall risk profile of the Funds.

## Property

Where direct (unlisted) property funds are concerned, the risks are different in that this type of investment tends to lag the economic cycle rather than lead it. The long-term nature of the investment and the income generated tend to make this type of investment less volatile than equities, although it can be difficult to buy and/or sell the underlying direct property investments quickly. You should also be aware that commercial and residential property have different risk profiles and returns in one market do not necessarily follow the other. Listed property securities are part of the equity market and are more volatile than direct (unlisted) property, which can mean that the price of Shares and the income from them can fluctuate, sometimes dramatically.

Some of the underlying property funds will not price daily. Furthermore, during periods of declining values there could be an imbalance between buyers and sellers of pooled funds that hold direct property, and the pooled property funds sector could become highly illiquid for a significant period of time, with investors unable to realise their investments, or realise them only at significantly depressed prices. Many managers reserve the right to delay redemptions for up to a year, and in some cases for longer, usually citing specific market conditions under which they would consider it necessary.

There are certain additional costs and risks associated with the direct ownership of real estate. These include: risk of oversupply in local markets, risk of extended vacancies within properties, property taxes and operating expenses, risk of changes in planning laws, risks relating to legal title, costs relating to environmental problems and liability risk to third parties for damages resulting from environmental problems, and uninsured damages from floods, earthquakes and other natural disasters.

The value of direct (unlisted) property is generally a matter of the valuer's opinion rather than fact and the amount raised when a property is sold may be less than the valuation, especially if the property needs to be sold quickly.

Property values are affected by a number of factors, including general and local economic conditions, attractiveness and location of properties, increases in local competition, financial condition of tenants, quality of maintenance, limitations on and variations in rents, level of investor demand and changes in interest rates.

### Infrastructure

Infrastructure assets can be affected by a number of factors, including local and national environmental laws and regulations, disruption to services being provided and natural or terrorist disasters. If a Fund is invested in a company that is subject to the adverse effects of these factors, the value of the Fund may be negatively impacted.

### Hedge Funds

Hedge funds often engage in borrowing money to increase returns and other speculative investment practices that may increase the risk of investment loss. They can be difficult to sell, are not required to provide periodic pricing or valuation information to investors, and may involve complex tax structures and delays in distributing important information. Alternative investments are often not subject to the same regulatory requirements as, say, Funds and often charge high fees that may potentially offset trading profits when they occur.

### Alternative Investments

There are additional risks associated with specific alternative investments within the portfolios; these investments may be less readily realisable than others and it may therefore be difficult to sell in a timely manner at a reasonable price or to obtain reliable information about their value; there may also be greater potential for significant price movements.

### Private Debt

Private debt investments are generally illiquid, long term investments that do not display the liquidity or transparency characteristics often found in other investments (e.g. listed securities). Less information is available about the composition and size of the overall market for private debt compared to public traded debt. Private debt borrowers tend to have weaker credit profiles which increases the risk of default on repayment of loans. This may affect the level of income you receive and/or the capital value of your investment.

### Private Equity

Private equity investments are generally illiquid, long-term investments that do not display the liquidity or transparency characteristics often found in other investments (e.g. listed securities). It can take a longer time for money to be invested as well as a longer time for investments to produce returns after initial losses.

### Commodities

Investments in commodities may be subject to greater volatility than investments in traditional investment types. They may be affected by disease, climatic changes and international economic and political developments, which may cause individual commodity prices to rise or fall sharply.

### Asset Backed Bonds/Securities

In general, asset backed securities and mortgage backed securities are debt securities with interest and capital payments backed by a pool of financial assets such as mortgages and loans, with collateral backing often provided by physical assets such as residential or commercial property, or are supported by unsecured loan cash flows without physical asset backing.

The investment characteristics of asset backed securities differ from traditional debt securities. The major difference is that the principal is often paid in stages and may be fully repaid at any time because of the terms of the underlying loans. This variability in timing of cash flows makes estimates of future asset yield and weighted average life uncertain.

The broad asset backed securities market also includes synthetic Collateralised Debt Obligations (CDO). These usually have shorter maturities and are referenced to debt obligations or other structured finance securities.

Asset backed securities and mortgage back securities are subject the general risks for Fixed Income Securities and High Yield Fixed Income Securities and the following additional risks:

- Prepayment Risk
  The frequency at which prepayments occur on loans underlying asset backed securities will be affected by a variety of factors including interest rates as well as economic, demographic, tax, social, legal and other factors. Generally, fixed rate mortgage holders often prepay their mortgage loans when prevailing mortgage rates fall below the interest rates on their mortgage loans subject to mortgage finance availability and no material change in the value of the property or the borrowers' credit worthiness.

- Subordinated Risk
  Investments in subordinated asset backed securities involve greater risk of default and loss than the senior classes of the issue or series. Asset backed securities deals are structured into tranches such that holders of the most junior securities absorb losses before more senior tranches.

  When losses have been absorbed by the most junior tranche, the next most junior tranche will absorb subsequent losses. Investors in junior tranches can carry high capital risk and may face a complete loss.

- Capital Value Risk
  The rate of defaults and losses on residential mortgage loans will be affected by a number of factors, including general economic conditions and those arising in the property location, the borrower's equity in the mortgaged property and the financial circumstances of the borrower. If a residential mortgage loan is in default, foreclosure of such residential mortgage loan may be a lengthy and difficult process, and may involve significant expenses. Furthermore, the market for defaulted residential mortgage loans or foreclosed properties may be very limited.

  Most commercial mortgage loans underlying mortgage backed securities are full recourse obligations of the borrower which is usually a Special Purpose Vehicle (SPV). If borrowers are not able or willing to refinance or dispose of encumbered property to pay the principal and interest owed on such mortgage loans, payments on the subordinated classes of the related mortgage backed securities are likely to be adversely affected.

  The ultimate extent of the loss, if any, to the subordinated classes of mortgage backed securities may only be determined after a negotiated discounted settlement, restructuring or sale of the mortgage note, or the foreclosure (or deed in lieu of foreclosure) of the mortgage encumbering the property and subsequent liquidation of the property. Foreclosure can be costly and delayed by litigation and/or bankruptcy. Factors such as the property's location, the legal status of title to the property, its physical condition and financial performance, environmental risks, and governmental disclosure requirements with respect to the condition of the property may make a third party unwilling to purchase the property at a foreclosure sale or to pay a price sufficient to satisfy the obligations with respect to the related mortgage backed securities. Revenues from the assets underlying such mortgage backed securities may be retained by the borrower and the return on investment may be used to make payments to others, maintain insurance coverage, pay taxes or pay maintenance costs. Such diverted revenue is generally not recoverable without a court-appointed receiver to control collateral cash flow.

  Where a loan originator has assigned specific loans to an asset backed security structure and the originator has faced financial difficulties, creditors of the originator have sometimes challenged the validity of the assigned loans. Such challenges can weaken the asset backing for asset backed securities.

- Economic Risk
  Performance of a commercial mortgage loan depends primarily on the net income generated by the underlying mortgaged property. The market value of a commercial property similarly depends on its income-generating ability. As a result, income generation will affect both the likelihood of default and the severity of losses with respect to a commercial mortgage loan. Any decrease in income or value of the commercial real estate underlying an issue of commercial mortgage backed securities could result in cash flow delays and losses on the related issue of commercial mortgage backed securities.

  The value of the real estate which underlies mortgage loans is subject to market conditions. Changes in the real estate market may adversely affect the value of the collateral and thereby lower the value to be derived from a liquidation. In addition, adverse changes in the real estate market increase the probability of default, as the incentive of the borrower to retain equity in the property declines.

- Refinancing Risk
  Mortgage loans on commercial and residential properties often are structured so that a substantial portion of the loan principal is not reduced over the loan term but is payable at maturity and repayment of the loan principal thus often depends upon the future availability of real estate financing from the existing or an alternative lender and/or upon the current value and saleability of the real estate. Therefore, the unavailability of real estate financing may lead to default.

## Chinese Markets Risk*

*This applies to **Global Listed Real Assets Fund** investments which may invest in Chinese equities.

Investing in emerging markets such as the People's Republic of China (PRC) subjects the Fund to a higher level of market risk than investments in a developed country. This is due to, among other things, greater market volatility, lower trading volume, political and economic instability, settlement risk, greater risk of market shut down and more governmental limitations on foreign investment than those typically found in developed markets.

Investment in Chinese equities include, but are not limited to, China A-shares listed on stock exchanges in the People's Republic of China ("PRC"). Investment in China A-shares will be made through the Shanghai-Hong Kong Stock Connect and/or the Shenzhen-Hong Kong Stock Connect (the "Stock Connects"), subject to applicable quota limitations. Furthermore, exposure to China A-shares may be gained indirectly through China A-shares Access Products ("CAAP") such as, but not limited to, participation notes linked to China A-shares, or through collective investment schemes (funds), including funds managed by the HSBC Group.

### Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect (the "Stock Connects")

The aim of Stock Connects is to achieve mutual stock market access between the PRC and Hong Kong:

**Shanghai-Hong Kong Stock Connect**
The Shanghai-Hong Kong Stock Connect is a securities trading and clearing links program developed by Hong Kong Exchanges and Clearing Limited ("HKEX"), Shanghai Stock Exchange ("SSE") and China Securities Depositary and Clearing Corporation Limited ("ChinaClear").

**Shenzhen-Hong Kong Stock Connect**
The Shenzhen-Hong Kong Stock Connect is a securities trading and clearing links program developed by HKEX, Shenzhen Stock Exchange ("SZSE") and ChinaClear.

Further information about the Stock Connects is available online at the website:
https://www.hkex.com.hk/mutual-market/stock-connect?sc_lang=en

Investment through the Stock Connects are subject to the following additional risks:

(a) Regulatory risk: the relevant regulations relating to the Stock Connects are untested and subject to change which may have potential retrospective effect. There is no certainty as to how they will be applied. New regulations may be issued from time to time by the regulators / stock exchanges in the PRC and Hong Kong in connection with operations, legal enforcement and cross-border trades under the Stock Connects. The sub-funds may be adversely affected as a result of such changes.

(b) Operational risk: the programmes require use of new information technology systems which may be subject to operational risk due to its cross-border nature. If the relevant systems fail to function properly, trading in both Hong Kong and Shanghai and any other relevant markets through the programmes could be disrupted;

(c) Legal / Beneficial Ownership: The Fund's China A-shares are held by the sub-custodian in accounts in the Hong Kong Central Clearing and Settlement System maintained by the Hong Kong Securities Clearing Company Limited ("HKSCC") as central securities depositary in Hong Kong. HKSCC in turn holds shares, as the nominee holder, through an omnibus securities account in its name registered with ChinaClear for each of the Stock Connects. The precise nature and rights of the Fund as the beneficial owner of the shares held through HKSCC as nominee is not well defined under PRC law. There is lack of a clear definition of, and distinction between, "legal ownership" and "beneficial ownership" under PRC law and there have been few cases involving a nominee account structure in the PRC courts. Therefore the exact nature and methods of enforcement of the rights and interests of the Fund under PRC law is uncertain. Because of this uncertainty, in the unlikely event that HKSCC becomes subject to winding up proceedings in Hong Kong it is not clear if the shares will be regarded as held for the beneficial ownership of the Fund or as part of the general assets of HKSCC available for general distribution to its creditors.

(d) Clearing and settlement risk: in the event ChinaClear defaults, HKSCC's liabilities under its market contracts with clearing participants will be limited to assisting clearing participants with claims. HKSCC will act in good faith to seek recovery of the outstanding stocks and monies from ChinaClear through available legal channels or ChinaClear's liquidation. In this event, the Fund may not fully recover any losses or its Stock Connect securities and the process of recovery could also be delayed;

(e) Restrictions on Selling Imposed by Front-end Monitoring: PRC regulations which include certain restrictions on selling and buying will apply to all market participants. Because of such requirements, the Fund may not be able to purchase and/or dispose of holdings of China A-Shares in a timely manner;

(f) Quota limitations: daily quota limitations are applied to the Stock Connect which does not belong to the Fund and can only be utilized on a first-come-first serve basis. This may restrict the Fund ability to invest in China A-Shares through the programmes on a timely basis;

(g) Differences in Trading Day: the Stock Connects only operate on days when both the PRC and Hong Kong markets are open for trading and when banks in each respective market are open on the corresponding settlement days. There may be occasions when it is a normal trading day for the PRC market but the Fund cannot carry out any China A-Shares trading. The Fund may be subject to risks of price fluctuations in China A-Shares during the time when Stock Connects is not trading as a result;

(h) No Protection by Investor Compensation Fund: Investment via the Stock Connects is conducted through brokers, and is subject to the risks of default by such brokers' in their obligations. The Fund will not benefit from local China investor compensation schemes.

## Effect of Initial Charge

Where the ACD's Initial Charge (if any) is added to the cost of the investment at the outset, an investor who redeems their Shares before the recommended holding period stated in Appendix 1 may not (even in the absence of a fall in the value of the relevant investments) realise the original amount invested. Shares should, therefore, be invested for the period recommended for that Fund.

## Suspension of Dealings

In certain circumstances the right to redeem Shares may be suspended (see "Suspension of Dealings in the Company" on page 27).

## Charges to Capital

Where the investment objective of a Fund is to prioritise the generation of income over capital growth, or in circumstances where they have equal priority, all or part of the ACD's fee and other fees deductible from within the Fund may be charged against capital instead of against income. Furthermore, where charges are taken from the income of a Fund and there is insufficient income to meet such charges, any deficit may be taken from the capital of the Fund. Where charges are taken from the capital of the Fund this may increase the amount of income available for distribution but may also limit capital growth or erode capital if there is insufficient growth.

## Liabilities

The assets of a Fund belong exclusively to that Fund and cannot be used to discharge the liabilities of any other Fund. Consequently, the liability incurred on behalf of a Fund will be discharged solely out of the assets of that Fund. The only exception to this is where a liability arises which is not attributable to any specific Fund, in which case the ACD will allocate such liabilities, expenses, costs and charges between the Funds in a manner which would be fair to the Shareholders of the Company. The ACD would normally expect any such re-allocation to be effected on a pro rata basis having regard to the Net Asset Value of the relevant Funds.

Shareholders are not, however, liable for the debts of the Company. A Shareholder is not therefore liable to make any further payment to the Company after he has paid the purchase price of the Shares.

## Emerging Markets

Where Funds invest in some overseas markets these investments may carry risks associated with failed or delayed settlement of market transactions and with the registration and custody of securities.

Investment in emerging markets may involve a higher risk than those inherent in established markets.

Investors should consider whether or not investment in such Funds is either suitable for, or should constitute a substantial part of, a prudent investor's portfolio.

Companies in emerging markets may not be subject:

(a) to accounting, auditing and financial reporting standards, practices and disclosure requirements comparable to those applicable to companies in major markets;

(b) to the same level of government supervision and regulation of stock exchanges as countries with more advanced securities markets.

Accordingly, certain emerging markets may not afford the same level of investor protection as would apply in more developed jurisdictions.
Restrictions on foreign investment in emerging markets may preclude investment in certain securities by certain Funds and, as a result, limit investment opportunities for the Funds. Substantial government involvement in, and influence on, the economy may affect the value of securities in certain emerging markets.

The reliability of trading and settlement systems in some emerging markets may not be equal to that available in more developed markets, which may result in delays in realising investments.

Lack of liquidity and efficiency in certain of the stock markets or foreign exchange markets in certain emerging markets may mean that from time to time the ACD may experience more difficulty in purchasing or selling holdings of securities than it would in a more developed market.

### New Funds

There is a risk that if any new Fund(s) launched do not receive the level of investment we expect, the proportion of charges and expenses may be higher and the value of investment consequently reduced.

### Unregulated Funds

The Funds may invest in unregulated Collective Investment Schemes, which involves a higher degree of risk as they are not regulated by the FCA.

### Environment, Social and Governance (ESG) Scoring Risk

The Funds may rely on third parties to provide ESG scoring data where relevant. Therefore, the Funds are subject to certain operational and data quality risks associated with reliance on third party service providers and data sources. ESG data provided by third parties may not always be reliable, consistent or available and this may impact on a sub-fund’s ability to accurately assess sustainability risks and effectively promote environmental and social characteristics, where relevant.

### Sustainable Funds and Environment, Social and Governance (ESG) data

Funds that promote environmental and / or social characteristics or have sustainable investment aims are subject to particular disclosure requirements or may make particular disclosures, with the purpose of providing transparency to show how the Funds’ environmental and / or social characteristics are met, or how the sustainable investment objective and policy is achieved.

HSBC Asset Management’s investment process will use relevant and available information, to assess the investments to be made and to manage the Funds in line with the stated investment objective and policy.

However, the disclosures may not always include complete data for a Fund’s portfolio due to the unavailability of such data. A lack of data could arise because a company does not provide this data at an entity and/or product level, or because the company’s circumstances change and it ceases to provide particular information in future.

In such a situation, the discretionary investment manager will aim to disclose as much information about the Fund’s portfolio as possible in order to provide as much transparency as it is able to about the alignment between the existing investments and the environmental and/or social characteristics promoted by the Fund or the Fund’s sustainable investment objective.

# Integration of Sustainability Risks into Investment Decisions

The ACD is disclosing the manner in which sustainability risks are integrated into the investment process and the potential impacts of sustainability risks on the returns of the Funds. A sustainability risk is defined as an environmental, social or governance ("**ESG**") event or condition that, if it occurs, could cause an actual or potential material negative impact on the value of an investment.

We recognise that sustainability risks are amongst those risks which can impact the value of securities. The potential impact of sustainability risks and how likely they are to materialise can vary according to the market or investment universe concerned. Such risks may already be reflected in the market view of a particular security to a greater or lesser extent. For this reason, the consideration of a sustainability risk within our investment processes may differ dependent upon the investment approach of the Fund, strategy or asset class concerned.

The ACD has appointed HSBC Global Asset Management (UK) Limited as the discretionary investment manager of the Funds. HSBC Global Asset Management (UK) Limited has adopted HSBC Asset Management's responsible investment policy (the "**Policy**") in the integration of sustainability risks into investment processes.

The Policy outlines HSBC Asset Management's approach to certain key responsible investment issues. Different investment approaches, for example active management – whether equity or fixed income - and passive (index tracking) management, have very different associated sustainability risks and opportunities. Implementation of the Policy will therefore depend on the investment strategy employed.

In respect of certain Funds, which have been identified as promoting ESG characteristics, further details can be found for the relevant Fund in Appendix 1 as well as on HSBC Asset Management's website. Additional sub-funds which promote ESG characteristics or sub-funds which have a sustainable investment objective may be established from time to time and will be included in this Prospectus.

For more information, please refer to the Policy which can be found on HSBC Asset Management's website.

**Potential impact of sustainability risks on returns**
Companies that adequately manage sustainability risks may be better placed to anticipate future sustainability risks and opportunities. This may make them more strategically resilient and therefore able to anticipate, and adapt to, the risks and opportunities in relation to sustainability on the horizon. Likewise, if managed inadequately, sustainability risks may adversely impact the value of the underlying company or the competitiveness of the country issuing government bonds. Sustainability risks can materialise in various forms for the issuers or government securities or other investments / assets, as applicable, in which Funds invest in, including (but not limited to) (i) reduced revenue due to shifts in customer preferences, negative impacts on the workforce, social unrest and decreased production capacity; (ii) increased operating/capital costs; (iii) write-off and early retirement of existing assets; (iv) loss of reputation due to fines and judgements and loss of license to operate; (v) the risk score (and market for) government bonds. These risks, together or individually, can potentially impact the returns of the Funds.

The potential impacts of sustainability risks on the returns of each Fund will also depend on each Fund's investments and the materiality of sustainability risks. The likelihood of sustainability risks arising in respect of a Fund may be mitigated by the relevant investment manager's approach to integrating sustainability risks in its investment decision-making process as outlined in the Policy. However, there is no guarantee that these measures will completely mitigate or prevent sustainability risks materialising in respect of a Fund. The likely impact on the return of a Fund from an actual or potential material decline in the value of an investment due to a sustainability risk will therefore vary and depend on several factors, including, but not limited to the type, extent, complexity, duration of the event or condition, prevailing market conditions and the existence of any mitigating factors.

**Actively managed funds**
Actively managed equity and fixed income Funds integrate consideration of sustainability risks in investment decision-making processes. The relevant investment manager integrates sustainability risks by identifying ESG factors that could have a financial impact on the performance of an investment. Exposure to sustainability risk does not necessarily mean that the relevant investment manager will refrain from taking or maintaining a

position in an investment. Rather, the investment manager will consider the assessments of sustainability risks together with other material factors in the context of the investee company or issuer and the investment objective and policy of the Fund.

Actively managed multi-asset Funds invest in a range of asset classes and strategies, including other HSBC funds and third party funds, that may or may not integrate consideration of sustainability risks as part of their investment decision-making processes.

**Funds investing in financial derivative instruments**
Some Funds may invest in financial derivative instruments and therefore, sustainability risks are harder to factor in as the Funds are not directly investing in the underlying asset. Currently, no ESG integration methodology can be applied for the financial derivative instruments which may be utilised.

**Funds investing in alternative investments**
Some Funds invest in alternative investments where sustainability risks are harder to factor. Different investment approaches have different associated ESG risks and opportunities, which may depend on the nature of the strategy and the level of influence over the underlying assets. As a result the consideration of ESG risks in alternative investments varies according to the nature of the relevant strategy and the assets.

# Management and Administration

## Authorised Corporate Director

The Authorised Corporate Director of the Company is HSBC Asset Management (Fund Services UK) Limited. The ACD is a private company limited by shares and incorporated in England and Wales on 1 September 2021 under the Companies Act 1985.

The registered office of the ACD is 8 Canada Square, London E14 5HQ. Its principal place of business is 8 Canada Square, London E14 5HQ.

The ACD has an issued share capital of £21,500,100 which is fully paid.

The ACD is responsible for managing and administering the Company's affairs in compliance with all applicable law, regulation and rules, including the FCA Rules.

The ACD may provide investment services to other funds and clients and to companies in which the Company may invest, and also acts as the manager of certain authorised unit trusts and authorised corporate director of certain open-ended investment companies as set out in Appendix 5.

The ACD shall provide its services to the Company under the terms of an agreement dated 29 July 2024 ("the ACD Agreement"). This agreement may be terminated upon 12 months' written notice by the Company, although in certain circumstances the agreement may be terminated forthwith by notice in writing by the ACD to the Company. Termination of the ACD's appointment cannot take effect until the FCA has approved the change of authorised corporate director.

The ACD shall be entitled to its pro rata fees and expenses to the date of termination and any additional expenses necessarily incurred in settling or realising any outstanding obligations. There is no compensation for loss of office provided for in the ACD Agreement. The agreement provides indemnities to the ACD other than where there has been negligence, fraud, default, breach of duty or breach of trust in the performance of its duties and obligations.

The ACD is authorised and regulated by the FCA and is treated as having a permission pursuant to Part IV of the Act. The address of the FCA is: 12 Endeavour Square, London E20 1JN.

The names of the directors of the ACD and any significant activities of each director not connected with the business of the ACD are as follows:

| **Name** | **Significant Activities not connected to the ACD** |
|---|---|
| Simeon Brown | None |
| Peter G.P. Dew | None |
| Christopher Godfrey | Also a Director of HSBC Management (Guernsey) Limited |
| Matthew Higginbotham | None |
| Debra McMaster | None |
| Priya Mittal | None |
| Lucy Williams | Also Board Member of the Royal Shakespeare Company |

## The Depositary

State Street Trustees Limited is the depositary of the Company. It is a private limited company incorporated in England and Wales on 24 October 1994. The registered office of the Depositary is 20 Churchill Place, London, E14 5HJ and its head office (and the address which should be used for correspondence) is Quartermile 3, 10

Nightingale Way, Edinburgh EH3 9EG. The Depositary's principal business activity is acting as trustee and depositary of collective investment schemes.

Duties and functions of the Depositary
The Depositary is responsible for the safekeeping of all the scheme property of the Company and has a duty to take reasonable care to ensure that the Company is managed in accordance with its Instrument of Incorporation and FCA Rules. In carrying out its duties the Depositary shall act honestly, fairly, professionally, independently and solely in the interests of Shareholders.
In addition to its safekeeping role, the Depositary carries out a number of additional duties and functions, including:

- ensuring that dealing in Shares is conducted in accordance with the FCA Rules, the Instrument and the Prospectus;

- ensuring that Shares are valued in accordance with the FCA Rules, the valuation rules and procedures set out in the Instrument and the Prospectus;

- carrying out the instructions of the ACD unless these conflict with applicable law, the Instrument or the Prospectus;

- ensuring that for transactions in scheme property of a Fund, any consideration is provided to the Fund within the usual time limits applicable to the relevant market;

- ensuring that income of a Fund is applied in accordance with the FCA Rules, the Instrument and the Prospectus;

- ensuring each Fund is managed in accordance with its investment objective and policy and the applicable investment restrictions and borrowing limits;

- monitoring the cash flows of each Fund

Delegation
Subject to the FCA Rules, the Depositary may delegate (and authorise its delegates to sub-delegate) performance of some or all of its safe-keeping obligations to eligible custodians provided that (i) the services are not delegated with the intention of avoiding the applicable regulatory requirements (ii) there is an objective reason justifying the delegation (iii) due, skill, care and diligence is exercised in the selection and appointment of any third party to whom it delegates safe-keeping services, and it continues to exercise all due skill, care and diligence in the periodic review and ongoing monitoring of any delegate and of the arrangements of that delegate in respect of the matters delegated to it. The Depositary's responsibility for the performance of tasks delegated, and its liability for default in performance, is not affected by any delegation.

The Depositary has delegated safekeeping functions to HSBC Bank plc as global custodian. HSBC Bank plc has further delegated safe-keeping tasks to its sub-custodians. Information about the safe-keeping functions which have been delegated and the identification of the relevant delegates and sub-delegates are contained in Appendix 5 to the Prospectus.

Depositary Agreement
The Depositary provides its services under an agreement dated 1 July 2014 between the Company and the Depositary ("the Depositary Agreement").

The Depositary is entitled to receive remuneration out of the property of the Funds for its services as set out under 'Depositary's Remuneration and Expenses' on page 58 of this Prospectus. The Depositary is under no obligation to account to the ACD, the Company or the Shareholders for any profits or benefits it makes or receives that are made or derived from or in connection with the dealings in Shares of the Company, any transaction in scheme property or the supply of services to the Company.

The Depositary Agreement may be terminated on three months written notice by either party, or sooner in the event of a material breach of the Depositary Agreement. The Depositary may not retire voluntarily or otherwise be replaced except upon the appointment of a new depositary.

The Depositary is indemnified under the Depositary Agreement to the extent that it is properly performing its obligations and furthermore, the Depositary is exempt from liability in certain circumstances to the extent permitted by the Act, the OEIC Regulations and the FCA Rules.

If there is a loss of a financial instruments held in custody, the Depositary is obliged to return financial instruments of identical type or the corresponding amount to the relevant Fund without undue delay. However, the Depositary will not be liable if it can prove that the loss of a financial instrument held in custody 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.

Aside from a loss of financial instruments in custody, the Depositary will be liable for all other losses suffered by the Fund as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations or its material breach of the Depositary Agreement.

The Shareholders may invoke the liability of the Depositary (to the extent arising under regulation 15C or 15D of the Undertakings for Collective Investment in Transferable Securities Regulations 2011 (as amended)) directly or indirectly through the Company or through the ACD on behalf of the Company provided that this does not lead to a duplication of redress or to the unequal treatment of the Shareholders.

Conflicts of Interest

The Depositary is part of an international group of companies and businesses that, in the ordinary course of their business, act simultaneously for a large number of clients, as well as for their own account, which may result in actual or potential conflicts. Conflicts of interest arise where the Depositary or its affiliates engage in activities under the depositary agreement or under separate contractual or other arrangements. Such activities may include:

(i) providing nominee, administration, registrar and transfer agency, research, agent securities lending, investment management, financial advice and/or other advisory services to the Company or a Fund;

(ii) engaging in banking, sales and trading transactions including foreign exchange, derivative, principal lending, broking, market making or other financial transactions with the Company or a Fund either as principal and in the interests of itself, or as an agent for other clients.

In connection with the above activities the Depositary and/or its affiliates:

(i) will seek to profit from such activities and are entitled to receive and retain any profits or compensation in any form and are not bound to disclose to, the Fund or its Shareholders the nature or amount of any such profits or compensation including any fee, charge, commission, revenue share, spread, mark-up, mark-down, interest, rebate, discount, or other benefit received in connection with any such activities;

(ii) may buy, sell, issue, deal with or hold, securities or other financial products or instruments either as principal acting in its own interests, or as an agent acting in the interests of its affiliates or for its other clients;

(iii) may trade in the same or opposite direction to the transactions undertaken including based upon information in its possession that is not available to the Fund or the ACD;

(iv) may provide the same or similar services to other clients including competitors of the Fund;

(v) may be granted creditors' rights by the Fund which it may exercise.

The Fund or the ACD on behalf of the Fund may use an affiliate of the Depositary to execute foreign exchange, spot or swap transactions for the account of the Fund. In such instances the affiliate shall be acting in a principal capacity and not as a broker, agent or fiduciary of the Fund. The affiliate will seek to profit from these transactions and is entitled to retain and not disclose any profit to the Fund or its Shareholders. The affiliate shall enter into such transactions on the terms and conditions agreed with the Fund or the ACD on behalf of the Fund.

Where cash belonging to the Fund is deposited with an affiliate being a bank, a potential conflict arises in relation to the interest (if any) which the affiliate may pay or charge to such account and the fees or other benefits which it may derive from holding such cash as banker and not as trustee. The ACD may also be a client or counterparty of the Depositary or its affiliates.

Potential conflicts that may arise in the Depositary's use of sub-custodians include four broad categories:

(i) conflicts from the sub-custodian selection and asset allocation among multiple sub-custodians influenced by
 (a) cost factors, including lowest fees charged, fee rebates or similar incentives and

 (b) broad two-way commercial relationships in which the Depositary may act based on the economic value of the broader relationship in addition to objective evaluation criteria;

(ii) sub-custodians, both affiliated and non-affiliated, act for other clients and in their own proprietary interest, which might conflict with clients' interests;

(iii) sub-custodians, both affiliated and non-affiliated, have only indirect relationships with clients and look to the Depositary as its counterparty, which might create incentive for the Depositary to act in its self-interest, or other clients' interests to the detriment of clients; and

(iv) sub-custodians may have market-based creditors' rights against client assets that they have an interest in enforcing if not paid for securities transactions.

In carrying out its duties the Depositary shall act honestly, fairly, professionally, independently and solely in the interests of the Fund or a Company and its Shareholders.

The Depositary has functionally and hierarchically separated the performance of its depositary tasks from its other potentially conflicting tasks. The system of internal controls, the different reporting lines, the allocation of tasks and the management reporting allow potential conflicts of interest and the Depository issues to be properly identified, managed and monitored. Additionally, in the context of the Depositary's use of sub-custodians, the Depositary imposes contractual restrictions to address some of the potential conflicts and maintains due diligence and oversight of sub-custodians to ensure a high level of client service by those agents. The Depositary further provides frequent reporting on clients' activity and holdings, with the underlying functions subject to internal and external control audits. Finally, the Depositary internally separates the performance of its custodial tasks from its proprietary activity and follows a Standard of Conduct that requires employees to act ethically, fairly and transparently with clients.

Up-to-date information on the Depositary, its duties, any conflicts that may arise, the safe-keeping functions delegated by the depositary, the list of delegates and sub-delegates and any conflicts of interest that may arise from such a delegation will be made available to Shareholders on request.

## The Auditor

KPMG LLP is the auditor for the Company. It is a private company incorporated in England and Wales under the Companies Act 1985 on 2 October 1995 and is a member of KPMG International.

The registered office of the auditor is 8 Salisbury Square, London EC4Y SBB and its head office (and the address which should be used for correspondence) is 15 Canada Square, London E14 5GL.

The auditor is responsible for auditing the Financial Statements of the Company for April and October each year, which comprise the Statements of Total Return, the Statements of Change in Net Assets Attributable to Shareholders, the Balance Sheets together with the Related Notes and the Distribution Tables. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The auditor's reports are made solely to the Company's Shareholders, as a body, in accordance with FCA Rules, issued by the FCA under the OEIC Regulations. The auditor undertakes this work so that they might state to the Company's Shareholders those matters that they are required to state to them in an auditor's Report and for no other purpose. To the fullest extent permitted by law, the auditors will not accept or assume responsibility to anyone other than the Company and the Company's Shareholders as a body for their audit work, for their reports, or for the opinions they have formed.

The auditor's fee is taken out of the property of the Funds, as set out in Fees and Expenses section on page 50 of this prospectus.

## The Legal Adviser

The Company appoints legal advisers from time to time to advise on legal matters. No independent legal advisers have been retained to represent Shareholders of the Company.

## Investment Management

The ACD has appointed HSBC Global Asset Management (UK) Limited as the discretionary investment manager of the Funds under an agreement dated 29 July 2024 with full power to manage each of the Funds within the investment objective and any restrictions set out in the Instrument of Incorporation and Prospectus.

Such discretionary powers include the aggregation of the transactions with those of other clients; written consent of the Depositary is required before bona-fide orders of each Fund are matched with other clients.

From time to time HSBC Global Asset Management (UK) Limited may receive investment advice from the HSBC Group, which it may or may not choose to act upon in its capacity as discretionary investment manager of the Funds.

The AIFM may delegate certain of its management functions to associates and other companies subject to it:

(a) notifying the FCA of the delegation before the delegation arrangements become effective;

(b) justifying its delegation structure and satisfying itself that the delegate has sufficient resources to perform the delegated function, is of good repute and has the necessary experience;

(c) ensuring that any delegation of the investment management functions is conferred only to a delegate that is authorised and registered for the purpose of asset management and subject to supervision;

(d) ensuring that if such delegation is to a third country delegate, cooperation between the FCA and the supervisory authority of the delegate is ensured;

(e) ensuring that the delegation does not prevent the FCA from supervising the AIFM effectively and, in particular, does not prevent the AIFM from acting, or the AIF from being managed, in the best interests of its investors; and

(f) ensuring, in all cases, that:

  - the delegate is qualified and capable of undertaking the functions in question;
  - the delegate was selected with all due care; and
  - it can monitor the delegated activity effectively at any time, give further instructions to the delegate at any time and withdraw the delegation with immediate effect when this is in the interest of its Shareholders.

If the AIFM wishes to change the investment objective, policy and/or strategy of any Fund, Shareholders will be given due notice of such proposal in accordance with the FCA Rules. Prior to making any change to the investment objective and/or policy, the AIFM and Depositary shall determine whether the change shall be 'fundamental' or 'significant', as defined in the FCA Rules. A significant change will require the AIFM to contact the Shareholders on the Register a minimum of 60 days prior to making the change, whereas a fundamental change will require the prior approval of Shareholders at an Extraordinary General Meeting.

For changes not deemed by the AIFM or Depositary to be 'fundamental' or 'significant' the Shareholders will be notified of the changes either by a direct mailing or the ACD will publish details of the changes in the important notes section of the Company Report & Accounts, at the AIFM's discretion. A change to the investment strategy will usually be a notifiable change and Shareholders informed in this way.

## Best Execution Policy

To view our Best Execution Policy, please go to www.assetmanagement.hsbc.com and choose "United Kingdom" then "Individual Investors" or "Financial intermediary", then "About Us" and then "Governance".

The ACD may appoint managers to manage part or parts of the Fund.

## Administrator and Registrar

The Company has appointed the ACD to provide administration services and to act as registrar. The ACD has delegated this function to Northern Trust Global Services SE. The ACD will have supervision and oversight of Northern Trust Global Services SE for these functions.

## Register of Shareholders

The Register of Shareholders is maintained at 50 Bank Street, Canary Wharf, London E14 5NT and may be inspected at that address during normal business hours by any Shareholder or any Shareholder's duly authorised agent.

## Other delegated functions

The ACD has delegated fund administration services, including valuation of the Funds, to HSBC Bank plc.

The ACD has appointed HSBC Global Asset Management (UK) Limited as a distributor for the Funds pursuant to a distribution agreement (the Distribution Agreement) entered into between the ACD and HSBC Global Asset Management (UK) Limited dated 29 July 2024. Under the terms of this appointment, HSBC Global Asset Management (UK) Limited may in turn appoint sub-distributors of the Funds.

## HSBC Group Conflicts of Interest Procedure

The HSBC Group is a worldwide financial organisation, offering a wide range of services to clients. As such, it, or a company with whom it has an association, may from time to time have interests which conflict with its clients' interests or with the duties that it owes to its clients. These include conflicts arising between the interests of HSBC, its associates and employees on the one hand and the interests of its clients on the other and also conflicts between clients themselves (including the Company and its Funds). Such conflicts may result in a restriction in trading certain securities due to relationships in other parts of HSBC or due to sensitive information to which the ACD becomes party.

The HSBC Group has established procedures which are designed to identify and manage such conflicts. These include organisational and administrative arrangements to safeguard the interests of clients. 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 HSBC Group maintains arrangements which restrict the flow of information to certain employees in order to protect its clients' interests and to prevent improper access to client information.

The HSBC Group may also deal as principal for its own investment account and may be matching transactions with another client. Procedures are in place in order to protect the client's interest in this instance.

In some cases, HSBC Group's procedures and controls may not be sufficient to ensure that a potential conflict of interest does not damage a client's interests. In these circumstances, the HSBC Group may consider it appropriate to disclose the potential conflict to the client and obtain the client's formal consent to proceed. However, the HSBC Group may decline to act in any circumstance where there is residual risk of damage to the interests of any client.

In managing conflicts, account is taken of the potential for the ACD or its associates to be in a position where

- HSBC Group benefits financially, at the expense of the Funds or the Company
- HSBC Group has an interest in the outcome of a service, activity or transaction (provided to the Funds or the Company or another client) which is distinct from the Funds or the Company's interest in that outcome
- HSBC Group has an incentive to favour the interests of another client over the interests of the Funds or the Company
- HSBC Group carries on the same activities for the Funds or the Company and for another client
- HSBC Group receives (from a person other than the Funds or the Company) an inducement in relation to management activities provided to the Funds or the Company, other than the standard commission or fee for that service.

In particular, the ACD and other companies within the HSBC Group may, from time to time, act as investment manager or adviser to other funds or sub-funds; the interests of these funds may not always be aligned with those of the Funds or the Company. It is therefore possible that the ACD may in the course of its business have potential conflicts of interest with the Company or a particular Fund.

The ACD will, however, have regard in such event to its obligations and fiduciary responsibilities under the ACD Agreement and, in particular, to its obligation to act at all times in the best interests of the Company or the Fund and its investors, so far as is practicable having regard to its obligations to other clients. The ACD will ensure that investors are treated fairly and that such transactions are effected on terms which are not less favourable to the Fund than if the potential conflict had not existed.

You may have further questions which relate to the underlying procedures within the HSBC Group. In such cases you should contact the HSBC Group and your query will be directed accordingly.

### AIFM Conflicts of Interest Policy

In addition to the HSBC Group's procedures the AIFM has its own Conflicts of Interest Committee that is ultimately responsible for its Conflicts of Interest Policy.

The scope and nature of HSBC Group's services may mean that, on occasion, the AIFM is restricted from trading certain securities which can be due to relationships in other parts of the HSBC Group, or sensitive information to which we become party. The restrictions on our ability to act, or refrain to act, as a result of such information may have an adverse effect on your portfolio, but is ultimately designed to manage the conflict presented by HSBC Group activity and our regulatory obligations.

The ACD operates a range of collective investment schemes. The majority of such funds are UK UCITS. The Funds registered in the UK that are not a UCITS Scheme or qualified investor scheme ('NURS') adhere to the UK Alternative Investment Fund Managers regime. The Funds in this Prospectus are all NURS.

The AIFM makes no distinction between the two fund types in terms of how a Fund is treated with respect to conflicts. Accordingly, it has a conflict management process that applies equally to all funds under its management.

In the course of business the AIFM has identified that conflicts may exist between the following parties:

(a) **the AIFM and the AIF operated by the AIFM or the Shareholders in that AIF** – for example where the AIFM's interests compete with the interests of the Fund or its Shareholders/Unitholders;

(b) **the AIF or the Shareholders in that AIF and another AIF or the shareholders in that AIF** – for example where there is potential for one AIF to be favoured over another (either in its investment decisions or the terms of its transactions) to the detriment of one shareholder over another;

(c) **the AIF or the Shareholders in that AIF and another client of the AIFM** – for example where there is a potential conflict between Shareholders in an AIF and other clients of AIFM;

(d) **the AIF or the Shareholder in that AIF and a UCITS or another AIF operated by the AIFM or the shareholders/unitholders in that UCITS or in that other AIF** – for example where there is potential for a UCITS or AIF to be favoured over another AIF or UCITS (either in its investment decisions or the terms of its transactions) to the detriment of one shareholder/unitholder over another;

(e) **two clients of the AIFM** – for example where the interests of one AIFM client compete with the interest of another AIFM client;

The AIFM's Conflicts of Interest Committee is ultimately responsible for the Conflicts of Interest Policy. The Committee meets quarterly and is responsible for updating the Policy, in addition to managing conflicts presented within the business.

The AIFM has established procedures which are designed to identify and manage conflicts. These include organisational and administrative arrangements to safeguard the interests of its clients. 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.

Additionally, where the AIF invests in another AIF or UCITS managed by the AIFM or an associate, the AIF will, wherever possible, invest in a share class which has an annual management charge of 0% to limit the effect of 'double-charging'. Where it is deemed to be appropriate for its investment strategy, an AIF will where possible invest in exchange traded funds (UCITS) and certain other collective investment schemes managed by an associate. This may include exchange traded funds and other collective investment schemes which do not operate a share class with a 0% annual management charge, for example where they only operate one share class. Therefore, in these cases, the associate will also apply a management fee to the exchange traded fund or other collective investment scheme and as a result the management fee will be paid indirectly by the AIF and its Shareholders. In some cases, a rebate will be paid by the exchange traded fund or other collective investment scheme which will be paid into the AIF. All such management fees will be reflected in the Ongoing Charges Figure (OCF) of the AIF.

In some cases, these procedures and controls may not be sufficient to ensure that a potential conflict of interest does not damage a client's interests. In these circumstances, the AIFM may consider it appropriate to disclose the potential conflict to the client and obtain the client's formal consent to proceed. However, the AIFM may decline to act in any circumstance where there is residual risk of damage to the interests of any client.

The AIFM maintains a record of the circumstances in which a conflict of interest entailing material risk of damage to clients may arise (or has arisen) as a result of the activities carried out by the HSBC Group. A register of the circumstances which cannot be managed using the AIFM's existing policies and procedures is maintained. This identifies any specific cases where an exceptional conflict of interest has arisen or, in the case of an ongoing service or activity, may arise and records those instances where the AIFM has made a relevant disclosure to the client.

## Bank Holding Company Act

The investments made by each Fund may be restricted by rules and regulations applicable to the HSBC Group. These may include but not be limited to; the US Bank Holding Company Act (see further details below), and other banking acts applicable to the UK and Hong Kong. These may restrict the Fund's ability to purchase or hold certain investments, for example HSBC Holdings plc shares. Any such actions will be executed in compliance with applicable law and in a manner consistent with the best interests of the Shareholders of each Fund. Shareholders should also refer to the "Conflicts of Interest" section above. There can be no assurance that the bank regulatory requirements applicable to HSBC Holdings plc and/or the Company, will not change, or that any such change will not have a material adverse effect on the investments and/or investment performance of the Funds. Subject to applicable law, HSBC Holdings plc and the ACD may in the future, undertake such actions as they deem reasonably necessary (consistent with ensuring any actions remain in the best interests of the Shareholders of the Funds) in order to reduce or eliminate the impact or applicability of any bank regulatory restrictions on the Company and the Funds.

HSBC Holdings plc is the parent company of a number of associates involved in the management, investment management and distribution of the Funds. HSBC Holdings plc is regulated by the Federal Reserve in the United States as a Financial Holding Company ("FHC") under the US Bank Holding Company Act (and its associated rules and regulations) (the "BHCA"). As an FHC, the activities of HSBC Holdings plc and its affiliates are subject to certain restrictions imposed by the BHCA. Although HSBC Holdings plc does not own a majority of the Shares of the Company, its relationship with the Company through the ACD means HSBC Holdings plc may be deemed to "control" the Company within the meaning of the BHCA. Investors should note that the operations of the Company, including its investments and transactions, may be restricted in order to comply with the BHCA.

For example to comply with the BHCA a Fund may be:

(i) restricted in its ability to make certain investments;

(ii) restricted in the size of certain investments;

(iii) subject to a maximum holding period on some or all of its investments; and/or

(iv) required to liquidate certain investments.

In addition, transactions made between the Company, the ACD, the investment manager, HSBC Holdings plc and their affiliates may be restricted.

# Fees and Expenses

## Initial Charge

The ACD is permitted to make an Initial Charge upon a sale of Shares. The current Initial Charge (if any) for each Share Class and Fund is shown in the table below. The charge is shown separately to the published Share price.

## Remuneration of the ACD

The ACD is entitled under its agreement with the Company to take an annual fee out of each Fund, which is a percentage per annum of the Net Asset Value of the Fund (plus VAT, if any), calculated on a mid-market basis, in payment for carrying out its duties and responsibilities, including registration services, this is known as the Annual Management Charge (the "AMC"). The AMCs, shown in the table below, accrue daily and are payable monthly in arrears.

The ACD may apply discounts to the AMC for certain Funds and Share Classes to pass on some of the economies of scale savings that are achieved when a Fund increases significantly in size. The discounts to the AMC are based on the Net Asset Value of a Fund. The Funds and Share Classes to which discounts are applied can be found in the table below and further information about the operation of the discounts can be found in the 'Discounts to the Annual Management Charge' section below.

The Ongoing Charges Figure (OCF) shown in the table below is based on actual expenses for the relevant accounting period, or an estimate of expenses where, for example, a change has been made to the charging structure during an accounting year. It covers most aspects of operating the Fund during the year, including fees paid for investment management, the services of the Depositary, custody of the scheme property, the services of the Administrator/Registrar and other administration and the independent oversight functions. Where the Fund invests in other funds, the figure includes the impact of the charges made in those other funds. The OCF does not include portfolio transaction costs and payments Shareholders may make to a financial adviser or any other firm through which they invest; Shareholders will pay for these services directly.

The OCF is calculated and reported bi-annually in April and October and is accurate as of the date of publication.

## Table of Charges

The current Initial Charge, AMC and the OCFs for Share Classes offered in the Funds are:

### *Retail Income Share Class*

| Fund | Current Initial Charge | Current AMC | OCF as at 15/10/2024 |
|---|---|---|---|
| World Selection – Balanced Portfolio | 0.00% | 1.25% | 1.39% |
| World Selection – Dividend Distribution Portfolio* | 0.00% | 1.25% | 1.46%*** |

### *Retail Accumulation Share Class*

| Fund | Current Initial Charge | Current AMC | OCF as at 15/10/2024 |
|---|---|---|---|
| Global Listed Real Assets Fund | 0.00% | 1.25% | 1.33%** |
| World Selection – Balanced Portfolio | 0.00% | 1.25% | 1.39% |
| World Selection – Dividend Distribution Portfolio* | 0.00% | 1.25% | 1.46%*** |

*Retail X Accumulation Share Class*

| Fund | Current Initial Charge | Current AMC | OCF as at 15/10/2024 |
|---|---|---|---|
| Global Strategy Balanced Portfolio | 0.00% | 0.40% | 0.49% |
| Global Strategy Cautious Portfolio | 0.00% | 0.40% | 0.48% |
| Global Strategy Dynamic Portfolio | 0.00% | 0.40% | 0.50% |

*Institutional A Accumulation Share Class*

| Fund | Current Initial Charge | Current AMC | OCF as at 15/10/2024 |
|---|---|---|---|
| Global Listed Real Assets Fund | 0.00% | 0.60% | 0.67%** |

*Income C and Accumulation C Share Classes*

| Fund | Current Initial Charge | Current AMC | OCF as at 15/10/2024 | Revised AMC with effect from 06/05/2025 | OCF with effect from 06/05/2025 |
|---|---|---|---|---|---|
| Global Listed Real Assets Fund | 0.00% | 0.75% | Accumulation C 0.83%** Income C 0.82%** | 0.75% | Accumulation C 0.83%** Income C 0.82%** |
| Global Strategy Adventurous Portfolio | 0.00% | 0.125%+ | 0.24% | 0.125%+ | 0.24% |
| Global Strategy Balanced Portfolio | 0.00% | 0.125%+ | Accumulation C 0.18% Income C 0.19% | 0.125%+ | Accumulation C 0.18% Income C 0.19% |
| Global Strategy Cautious Portfolio | 0.00% | 0.125%+ | 0.21% | 0.125%+ | 0.21% |
| Global Strategy Conservative Portfolio | 0.00% | 0.125%+ | Accumulation C 0.21% Income C 0.22% | 0.125%+ | Accumulation C 0.21% Income C 0.22% |
| Global Strategy Dynamic Portfolio | 0.00% | 0.125%+ | Accumulation C 0.21% Income C 0.22% | 0.125%+ | Accumulation C 0.21% Income C 0.22% |
| Global Strategy Sustainable Adventurous Portfolio***** | N/A | N/A | N/A | N/A | N/A |
| Global Strategy Sustainable Balanced Portfolio***** | N/A | N/A | N/A | N/A | N/A |
| Global Strategy Sustainable Cautious Portfolio***** | N/A | N/A | N/A | N/A | N/A |
| Global Strategy Sustainable Conservative Portfolio***** | N/A | N/A | N/A | N/A | N/A |
| Global Strategy Sustainable Dynamic Portfolio***** | N/A | N/A | N/A | N/A | N/A |
| Global Responsible Multi-Asset Adventurous Portfolio******* | 0.00% | 0.45% | 0.68% | 0.55%+ | 0.81%****** |
| Global Responsible Multi-Asset Balanced Portfolio******* | 0.00% | 0.45% | 0.59% | 0.55%+ | 0.71%****** |

| | | | | | |
|---|---|---|---|---|---|
| Global Responsible Multi-Asset Cautious Portfolio******* | 0.00% | 0.45% | 0.74% | 0.55%+ | 0.85%****** |
| Global Responsible Multi-Asset Conservative Portfolio******* | 0.00% | 0.45% | Accumulation C 0.61% Income C 0.62% | 0.55%+ | Accumulation C 0.72%****** Income C 0.73%****** |
| Global Responsible Multi-Asset Dynamic Portfolio******* | 0.00% | 0.45% | 0.64% | 0.55%+ | 0.77%****** |
| World Selection – Adventurous Portfolio | 0.00% | 0.55%+ | Accumulation C 0.71% Income C 0.73% | 0.55%+ | Accumulation C 0.71% Income C 0.73% |
| World Selection – Balanced Portfolio | 0.00% | 0.55%+ | Accumulation C 0.62% Income C 0.64% | 0.55%+ | Accumulation C 0.62% Income C 0.64% |
| World Selection – Cautious Portfolio | 0.00% | 0.55%+ | 0.68% | 0.55%+ | 0.68% |
| World Selection – Conservative Portfolio | 0.00% | 0.55%+ | 0.68% | 0.55%+ | 0.68% |
| World Selection – Dividend Distribution Portfolio* | 0.00% | 0.55%+ | 0.76%*** | 0.55%+ | 0.76%*** |
| World Selection – Dynamic Portfolio | 0.00% | 0.55%+ | 0.67% | 0.55%+ | 0.67% |
| World Selection – Interest Income Portfolio * | 0.00% | 0.55%+ | Accumulation C 0.73%**** Income C 0.72%**** | 0.55%+ | Accumulation C 0.73%**** Income C 0.72%**** |

*Institutional Income Share Class*

| Fund | Current Initial Charge | Current AMC | OCF as at 15/10/2024 |
|---|---|---|---|
| World Selection – Adventurous Portfolio | 0.00% | 0.00% | 0.13% |
| World Selection – Balanced Portfolio | 0.00% | 0.00% | 0.12% |
| World Selection – Conservative Portfolio | 0.00% | 0.00% | 0.14% |
| World Selection – Dynamic Portfolio | 0.00% | 0.00% | 0.11% |

*Institutional Accumulation Share Class*

| Fund | Current Initial Charge | Current AMC | OCF as at 15/10/2024 |
|---|---|---|---|
| World Selection – Adventurous Portfolio | 0.00% | 0.00% | 0.13% |
| World Selection – Balanced Portfolio | 0.00% | 0.00% | 0.12% |
| World Selection – Cautious Portfolio | 0.00% | 0.00% | 0.10% |
| World Selection – Conservative Portfolio | 0.00% | 0.00% | 0.14% |
| World Selection – Dynamic Portfolio | 0.00% | 0.00% | 0.11% |

*Accumulation P Share Class*

| Fund | Current Initial Charge | Current AMC | OCF as at 15/10/2024 | Revised AMC with effect from 06/05/2025 | OCF with effect from 06/05/2025 |
|---|---|---|---|---|---|
| Global Responsible Multi-Asset Adventurous Portfolio******* | 0.00% | 0.23% | 0.45% | 0.25% | 0.50%****** |
| Global Responsible Multi-Asset Balanced Portfolio******* | 0.00% | 0.23% | 0.36% | 0.25% | 0.40%****** |
| Global Responsible Multi-Asset Cautious Portfolio******* | 0.00% | 0.23% | 0.52% | 0.25% | 0.55%****** |
| Global Responsible Multi-Asset Conservative Portfolio******* | 0.00% | 0.23% | 0.39% | 0.25% | 0.42%****** |
| Global Responsible Multi-Asset Dynamic Portfolio******* | 0.00% | 0.23% | 0.41% | 0.25% | 0.46%****** |
| World Selection – Adventurous Portfolio | 0.00% | 0.25% | 0.40% | 0.25% | 0.39% |
| World Selection – Balanced Portfolio | 0.00% | 0.25% | 0.38% | 0.25% | 0.38% |
| World Selection – Cautious Portfolio | 0.00% | 0.25% | 0.38% | 0.25% | 0.38% |
| World Selection – Conservative Portfolio | 0.00% | 0.25% | 0.39% | 0.25% | 0.39% |
| World Selection – Dynamic Portfolio | 0.00% | 0.25% | 0.37% | 0.25% | 0.37% |
| World Selection – Interest Income Portfolio* | 0.00% | 0.25% | 0.43%**** | 0.25% | 0.43%**** |

*Income P Share Class*

| Fund | Current Initial Charge | Current AMC | OCF as at 15/10/2024 |
|---|---|---|---|
| World Selection – Balanced Portfolio | 0.00% | 0.25% | 0.38% |
| World Selection – Cautious Portfolio | 0.00% | 0.25% | 0.38% |
| World Selection – Dynamic Portfolio | 0.00% | 0.25% | 0.37% |
| World Selection – Interest Income Portfolio* | 0.00% | 0.25% | 0.43%**** |

*CTF Accumulation Share Class*

| Fund | Current Initial Charge | Current AMC | OCF as at 15/10/2024 |
|---|---|---|---|
| Global Strategy Balanced Portfolio | 0.00% | 0.35% | 0.43% |

* For these Funds the ACD's remuneration (that is the Annual Management Charge) is taken from the capital of the Fund. This may have the effect of limiting capital growth or eroding capital if there is insufficient growth.

** The OCF is estimated following a change of strategy of the Fund on 24 September 2024.

*** The costs that the Fund incurs relating to investments in underlying closed ended investments (such as investment trusts) are no longer included in the OCF. These costs vary and are approximately 0.04% for this reporting period.

**** The costs that the Fund incurs relating to investments in underlying closed ended investments (such as investment trusts) are no longer included in the OCF. These costs vary and are approximately 0.03% for this reporting period.

***** This Fund is currently being wound up and is no longer available for investment.

****** The OCF is estimated with effect from 6 May 2025. From this date there will be an increase to the AMC applied for this share class and the introduction of discounts to the AMC (where applicable). The fees for Administrator and Electronic Instruction Routing services are included in the calculation of the OCF. A copy of the shareholder communication explaining the changes is available on the HSBC Global Asset Management (UK) Limited website.

******* Notice has been issued to Shareholders in the Global Responsible Multi-Asset Adventurous Portfolio, Global Responsible Multi-Asset Balanced Portfolio, Global Responsible Multi-Asset Cautious Portfolio, Global Responsible Multi-Asset Conservative Portfolio and the Global Responsible Multi-Asset Dynamic Portfolio of an increase to the annual management charges, the introduction of discounts to the annual management charges and the potential to invest in a wider range of alternative asset classes for these Funds, which take effect from 6 May 2025. For further information please refer to the Shareholder notice available on the HSBC Asset Management website www.assetmanagement.hsbc.co.uk or you can contact us.

\+ The ACD applies discounts to the Annual Management Charge for the Income C and Accumulation C Share Class for this Fund as described in the 'Discounts to the Annual Management Charge' section below.

If the expenses of a Share Class in any period exceed its attributable income, the ACD may take that excess from the capital property attributable to that Share Class. This may have the effect of limiting capital growth or eroding capital if there is insufficient growth.

The Initial Charge, AMC and other expenses payable to the ACD and its associates may only be increased in accordance with the FCA Rules, which require a minimum of 60 days' advanced notice and only after the ACD has made available the Prospectus showing the new rate of charge and the date of its commencement.

## Discounts to the Annual Management Charge (AMC)

For applicable Funds and Share Classes as indicated in the table above, the ACD will apply discounts to the AMC to pass on some of the economies of scale savings that are achieved when a Fund increases significantly in size.

The discounts to the AMC that apply for a Fund are based on the size of the Fund, as measured by its total Net Asset Value. Where they apply, discounts are only made to the AMC of the Income C and Accumulation C Share Classes of a Fund and no other share classes are affected. The discounts are applied in tiers with the rates determined by the proportion of a Fund's total Net Asset Value that falls within the ranges shown in the table below. A weighted average of the overall discount rate is calculated from this and applied to the AMC. This means that only the proportion of the Fund's NAV that falls within each range receives the applicable discount for that tier.

**Discounts applicable to the World Selection – Adventurous Portfolio, World Selection – Balanced Portfolio, World Selection – Cautious Portfolio, World Selection – Conservative Portfolio, World Selection – Dividend Distribution Portfolio, World Selection – Dynamic Portfolio, World Selection – Interest Income Portfolio and, with effect from 6 May 2025, the Global Responsible Multi-Asset Adventurous Portfolio*, Global Responsible Multi-Asset Balanced Portfolio*, Global Responsible Multi-Asset Cautious Portfolio*, Global Responsible Multi-Asset Conservative Portfolio* and Global Responsible Multi-Asset Dynamic Portfolio*:**

| Net Asset Value Range | Discount applied to AMC based on the proportion of a Fund's Net Asset Value falling within the range shown |
|---|---|
| £0 – up to £0.75billion | 0% |
| In excess of £0.75billion – up to £1.50billion | 0.02% |
| In excess of £1.50billion – up to £2.25billion | 0.04% |
| In excess of £2.25billion – up to £3.00billion | 0.06% |

| | |
|---|---|
| In excess of £3.00billion – up to £3.75billion | 0.08% |
| In excess of £3.75billion – up to £4.50billion | 0.10% |
| In excess of £4.50billion – up to £5.25billion | 0.12% |
| In excess of £5.25billion – up to £6.00billion | 0.14% |
| In excess of £6.00billion – up to £6.75billion | 0.16% |
| In excess of £6.75bn | 0.18% |

* Notice has been issued to Shareholders in the Global Responsible Multi-Asset Adventurous Portfolio, Global Responsible Multi-Asset Balanced Portfolio, Global Responsible Multi-Asset Cautious Portfolio, Global Responsible Multi-Asset Conservative Portfolio and the Global Responsible Multi-Asset Dynamic Portfolio of an increase to the annual management charges, the introduction of discounts to the annual management charges and the potential to invest in a wider range of alternative asset classes for these Funds, which take effect from 6 May 2025. For further information please refer to the Shareholder notice available on the HSBC Asset Management website www.assetmanagement.hsbc.co.uk or you can contact us.

**Numerical Examples**

The examples below demonstrate the discount applied to the AMC on the Income C or Accumulation C Share Class with an AMC of 0.55%.

**Example 1 – fund with a Net Asset Value of £0.65 billion**

In this example, as the Net Asset Value is within the 0 - £0.75 billion range then no discount is applied and the AMC of 0.55% is charged.

**Example 2 – fund with a Net Asset Value of £1.90 billion**

In this example, a discount of 0% applies in relation to the proportion of the Net Asset Value up to £0.75 billion.

A discount of 0.02% applies in relation to the proportion of the Net Asset Value in excess of £0.75 billion, up to £1.50 billion.

A discount of 0.04% applies in relation to the proportion of the Net Asset Value in excess of £1.50 billion, up to a £1.90 billion (the total Net Asset Value for the fund).

The weighted average discount rate calculated from the above is 0.02%*.

The discounted AMC is therefore 0.53%*.

This means that an investor who holds Income C / Accumulation C shares with a value of £10,000 in the fund will effectively pay an AMC of £53.37 per year, instead of £55 per year.

* For illustrative purposes the weighted average discount rate and AMC quoted here have been rounded to two decimal places. In practice the discount rate and AMC are calculated and applied without rounding, as reflected in the monetary example.

**Discounts applicable to the Global Strategy Adventurous Portfolio, Global Strategy Balanced Portfolio, Global Strategy Cautious Portfolio, Global Strategy Conservative Portfolio and Global Strategy Dynamic Portfolio:**

| **Net Asset Value Range** | **Discount applied to AMC based on the proportion of a Fund's Net Asset Value falling within the range shown** |
|---|---|
| £0 – up to £0.75billion | 0% |
| In excess of £0.75billion – up to £1.50billion | 0.005% |

| | |
|---|---|
| In excess of £1.50billion – up to £2.25billion | 0.010% |
| In excess of £2.25billion – up to £3.00billion | 0.015% |
| In excess of £3.00billion – up to £3.75billion | 0.020% |
| In excess of £3.75billion – up to £4.50billion | 0.025% |
| In excess of £4.50billion – up to £5.25billion | 0.030% |
| In excess of £5.25billion – up to £6.00billion | 0.035% |
| In excess of £6.00billion – up to £6.75billion | 0.040% |
| In excess of £6.75bn | 0.045% |

**Numerical Examples**

The examples below demonstrate the discount applied to the AMC on the Income C or Accumulation C Share Class with an AMC of 0.125%.

**Example 1 – fund with a Net Asset Value of £0.65 billion**

In this example, as the Net Asset Value is within the 0 - £0.75 billion range then no discount is applied and the AMC of 0.125% is charged.

**Example 2 – fund with a Net Asset Value of £2.10 billion**

In this example, a discount of 0% applies in relation to the proportion of the Net Asset Value up to £0.75 billion.

A discount of 0.005% applies in relation to the proportion of the Net Asset Value in excess of £0.75 billion, up to £1.50 billion.

A discount of 0.010% applies in relation to the proportion of the Net Asset Value in excess of £1.50 billion, up to a £2.10 billion (the total Net Asset Value for the fund).

The weighted average discount rate calculated from the above is 0.005%*.

The discounted AMC is therefore 0.120%*.

This means that an investor who holds Income C / Accumulation C shares with a value of £10,000 in the fund will effectively pay an AMC of £12.04 per year, instead of £12.50 per year.

* For illustrative purposes the weighted average discount rate and AMC quoted here have been rounded to three decimal places. In practice the discount rate and AMC are calculated and applied without rounding, as reflected in the monetary example.

The ACD reviews the Net Asset Value of each of the Funds on a daily basis and implements the applicable discount on a forward basis on the next Dealing Day. The ACD reserves the right to change the Net Asset Value ranges at which discounts apply or the discount applied for any given Net Asset Value range. In the event of any such change, the ACD will notify Shareholders in writing. The latest Net Asset Value of a Fund can be found on the HSBC Global Asset Management (UK) Limited website, www.assetmanagement.hsbc.co.uk, by selecting “Funds” and then selecting the relevant Fund from the list of funds. Alternatively, Shareholders can obtain this information by contacting the ACD.

Information about the discounts that apply are shown on the HSBC Global Asset Management (UK) Limited website, www.assetmanagement.hsbc.co.uk, select “Funds”, locate and select the relevant Fund from the list of funds. The discount information on the HSBC Global Asset Management (UK) Limited website will be updated every six months. Alternatively, this can be obtained by contacting us as shown below.

## Charges payable to the ACD

### Administration Charges

### Switching Fee

If a Shareholder switches Shares in one Fund for Shares in another Fund (whether of the same or a different Share Class) the ACD may impose a switching fee. This will not exceed an amount equal to the then prevailing Initial Charge for the Fund or Share Class in to which the Shares are being switched. The switch may incur a dilution adjustment on one or both parts of the switch transaction. Dilution adjustment is explained further below

### Other Charges and Expenses

### Redemption Charge

No charge will currently be made on a cancellation or redemption of Shares, apart from a dilution adjustment to the price of a Share (as explained below) or a charge sufficient to cover the ACD's potential liability to stamp duty or stamp duty reserve tax (if applicable).

Should a redemption charge be introduced in the future such a charge would only apply to Shares issued after the introduction of such a charge. In such circumstances the ACD may only introduce a redemption charge in accordance with the FCA Rules after it has made available a revised Prospectus to reflect the introduction of the charge and the date of its commencement. There are currently no plans to introduce such a charge.

### Dilution

The basis of valuation of the Company's investments for the purpose of calculating the issue and redemption price of Shares as stipulated in the FCA Rules and the Instrument of Incorporation is summarised on page 28.

When the Company buys or sells a Fund's investments it will usually incur a cost in the form of dealing charges and any spread between the buying and selling prices of the investment. This cost will not be reflected in the sale or purchase price paid by the Shareholder. In some circumstances (for example, deals that are large relative to the size of a Fund) this may have an adverse effect on the interests of Shareholders in the Fund. This effect is referred to as "Dilution". So as to prevent this, the ACD has the power to make a dilution adjustment to the price of a Share on the purchase and/or sale of Shares. Dilution adjustment is explained in more detail below.

### Dilution adjustment

A dilution adjustment may be made if on any Dealing Day the aggregate transactions in Shares of all Share Classes in a Fund result in a net increase or decrease of Shares which exceed a threshold we set for that Fund, (relating to the cost of market dealing for that Fund).

Estimated dilution adjustment rates as at 19 March 2025. More recent information may be available by contacting us.

| **Fund** | **Estimated dilution adjustment rate %** |
|---|---:|
| Global Listed Real Assets Fund | 0.20 |
| Global Strategy Adventurous Portfolio | 0.05 |
| Global Strategy Balanced Portfolio | 0.05 |
| Global Strategy Cautious Portfolio | 0.05 |
| Global Strategy Conservative Portfolio | 0.05 |
| Global Strategy Dynamic Portfolio | 0.05 |
| Global Strategy Sustainable Adventurous Portfolio* | N/A |
| Global Strategy Sustainable Balanced Portfolio* | N/A |
| Global Strategy Sustainable Cautious Portfolio* | N/A |
| Global Strategy Sustainable Conservative Portfolio* | N/A |
| Global Strategy Sustainable Dynamic Portfolio* | N/A |
| Global Responsible Multi-Asset Adventurous Portfolio** | 0.05 |
| Global Responsible Multi-Asset Balanced Portfolio** | 0.05 |
| Global Responsible Multi-Asset Cautious Portfolio** | 0.05 |

| | |
|---|---|
| Global Sustainable Responsible Conservative Portfolio** | 0.05 |
| Global Responsible Multi-Asset Dynamic Portfolio** | 0.05 |
| World Selection – Adventurous Portfolio | 0.10 |
| World Selection – Balanced Portfolio | 0.10 |
| World Selection – Cautious Portfolio | 0.10 |
| World Selection – Conservative Portfolio | 0.10 |
| World Selection – Dividend Distribution Portfolio | 0.15 |
| World Selection – Dynamic Portfolio | 0.10 |
| World Selection – Interest Income Portfolio | 0.15 |

* This Fund is currently being wound up and is no longer available for investment.

** Notice has been issued to Shareholders in the Global Responsible Multi-Asset Adventurous Portfolio, Global Responsible Multi-Asset Balanced Portfolio, Global Responsible Multi-Asset Cautious Portfolio, Global Responsible Multi-Asset Conservative Portfolio and the Global Responsible Multi-Asset Dynamic Portfolio of an increase to the annual management charges, the introduction of discounts to the annual management charges and the potential to invest in a wider range of alternative asset classes for these Funds, which take effect from 6 May 2025. For further information please refer to the Shareholder notice available on the HSBC Asset Management website www.assetmanagement.hsbc.co.uk or you can contact us.

In all cases where the threshold is exceeded the Share price of the relevant Fund may be adjusted by an amount which shall reflect both the estimated fiscal charges and dealing costs that may be incurred by the Fund and the estimated bid/offer spread of the assets into which the Fund invests. The calculated dilution adjustment amount will be an addition when the net movement results in an increase of all Shares of the Fund and a deduction when it results in a decrease. As certain stock markets and jurisdictions may have different charging structures on the buy and sell sides, the resulting adjustment may be different for net inflows and for net outflows.

Furthermore, the ACD shall have discretion to apply a dilution adjustment in any other case where it considers that the imposition of a dilution adjustment shall be in the interest of Shareholders.

As dilution adjustment is directly related to the inflows and outflows of monies from a Fund, it is not possible to predict accurately whether dilution adjustment will occur at a future point in time. However, the ACD expects to make a dilution adjustment on all occasions when the threshold is exceeded.

The ACD will not benefit from applying a dilution adjustment, as it serves only to protect the continuing investors in the Funds.

### ACD Expenses

The ACD is entitled to all reasonable, properly incurred expenses in the performance of its duties. Where a Fund of the Company enters into stocklending transactions, the ACD will receive no income from this activity.

### Depositary's Remuneration and Expenses

The Depositary is entitled to receive out of the property of the Fund, by way of remuneration, a periodic charge, which will accrue daily and will be paid monthly in arrears. The rate of the Depositary's periodic charge in respect of each Fund will be such rate or rates as agreed from time to time between the Company and the Depositary.

The rate of periodic charge for each Fund is currently 0.009% per annum of the Net Asset Value of the Fund, on the first £200,000,000, 0.006% per annum of the Net Asset Value of the Fund on the next £1,800,000,000 and 0.00475% per annum on the balance above £2,000,000,000. These charges are exclusive of custody settlement charges.

In the case of the World Selection – Dividend Distribution Portfolio and the World Selection – Interest Income Portfolio the depositary fee is taken from the capital property of the scheme which may have the effect of limiting capital growth or eroding capital if there is insufficient growth.

The fee will be calculated, pro-rata each month, based on the value of the assets held on the last Business Day monthly. Value Added Tax on the amount of the periodic charge will be paid out of each Fund in addition. The Depositary Agreement between the Company and the Depositary provides that in addition to a periodic charge the Depositary may also be paid by way of remuneration custody fees where it acts as custodian and other transaction and bank charges. At present the Depositary does not itself act as custodian.

In addition to the remuneration referred to above, the Depositary is entitled to receive reimbursement for expenses properly incurred by it in the discharge of its duties or exercising any powers conferred upon it in relation to the Company and each Fund. Such expenses include, but are not restricted to:

(a) the charges and expenses payable to HSBC Bank plc ("HSBC Bank plc"), to whom the Depositary has delegated the function of custody of the scheme property, such charges being the subject of agreement between the Depositary, the Company and HSBC Bank plc (subject to the FCA Rules) from time to time. The remuneration for acting as custodian is calculated at such rates and/or amounts as the ACD, the Depositary and the Custodian may from time to time agree.

In addition the custodian makes a transaction charge determined by the territory, or country in which the transaction is effected.

The cost of custody generally depends upon the market value of the stock involved and currently in respect of each Fund ranges from 0.0015% per annum and 0.62% per annum of such market value. The current range of transaction charges is between £4.40 and £100 per transaction.

(b) all charges imposed by, and any expenses of, any agents appointed by the Depositary to assist in the discharge of its duties;

(c) all charges and expenses incurred in connection with collection and distribution of income;

(d) all charges and expenses incurred in relation to the preparation of the Depositary's annual report to Shareholders;

(e) all charges and expenses incurred in relation to stocklending or other transactions; and

(f) fees and expenses payable to any professional adviser advising or assisting the Depositary.

### Investment Manager's Fee

Where the ACD appoints an associate or other party to act as investment manager for a Fund, the investment manager may receive a proportion of any Annual Management Charges for that Fund, as agreed between the ACD and the investment manager.

### Auditor's Fee

The auditor performs an annual audit of the Company, for which it is entitled to receive a payment out of the property of the Funds. The auditor's fee is inclusive of VAT and for each Fund is determined in relation to the complexity of auditing that Fund. The fee will be accrued on a daily basis in the relevant Fund's NAV and will be paid out of the Fund annually.

The ACD will carry out an annual fee review to satisfy itself that the fee is reasonable for the tasks performed.

### Legal Adviser's Fee

The Company may use legal advisers from time to time, whose fees are paid out of the property of the Funds. The legal adviser's fee is inclusive of VAT and is agreed by the ACD prior to work being undertaken. The legal adviser performs many duties during the course of their advice and is only engaged by the ACD where necessary.

### Administrator's Fee and Electronic Instruction Routing Services Fee

Currently, for all Funds, the fees payable for the provision of Administrator (that is also the Registrar) and Electronic Instruction Routing services, which include processing subscription, redemption, switch and conversion instructions from Shareholders, maintaining the register of Shareholders, paying distributions of income, issuing statements to Shareholders and other administrative functions, are paid out of the scheme property. The fees apply to all Share Classes of the Funds, unless otherwise stated in this Prospectus. The rate of the fees will be such rate or rates as agreed from time to time by the ACD. The fees that apply to each Fund and Share Class are based on various criteria including but not limited to the number of transactions, number of Shareholder accounts and number of distributions processed during a charging period. However, the combined Administrator/Registrar and Electronic Instruction Routing services fees applied to each Share Class of a Fund will be limited to 0.00124% per month based on the NAV of the Share Class on the last business day of each month. The anticipated fees will accrue daily and will be paid monthly in arrears.

Any Value Added Tax on the amount of the fees that are applied to each Fund and Share Class will also be paid out of the scheme property of each Fund.

Any fees payable for the provision of these services in excess of the limiting percentage described above will be paid by the ACD out of the Annual Management Charge payable to the ACD.

### Duplicate Statement Fee

Individual statements of Shareholders' (or in the case of joint holdings, the first named) Shares will also be issued at any time on request by the registered holder(s). The right is reserved to make a charge for duplicate copies of statements. Such charge will not exceed our then prevailing costs for producing and posting such document.

### Fund Administration Fee

Fees payable for the provision of fund administration services, including the valuation of scheme property and other accounting functions, are paid out of the scheme property. The fees will accrue daily and will be paid monthly in arrears. The rate of the fees will be such rate or rates as agreed from time to time by the ACD.

The rate of periodic charge is currently 0.0125% per annum of the total net asset value of each Fund as held on the last Business Day of each month, excluding Share Classes which are not chargeable. Such fees are not currently chargeable in respect of Institutional Income and Institutional Accumulation Share Classes (where offered).

The rate is applied on a pro-rata basis each month to the chargeable Share Classes of each Fund. Any Value Added Tax on the amount of the periodic charge will be paid out of the scheme property of each Fund.

### Payments out of the Scheme Property of the Company

So far as the FCA Rules allow the Company or Fund, as the case may be, is responsible for all its other expenses including the following:

(a) the fees and expenses payable to the ACD (which will include the fees of the ACD and any third party appointed to carry out administration functions, including fees and expenses in respect of establishing and maintaining the Register of Shareholders and related functions) or any other director;

(b) the fees and expenses payable to the Depositary;

(c) expenses incurred in distributing income to Shareholders;

(d) fees in respect of the publication and circulation of details of the Net Asset Value;

(e) the fees and expenses of the auditors, tax, legal and other professional advisers of the Company;

(f) the costs of convening and holding Shareholder meetings (including meetings of Shareholders in any particular Fund or any particular Share Class within a Fund);

(g) the costs of printing and distributing reports, accounts and Prospectuses, (including Key Investor Information Documents) publishing prices, any costs incurred as a result of periodic updates of any Prospectus, any costs incurred in amending the Instrument of Incorporation and any other administrative expenses;

(h) taxation and duties payable by the Company;

(i) interest on any charges incurred on borrowings;

(j) any amount payable by the Company under any indemnity provisions contained in the Instrument of Incorporation or any agreement with any functionary of the Company;

(k) fees of the FCA under Schedule I Part III (17) of the Act and the corresponding periodic fees of any regulatory authority in any country or territory outside the United Kingdom in which Shares are or may be marketed;

(l) fees of any paying agent or other third party the appointment of which is required to facilitate the marketing of Shares outside the United Kingdom;

(m) safe custody charges;

(n) expenses incurred in acquiring and disposing of investments and the costs of registering investments;

(o) royalty fees, licence or other fees levied by owners, calculation agents or other entities in the calculation or provision of indices or similar;

(p) certain liabilities on amalgamation or reconstruction arising after transfer of property to the Company in consideration for the issue of Shares in accordance with the FCA Rules;

(q) directors' remuneration in the event that the Company has directors in addition to the ACD;

(r) the fees and expenses incurred in establishing any new Share Class and/or Funds;

(s) any value added or similar tax payable on these fees, charges or expenses.

It is not currently proposed to seek a listing for the Shares on any stock exchange, but if a listing is sought in the future the fees connected with the listing (including those of professional advisors) will be payable by the Company.

Expenses are allocated between capital and income in accordance with the FCA Rules however, in the case of the World Selection – Dividend Distribution Portfolio and the World Selection – Interest Income Portfolio fees and expenses are generally taken from the capital property of the scheme which may have the effect of limiting capital growth or eroding capital if there is insufficient growth.

### Allocation of Fees and Expenses between Funds

All the above fees, duties and charges (other than those borne by the ACD) will be charged to the Fund in respect of which they were incurred but where an expense is not considered to be attributable to any one Fund, the expenses will be allocated by the ACD in a manner which is fair to Shareholders. They will normally be allocated to all Funds pro rata to the Net Asset Value of the relevant Funds.

Expenses specific to a Share Class will be allocated to that Share Class. They will otherwise be allocated in the manner described on page 50 of this Prospectus.

Any expenses for any Share Class or Fund in excess of the income properly attributable to such Share Class or Fund shall be deemed to be capital in nature and may be taken from the capital property attributable to that Share Class or Fund.

The Annual Management Charge will be attributed to the Share Class in respect of which it is imposed.

# Taxation

## General

The information given in this section is based on current UK legislation and HM Revenue & Customs ("HMRC") practice in force at the time of printing and does not constitute legal or tax advice and applies only to UK Shareholders holding Shares as investments (and not to dealers in securities). Prospective Shareholders should consult their own professional advisers as to the implications of subscribing for, purchasing, holding, converting, switching or disposing of Shares under the laws of the jurisdiction in which they may be subject to tax.

## The Company

Each of the Funds comprised in the Company is liable to corporation tax at a rate equivalent to the basic rate of income tax, currently 20%. Each of the Funds is treated as an open-ended investment company, such that the capital gains or losses realised by the Company are exempt from tax subject to the comments in the following paragraphs.

Dividends received by the Funds are generally exempt from corporation tax. Income other than dividends received by the Funds is liable to corporation tax after deducting allowable expenses of management. Where taxable overseas income is received by a Fund after deduction of foreign tax, it may be possible for the Fund to offset such tax against corporation tax liabilities on that income by way of double tax relief.

Where a Fund holds an investment in any other onshore or offshore fund that during the Fund's accounting period is broadly greater than 60% invested, directly or indirectly (through similar funds or derivatives) in cash, bonds or derivatives linked to similar assets, any amounts accounted for as income will be taxable income of the Fund for the period concerned. In addition, any dividends paid by such funds will be taxed as interest income for the period concerned. Also where a Fund holds an interest in a collective investment scheme constituted outside of the United Kingdom ("an offshore fund") which has not been certified by HM Revenue & Customs as a "reporting" offshore fund for the entire time that the Fund held it, the Fund will be liable to tax on the gain realised on disposal as income rather than an exempt capital gain.

It is the intention of the Company to remain in the position where no more than 50% of the assets of any Fund by value are invested in offshore funds that are non-reporting funds for UK tax purposes.

## Taxation of Shareholders

A Shareholder should consider his or her liability to taxation both in relation to income and any capital gains relating to his or her Shares. The general position in relation to different types of Shareholder is considered below, although the position of Shareholders who hold their Shares as part of a trade is not considered. The discussion below considers the position of Shareholders who have beneficial ownership of the Shares concerned. The position for trustees, nominees and other fiscal agents is not discussed.

Generally, a Shareholder may receive two types of income in respect of his Shares. Gilt or bond funds (broadly those with over 60% invested for the whole of the accounting period in bonds, cash or derivatives linked to similar assets and UK funds which qualify) usually make "Interest Distributions" to Shareholders. Most other types of Funds make "Dividend Distributions" to Shareholders. Details of the types and frequencies of distribution for each of the Funds can be found in the General Information section.

A distribution statement, in respect of the first distribution for Shares which were issued in the same accounting period as that distribution, will indicate that an amount of the distribution represents income equalisation. This amount is not taxable as income, as under current HM Revenue & Customs practice it is treated as a return of capital, but must be deducted from the acquisition cost of Income Shares for the purposes of calculating any capital gains/loss on disposal of those Shares. In the case of Accumulation Shares, no adjustment needs to be made to the cost of the Shares for the purposes of determining any capital gain or loss on eventual disposal of the Shares.

## UK Resident Individual Shareholders

*Interest Distributions*
Interest Distributions are paid without a deduction of income tax at source.

A Personal Saving Allowance exempts from tax the first £1,000 (in tax year 2024/2025) of savings income for basic rate taxpayers and the first £500 (in tax year 2024/2025) for higher rate taxpayers. This allowance is not available for additional rate taxpayers. All UK taxpayers (including basic rate taxpayers) will therefore be liable to pay UK tax on an interest distribution made or treated as made by the Company, subject to the Personal Savings Allowance and, where applicable, the starting savings rate for savings.

Where a UK resident individual Shareholder holds Shares in an ISA the Shareholder will be exempt from income tax on Interest Distributions paid in respect of such Shares.

*Dividend Distributions*
A dividend allowance applies for UK resident individual Shareholders which charges the first £500 (in tax year 2024/2025) of dividends received in the tax year at 0%. A UK resident individual Shareholder will have to pay income tax at the applicable basic, higher or additional rate (depending on the Shareholder's individual tax position) on dividend income in excess of the £500 allowance. Note that dividend income within the £500 allowance will still count towards basic, higher and additional rate bands and may therefore affect the rate of income tax that a Shareholder pays on dividends they receive in excess of the £500 allowance.

Where a UK resident individual Shareholder holds Shares in an ISA the Shareholder will be exempt from income tax on Dividend Distributions paid in respect of such Shares**.**

*Capital Gains Tax*
Shareholders disposing of Shares in the Funds may be liable to capital gains tax on the gain realised from that disposal if their capital gains from all sources in the tax year exceeds the annual exempt amount and any available relief for losses. Capital gains tax is charged at the capital gains tax rate applicable for the tax year in which the gains are realised.

An exchange of Shares between different Funds is regarded as a disposal for capital gains tax purposes.

Where Shares are converted between Share Classes of the same Fund, a capital gain will not arise until the time of disposal of the New Shares.

A UK resident individual Shareholder holding Shares in an ISA will be exempt from capital gains tax on the disposal of such Shares.

*Accumulation/Reinvestment Option*
Where a distribution is accumulated or reinvested, the distribution is treated as if it was actually received by the Shareholder on the distribution date. Where a distribution is reinvested the Shareholder will acquire further Shares which have an acquisition cost equal to the value of the distribution. Where income is accumulated in relation to Accumulation Shares the amount of notional distribution (excluding equalisation) increases the allowable expenditure on the Shares for the purposes of capital gains tax.

### UK Resident Corporate Shareholders

*Interest Distributions*
Interest Distributions will be paid without the deduction of tax. Such Shareholders will be subject to corporation tax on the gross amount of the distribution or accumulation.

*Dividend Distributions*
Where a corporate Shareholder receives a Dividend Distribution from a Fund, such a Shareholder should apportion the amount of the distribution (by way of a formula) between that part representing the Fund's income subject to corporation tax and that part representing the Fund's other income. Only that part which represents the income subject to corporation tax in the Fund will be liable to corporation tax (in the hands of the corporate Shareholder) and will be treated as an annual payment received after deduction of income tax at the basic rate. That deemed income tax will be available to offset against the corporation tax liability of the Shareholder or may be repaid subject to certain restrictions.

*Capital Gains Tax*
Corporate Shareholders within the charge to corporation tax will be liable to corporation tax subject to indexation allowance*, on any gain arising on the disposal or deemed disposal of holdings in the Funds, except where such Funds are gilt or bond funds. If UK corporate Shareholders hold Shares in gilt or bond funds (broadly those Funds that are over 60% invested directly or indirectly (through similar funds or derivatives) in cash, bonds or derivatives linked to similar assets) the Shareholders must treat the shareholdings as if they are a loan relationship for corporation tax purposes. Profits and losses must be brought into account annually

on a “mark to market” basis. The result is that corporate Shareholders in such Funds will have the capital growth on their holdings charged to corporation tax on an annual basis.

An exchange of Shares between different Funds is regarded as a disposal for capital gains tax purposes.

Where Shares are converted between Share Classes of the same Fund, a capital gain will not arise until the time of disposal of the New Shares.

* From 1 January 2018 the capital gains Indexation Allowance has been frozen. When a company makes a capital gain on or after 1 January 2018, the Indexation Allowance that is applied in order to determine the amount of the chargeable gain is calculated up to December 2017.

### Non UK Resident Shareholders

Interest Distributions will be paid without the deduction of tax to non-UK resident Shareholders.

Tax may or may not be payable in respect of Interest Distributions and Dividend Distributions depending on the Shareholder’s tax position and the provisions of any relevant double tax treaty with the United Kingdom.

### Foreign Account Tax Compliance Act (FATCA)

Sections 1471 through 1474 of the US Internal Revenue Code ("FATCA") have been introduced by the US government. Under FATCA the Company is required to collect and report certain information on accounts held by specific US Persons, as defined on page 8 of this Prospectus. The Company may also be required to report certain information on Shareholders who do not provide us with the required documentation.

FATCA imposes a 30% withholding tax on certain payments to a foreign financial institution (“FFI”) if that FFI is not compliant with FATCA. The Company is a FFI and thus, subject to FATCA.

This withholding tax applies to payments to the Company that constitute interest, dividends and other types of income from US sources (such as dividends paid by a US corporation) and beginning on 1 January 2019, this withholding tax is extended to the proceeds received from the sale or disposition of assets that give rise to US source dividend or interest payments.

The UK has entered into an Intergovernmental Agreement (“IGA”) with the US to facilitate FATCA compliance and reporting of the required information to HMRC. Such information will be onward reported by HMRC to the US Internal Revenue Service. The Company intends to comply with the terms of the IGA and relevant UK implementing Legislation. Therefore, the Company expects to be treated as a compliant financial institution and does not expect any FATCA withholding to apply on payments made to it.

If a Shareholder fails to provide the Company, its agents or authorised representatives with any correct, complete and accurate information to enable the Company to comply with the UK IGA, this may result in the compulsory redemption of Shares (for more details please refer to the “Compulsory Transfer and Redemption” section on page 24). Furthermore, the Company may at its discretion take appropriate action without the consent of Shareholders to provide for any measures that the Company deems appropriate or necessary to comply with the UK IGA.

Shareholders in the Company should consult their own tax advisors regarding FATCA with respect to their own particular circumstances. In particular, Shareholders who hold their Shares through intermediaries should check the intermediaries’ intention to comply with FATCA.

### The Common Reporting Standard (CRS)

The CRS is similar to FATCA and is the standard developed by the OECD that requires financial institutions to collect and report similar information about an account holder’s tax residency outside of the US.

Under the CRS and the International Tax Compliance Regulations 2015, the tax residency of a Shareholder will need to be determined. In order to do so, a Shareholder may be asked to complete the appropriate self-certification form and return it to the ACD. Completing this form will ensure that accurate and up to date information about the tax residency of a Shareholder is being held.

The CRS does not impose a withholding tax obligation.

Shareholders in the Company should consult their own tax advisers regarding the application of information exchange between governments to their particular circumstances. More information on the CRS can be found at www.crs.hsbc.com.

The Company reserves the right to refuse any application for Shares if the information provided or not provided does not satisfy the requirements under the CRS Law.

### Individual Savings Accounts (ISAs)

The Shares are qualifying investments for inclusion in an ISA.

### Disclaimer

The above statements are based on the ACD's understanding of current UK law and HM Revenue & Customs practice at the time of printing which may be subject to retrospective change. The future basis and rates of taxation may change without warning.

Although the ACD has endeavoured to provide accurate information on tax law and practice in the forgoing text, it cannot guarantee that such information is a correct interpretation of the legislation concerned. Shareholders are recommended to consult their professional advisers if they are in any doubt as to their individual tax position.

# Instrument of Incorporation

The Instrument of Incorporation of the Company (which is available for inspection at the ACD's offices) contains provisions to the following effect:

## Object

The object of the Company is to invest the scheme property in transferable securities, money market instruments, deposits, units and shares in collective investment schemes, cash and near cash, derivative instruments and forward transactions, immovables and gold in accordance with the FCA Rules applicable to the Company and each Fund (which may include stock lending, borrowing, cash holdings, hedging and using other investment techniques permitted in applicable FCA Rules) and subject to the limitations set out in the Prospectus with the aim of spreading investment risk and giving its Shareholders the benefit of the results of the management of that property.

## Shares and Share Classes

(a) The Company may from time to time issue Shares of different Share Classes in respect of a Fund and the directors may by resolution from time to time create additional Share Classes in respect of a Fund (whether or not falling within one of the Share Classes in existence on incorporation).

(b) The ACD may by a resolution from time to time create additional Funds with such investment objectives and such restrictions as to investment or otherwise and denominated in such currencies, as the ACD shall from time to time determine.

## Transfer of Shares

(a) All transfers of registered Shares must be effected by transfer in writing in any usual or common form or in any other form as may be approved by the ACD. Any signature on an instrument of transfer may be affixed manually or electronically and be an actual signature or a facsimile signature or any form of signature or personal identification approved by the ACD. The ACD shall not be bound to enquire as to the genuineness of any signature.

(b) No instrument of transfer may be given in respect of more than one Share Class.

(c) In the case of a transfer to joint holders, the number of joint holders to whom a Share is to be transferred may not exceed four.

(d) Unless the ACD in its discretion decides otherwise no transfer may result in either the transferor or the transferee holding fewer Shares of the Share Class concerned or Shares having a lesser aggregate value than any number or value as is stated in the Prospectus as the minimum which may be held.

## Income

The income available for distribution or accumulation in relation to a Fund is determined in accordance with the FCA Rules. In essence it comprises all sums deemed by the Company, after consultation with the auditor, to be in the nature of income received or receivable for the account of the Company and attributable to the Fund in respect of the accounting period concerned, after deducting charges and expenses paid or payable out of such income and after making such adjustments as the ACD considers appropriate, after consulting the auditors in accordance with the FCA Rules, in relation to taxation and other matters.

Income relating to a Fund is allocated among Share Classes in that Fund as it accrues or is received in accordance with the respective proportionate interest in the property of the Fund represented by the Shares in issue at the valuation point in question.

The following provisions shall apply to Shares in issue in respect of the Funds:

(a) An allocation of income (whether annual, interim or otherwise) to be made in respect of each Share to which this provision applies issued by the Company or sold by the ACD during the accounting period in respect of which that income allocation is made shall be of the same amount as the allocation to be made in respect of the other Shares of the same Share Class in issue in respect of the same Fund but shall include a capital sum ("income equalisation") representing the ACD's best estimate of the amount of income included in the price of that Share.

(b) The amount of income equalisation shall in respect of any Share be either:

  (i) the actual amount of income included in the issue price of that Share; or

  (ii) an amount arrived at by taking the aggregate of the amounts of income included in the price in respect of Shares of that Share Class issued or sold in the annual or interim accounting period in question and dividing that aggregate amount by the number of such Shares and applying the resultant average to each of the Shares in question.

Each allocation of income made in respect of any Fund at a time when more than one Share Class is in issue in respect of that Fund shall be made by reference to the Shareholders' proportionate interests in the scheme property of the Fund in question. The proportionate interest of each Share Class in the assets and income of the Fund shall be calculated as follows:

(a) A notional account will be maintained for each Share Class. Each account will be referred to as a "Proportion Account". The word "proportion" in the following paragraphs means the proportion which the balance on a Proportion Account at the relevant time bears to the balance on all the Proportion Accounts of a Fund at that time.

(b) There will be credited to a Proportion Account:

  (i) the subscription money (excluding any Initial Charges or dilution adjustment to the price of a Share) for the issue of Shares of the relevant Share Class;

  (ii) that Share Class' proportion of the amount by which the Net Asset Value of the Fund exceeds the total subscription money for all Shares in the Fund;

  (iii) that Share Class' proportion of the Fund's income received and receivable; and

  (iv) any notional tax benefit as referred to in (d) below.

(c) There will be debited to a Proportion Account:

  (i) the redemption payment for the cancellation of Shares of the relevant Share Class;

  (ii) that Share Class' proportion of the amount by which the Net Asset Value of the Fund falls short of the total subscription money for all Shares in the Fund;

  (iii) all distributions of income (including income equalisation) made to Shareholders of that Share Class;

  (iv) all costs, charges and expenses incurred solely in respect of that Share Class;

  (v) that Share Class' share of the costs, charges and expenses incurred in respect of that Share Class and one or more other Share Classes in the Fund, but not in respect of the Fund as a whole;

  (vi) that Share Class' proportion of the costs, charges and expenses incurred in respect of or attributable to the Fund as a whole; and

  (vii) any notional tax liability as referred to in (d) below.

(d) Any tax liability in respect of the Fund and any tax benefit received or receivable in respect of the Fund will be allocated between Share Classes in order to achieve, so far as possible, the same result as would have been achieved if each Share Class were itself a Fund so as not materially to prejudice any Share Class. The allocation will be carried out by the ACD after consultation with the auditors.

(e) Where a Share Class is denominated in a currency which is not the base currency, the balance on the Proportion Account shall be converted into the base currency in order to ascertain the proportions of all Share Classes. Conversions between currencies shall be at a rate of exchange decided by the ACD as being a rate that is not likely to result in any material prejudice to the interests of Shareholders or potential Shareholders.

(f) The Proportion Accounts are notional accounts maintained for the purpose of calculating proportionate interests. They do not represent debts from the Company to Shareholders or the other way round.

Each credit and debit to a Proportion Account shall be allocated to that account on the basis of that Share Class' proportion immediately before the allocation. All such adjustments shall be made as are necessary to ensure that on no occasion on which the proportions are ascertained is any amount counted more than once.

The proportionate interest of a Share Class in the assets and income of a Fund is its “proportion”.

When Shares are issued thereafter, each such Share shall represent the same proportionate interest in the property of the relevant Fund as each other Share of the same denomination and Share Class then in issue in respect of that Fund and the respective proportion of income allocated to a particular Share Class shall be allocated equally between each Share of the same Share Class.

The Company may adopt a method of calculating the amount of income to be allocated between the Shares in issue in respect of any Fund which is different to the method set out above if the ACD is satisfied that such method is fair to Shareholders and that it is reasonable to adopt such method in the given circumstances.

If a distribution of income remains unclaimed for three consecutive distributions then the ACD may convert the holding to Accumulation Shares, and will purchase additional Shares with the unclaimed income.

Subject to the preceding paragraph, any distribution remaining unclaimed after a period of six years shall become part of the capital property of the relevant Fund.

### Number of Directors

Unless otherwise determined by an extraordinary resolution of Shareholders the Company shall only have one director.

### Removal of ACD

The Company may, by ordinary resolution, remove the ACD before the expiration of its period of office, notwithstanding anything in the Instrument of Incorporation or in any agreement between the Company and the ACD, but the removal will not take effect until the FCA have approved it and a new authorised corporate director approved by the FCA has been appointed.

### Proceedings at General Meetings

The Instrument of Incorporation contains provisions relating to general meetings and the proceedings at such meetings. Such provisions shall also apply to Share Class meetings and Fund meetings in the same way as they apply to general meetings.

### Instrument of Incorporation

(a) The Instrument of Incorporation may be amended by resolution of the ACD to the extent permitted by the FCA Rules.

(b) In the event of any conflict arising between any provision of the Instrument of Incorporation and either the OEIC Regulations or the FCA Rules, the FCA Rules will prevail.

### Indemnity

The Instrument of Incorporation contains provisions indemnifying the ACD, auditor and Depositary against liability (amongst other things) in defending any proceedings for negligence, default, breach of duty or breach of trust in which judgement is given in their favour.

# Meetings and Voting Rights

## General Meetings

The Company will not hold an annual general meeting. Copies of the contracts of service between the Company and the ACD will be provided to a Shareholder on request. The ACD or the Shareholders may requisition a general meeting. A requisition by Shareholders must state the objects of the meeting, be dated, be signed by Shareholders who, at the date of requisition, are registered as the holders of Shares representing not less than one-tenth in value of all Shares then in issue and the requisition must be deposited at the head office of the Company. The ACD must convene a general meeting for a date no later than eight weeks after receipt of such requisition.

## Notice and Quorum

Shareholders will receive at least 14 days' written notice of a Shareholders' meeting. No business may be transacted at a general meeting unless a quorum is present. The quorum for a meeting is two Shareholders present in person or by proxy. If a quorum is not present within 15 minutes after the time fixed for the start of the meeting, the meeting will stand adjourned.

If at an adjourned meeting a quorum is not present within 15 minutes after the time fixed for the start of the meeting, one person entitled to be counted in a quorum shall constitute the quorum.

Notices of meetings and adjourned meetings will be sent to Shareholders at their registered addresses.

## Voting Rights

Generally, Shareholders are entitled to receive notice of a meeting and to vote at a meeting if they were holders of Shares in the Company on the date seven days before the notice is deemed served. This will not, however, include those who are known to the ACD not to be holders at the date of the meeting.

At a meeting of Shareholders, on a show of hands every Shareholder who (being an individual) is present in person or (being a corporation) is present by its properly authorised representative is entitled to one vote.

On a poll vote, a Shareholder may vote either in person or by proxy. The voting rights attaching to each Share in such a case are such proportion of the voting rights attached to all the Shares in issue as the price of the Share bears to the aggregate price(s) of all the Shares in issue at the date seven days before the notice of meeting is deemed to have been served.

An instrument appointing a proxy shall be in writing in any usual or common form, or any other form approved by the ACD. The person appointed to act as a proxy need not be a Shareholder.

A Shareholder 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.

The ACD is entitled to attend any meeting but, except in relation to third party Shares, may not vote or be counted in the quorum for a meeting and any Shares it holds are treated as not being in issue for the purposes of the meeting. An associate (as defined in the FCA Rules) of the ACD is entitled to attend any meeting of the Company and may be counted in the quorum, but may not vote except in relation to third party Shares. For these purposes third party Shares are any Shares which the ACD or associate holds on behalf of or jointly with a person who, if the registered Shareholder would be entitled to vote and from whom the ACD or associate has received voting instructions.

## Powers of a Shareholders' Meeting

The Instrument of Incorporation and the FCA Rules empower Shareholders in general meeting to approve various matters including:

(a) removal of the ACD;

(b) changes to some of the matters contained in the Instrument of Incorporation and this Prospectus; and

(c) a Scheme of Arrangement.

In accordance with the FCA Rules, other provisions may be changed by the ACD without the approval of Shareholders in general meeting.

For certain other matters the FCA Rules or the Instrument of Incorporation require an extraordinary resolution (which needs 75% of the votes cast at the meeting to be in favour if the resolution is to be passed).

### Share Class and Fund Meetings

The above provisions, unless the context otherwise requires, apply to Share Class meetings and meetings of Funds as they apply to general meetings of Shareholders but by reference to Shares of the Share Class or Fund concerned and the Shareholders and prices of such Shares.

### Variation of Share Class Rights

The rights attached to a Share Class or Fund may only be varied with the sanction of a resolution passed at a meeting of Shareholders of that Share Class or Fund by a 75% majority of those votes validly cast for and against such resolution.

### Proceedings at General Meetings

Prior to each general meeting, a director other than the ACD or an associate shall nominate a chairman or, if no such nomination is made, the Depositary shall nominate an individual to act as chairman. If the representative is not present within 15 minutes after the time fixed for the start of the meeting or is not willing or able to act, the Shareholders present shall choose one of their number to be chairman of the meeting.

The chairman of any quorate meeting may with the consent of the meeting (and shall if so directed by the meeting) adjourn the meeting from time to time (or for an indefinite period) and from place to place. No business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place.

A resolution put to the vote of a general meeting or Share Class meeting must be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by:-

(a) the chairman of the meeting;

(b) not less than two Shareholders; or

(c) the Depositary.

Unless a poll is required, a declaration by the chairman of the meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book or other record of proceedings, shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded for or against such resolution. If a poll is required, it shall be taken in such a manner (including the use of ballot papers or electronic or computer voting systems) as the chairman may direct.

The chairman of a general meeting may take any action he considers appropriate for, for example, the safety of people attending a general meeting, the proper and orderly conduct of the general meeting or in order to reflect the wishes of the majority.

### Corporations Acting by Representatives

Any corporation which is a Shareholder of the Company may, by resolution of the directors or other governing body of such corporation and in respect of any Share or Shares in the Company of which it is the holder, authorise such individual as it thinks fit to act as its representative at any general meeting of the Shareholders or of any Share Class meeting or Fund meeting. The individual so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise in respect of such Share or Shares if it were an individual Shareholder of the Company and such corporation shall be deemed to be present in person at any such meeting if an individual so authorised is so present.

# Winding up of the Company and Winding up or Termination of Funds

The Company may be wound up under the FCA Rules or as an unregistered company under Part V of the Insolvency Act 1986. A Fund may be terminated under the FCA Rules or wound up as an unregistered company under Part V of the Insolvency Act 1986 (as amended).

Winding up or termination under the FCA Rules may be commenced following approval by the FCA. The FCA may only give such approval if the ACD provides a statement (following a full enquiry into the affairs of the Company or the Fund) either that the Company or the Fund will be able to meet its liabilities (including contingent and prospective) within 12 months of the date of the statement or that the Company or the Fund will be unable to do so. The Company or the Fund may not be wound up or terminated under the FCA Rules if there is a vacancy in the position of authorised corporate director at the relevant time.

Subject to the above, the Company may be wound up or a Fund wound up or terminated under the FCA Rules:

(a) if an extraordinary resolution to that effect is passed by Shareholders; or

(b) if the Share capital of the Company is below its prescribed minimum or (in relation to any Fund) the Net Asset Value of the Fund is less than £1 million, or if a change in the laws or regulations of any country means that, in the ACD’s opinion, it is desirable to terminate the Fund; or

(c) if the FCA agrees to a request by the ACD for the revocation of the authorisation order in respect of the Company or the relevant Fund.

Following the occurrence of any of the above:

(a) The provisions in Sections 5 (Investment and Borrowing Powers); 6.2 (Dealing); and 6.3 (Valuation and Pricing) of the FCA Rules will cease to apply to the Company or to the Shares and scheme property in the case of a Fund;

(b) The Company will cease to issue and cancel Shares in the Company or the particular Fund;

(c) The ACD will cease to sell or redeem Shares or arrange for the Company to issue or cancel them for the Company or the particular Fund;

(d) No transfer of a Share will be registered and no other change to the Register will be made without the sanction of the ACD;

(e) Where the Company is being wound up, the Company will cease to carry on its business except in so far as it is beneficial for the winding up of the Company;

(f) The corporate status and powers of the Company and, subject to the provisions of (a) and (e) above, the powers of the ACD will remain until the Company is dissolved; and

(g) As soon as practicable after winding up or termination has commenced the ACD must, if it has not previously notified Shareholders of the proposal to wind up the Company or to terminate or wind up the Fund, give written notice of the commencement of the winding up or termination to the Shareholders.

Winding up a Company or winding up or terminating a Fund under the FCA Rules is carried out by the ACD. The ACD will, as soon as practicable after the Company or the Fund falls to be wound up or terminated, realise the assets and meet the liabilities of the Company or the Fund and, after paying or making adequate provision for the cost of winding up or termination and for all liabilities properly payable, may arrange for the Depositary to make one or more interim distributions to Shareholders proportionately to their rights to participate in the scheme property of the Company or the Fund.

When the ACD has caused all of the scheme property to be realised and all of the liabilities of the Company or the particular Fund known to the ACD to be realised, the ACD will arrange for the Depositary to make a final distribution to Shareholders on or prior to the date on which the final account is sent to Shareholders of any balance remaining (net of a provision for any future expenses of the Company or the Fund) in proportion to their holdings in the Company or the particular Fund.

The winding up of the Company or winding up or termination of the Fund is subject to the terms of any ‘Scheme of Arrangement’ sanctioned by an extraordinary resolution passed on or before the commencement of the winding up or termination.

On completion of a winding up of the Company or the winding up or termination of a Fund, the Company or Fund will be dissolved or terminated and any money (including unclaimed distributions) standing to the account of the Company, will be paid into court within one month of dissolution or termination.

As soon as reasonably practicable after the completion of the winding up of the Company or winding up or termination of any particular Fund, the Depositary shall notify the FCA that the winding up or termination has been completed.

Following the completion of a winding up of the Company or the winding up or termination of a Fund, the ACD must prepare a final account showing how the winding up or termination was conducted and how the scheme property was distributed. The Company's auditors will make a report in respect of the final account stating their opinion as to whether the final account has been properly prepared. Within four months of the date of completion of the winding up of the Company or winding up or termination of the Fund, this final account and the auditors' report must be sent to the FCA and to each Shareholder (or in the case of joint holders the first named).

As the Company is an umbrella company, any liabilities attributable or allocated to a particular Fund under the FCA Rules will be met out of the scheme property attributable or allocated to that particular Fund.

The assets of a Fund of the Company belong exclusively to that Fund and shall not be used to discharge directly or indirectly the liabilities of, or claims against, any other person or body, including the Company, or any other Fund of the Company, and shall not be available for any such purpose.

# General Information

## Accounting Periods

The annual accounting period of the Company ends each year on 15 April (the accounting reference date) and the interim accounting period ends each year on 15 October.

## Annual Reports and Distributions

Annual Report and Accounts (each a "Report") of the Company will be published within four months of the end of each annual accounting period. Half-yearly Reports will be published within two months of the end of each interim accounting period.

Reports containing the full financial statements are available on the HSBC Global Asset Management (UK) Limited website or on request from the ACD.

Distributions will be made within two months of the annual accounting period and where applicable, within two months of the interim accounting period.

The frequency of income distribution and dates for each Fund are shown below.

It is the ACD's policy to distribute all available income received into the Fund on the relevant distribution dates.

| Fund | Income Frequency | Distribution Dates | | Distribution Type |
|---|---|---|---|---|
| | | Annual | Interim | |
| Global Listed Real Assets Fund | Half Yearly | 15 June | 15 December | Dividend |
| Global Strategy Adventurous Portfolio | Half Yearly | 15 June | 15 December | Dividend |
| Global Strategy Balanced Portfolio | Half Yearly | 15 June | 15 December | Dividend |
| Global Strategy Cautious Portfolio | Half Yearly | 15 June | 15 December | Dividend |
| Global Strategy Conservative Portfolio | Half Yearly | 15 June | 15 December | Dividend |
| Global Strategy Dynamic Portfolio | Half Yearly | 15 June | 15 December | Dividend |
| Global Strategy Sustainable Adventurous Portfolio* | Half Yearly | 15 June | 15 December | Dividend |
| Global Strategy Sustainable Balanced Portfolio* | Half Yearly | 15 June | 15 December | Dividend |
| Global Strategy Sustainable Cautious Portfolio* | Half Yearly | 15 June | 15 December | Dividend |
| Global Strategy Sustainable Conservative Portfolio* | Half Yearly | 15 June | 15 December | Dividend |
| Global Strategy Sustainable Dynamic Portfolio* | Half Yearly | 15 June | 15 December | Dividend |
| Global Responsible Multi-Asset Adventurous Portfolio** | Half Yearly | 15 June | 15 December | Dividend |
| Global Responsible Multi-Asset Balanced Portfolio** | Half Yearly | 15 June | 15 December | Dividend |
| Global Responsible Multi-Asset Cautious Portfolio** | Half Yearly | 15 June | 15 December | Dividend |
| Global Responsible Multi-Asset Conservative Portfolio** | Half Yearly | 15 June | 15 December | Dividend |
| Global Responsible Multi-Asset Dynamic Portfolio** | Half Yearly | 15 June | 15 December | Dividend |
| World Selection – Adventurous Portfolio | Half Yearly | 15 June | 15 December | Dividend |
| World Selection – Balanced Portfolio | Half Yearly | 15 June | 15 December | Dividend |
| World Selection – Cautious Portfolio | Half Yearly | 15 June | 15 December | Dividend |
| World Selection – Conservative Portfolio | Half Yearly | 15 June | 15 December | Dividend |
| World Selection – Dividend Distribution Portfolio | Quarterly | 15 June | 15 September, | Dividend |

| | | | | |
|---|---|---|---|---|
| | | | 15 December & 15 March | |
| World Selection – Dynamic Portfolio | Half Yearly | 15 June | 15 December | Dividend |
| World Selection – Interest Income Portfolio | Quarterly | 15 June | 15 September, 15 December & 15 March | Interest |

* This Fund is currently being wound up and is no longer available for investment.

** Notice has been issued to Shareholders in the Global Responsible Multi-Asset Adventurous Portfolio, Global Responsible Multi-Asset Balanced Portfolio, Global Responsible Multi-Asset Cautious Portfolio, Global Responsible Multi-Asset Conservative Portfolio and the Global Responsible Multi-Asset Dynamic Portfolio of an increase to the annual management charges, the introduction of discounts to the annual management charges and the potential to invest in a wider range of alternative asset classes for these Funds, which take effect from 6 May 2025. For further information please refer to the Shareholder notice available on the HSBC Asset Management website www.assetmanagement.hsbc.co.uk or you can contact us.

## Half yearly statements

Half yearly statements will be sent to Shareholders as at 30 April and 31 October each year. These statements will include details of Shares held in Funds of the Company as well as shares held in other OEICs managed by the ACD.

## Documents of the Company

The following documents may be inspected free of charge between 9.00am and 5.00pm on every Business Day at the ACD's office:

(a) the most recent annual and half-yearly reports of the Company;

(b) the Instrument of Incorporation (and any amending Instrument of Incorporation); and

(c) the ACD Agreement.

Shareholders and potential Shareholders may obtain copies of these documents from the ACD, HSBC Asset Management (Fund Services UK) Limited, 8 Canada Square, London E14 5HQ. The ACD reserves the right to make a charge at its discretion for copies of the documents listed at (b) and (c) above.

## Material Contracts

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company and the ACD:

(a) the ACD Agreement between the Company and the ACD;

(b) the Depositary Agreement between the Company and the Depositary;

(c) the discretionary investment management agreement between the ACD and HSBC Global Asset Management (UK) Limited in respect of the Funds; and

(d) the Distribution Agreement between the ACD and HSBC Global Asset Management (UK) Limited.

Details of the above contracts are given in the earlier Section "Management and Administration" on page 42.

## Exemption from liability to account for profits

The Company, ACD, Depositary, Custodian, Registrar and Administrator are not liable to account to each other or to Shareholders for any profits or benefits made or received that are made or received from or in connection with:

(a) dealings in the Shares;

(b) any transaction in the scheme property; or

(c) the supply of services to the Fund/Company.

## Professional Indemnity

The AIFM has professional indemnity insurance and maintains an amount of its own funds in order to protect Shareholders where there is professional negligence and to satisfy the requirements laid down in the FCA rules.

## Property

There is no intention for the Company to have an interest in any immovable property.

## Stewardship

In summary, stewardship is the responsible allocation, management and oversight of investors' capital and seeks to enhance long-term value for investors and mitigate risks. It has the potential to contribute to wider benefits for the economy, the environment and society.

The Funds are stewards of the assets in which they invest, for example equities and bonds issued by companies. The ACD has an approach to undertaking stewardship of the assets, which includes activities such as engagement with companies and voting at company meetings.

Engagement, whether through direct discussion with companies or collaborative engagement with other investors, is important for providing valuable insights for more informed investment decision making and encouraging appropriate corporate practices, through voting at company meetings.

The extent to which the ACD undertakes stewardship activity will vary by Fund and by asset classes and geographies.

Further information about the ACD's approach to stewardship, including information about the voting undertaken at previous company meetings is available on the HSBC Global Asset Management (UK) Limited website at www.assetmanagement.hsbc.com, select "About Us", "Responsible investing", click on the "Stewardship and Engagement" tab and then select "Stewardship".

## Complaints

Complaints may be referred to the ACD at HSBC Asset Management (Fund Services UK) Limited, Sunderland SR43 4BF. If the complaint has not been resolved to the satisfaction of the complainant within two months, the ACD must report to the FCA.

A complainant also has the right to address a complaint directly to the Financial Ombudsman Service whose address is Exchange Tower, Harbour Exchange Square, London E14 9SR. Telephone free from a landline on 0800 023 4 567; from a mobile on 0300 123 9 123 (charges are same rate as 01 and 02 numbers on mobile tariffs) and overseas +44 20 7964 0500. Email: complaint.info@financial-ombudsman.org.uk.

Further details may be obtained from the Compliance Officer at the above address.

## The importance of keeping contact details updated

Shareholders must ensure that they provide the Administrator with any changes to their personal details (including postal address, telephone numbers or any other personal contact details) so the Administrator can keep in contact with Shareholders.

If Shareholders do not keep the Administrator informed of any changes and it is unable to contact a Shareholder, the Administrator may not be able to carry out the Shareholder's instructions, manage their account and it could mean the Shareholder ultimately loses contact with their money.

## Further information

References to time in this Prospectus are to London time unless otherwise stated.

# Appendix 1

## Individual Fund Information

The definitions for the words in ***bold italic*** text in the individual fund information tables below can be found on pages 4 to 9 of this Prospectus.

| **Global Listed Real Assets Fund** | |
|---|---|
| Investment Objective | The Fund aims to provide ***growth*** in the long term, which is a period of five years or more. |
| Investment Policy | To achieve its objective, the Fund will invest at least 90% of its value in listed ***infrastructure securities*** and listed ***property-related securities.*** There will be no geographical restrictions.<br><br>The Fund may invest up to 10% of its value in ***depositary receipts*** and other assets that provide indirect exposure to listed ***infrastructure securities*** and listed ***property-related securities***.<br><br>The Fund may invest up to 10% of its value in ***collective investment schemes,*** which in turn invest in listed ***infrastructure securities,*** listed ***property-related securities*** and/or other assets. The ***collective investment schemes*** may be managed or operated by the ***HSBC Group.***<br><br>To manage day-to-day cash flow requirements, the Fund may also invest in ***money market instruments***, deposits and cash.<br>The Fund may invest in ***derivatives*** for ***efficient portfolio management*** purposes, including ***hedging***. This means investment techniques that aim to reduce risks, reduce costs or generate ***growth*** and ***income***. On giving 60 days' notice to Shareholders the Fund may also use ***derivatives*** for broader investment purposes to help the Fund meet its objective. The Fund does not intend to use ***derivatives*** extensively and their use will be consistent with the risk profile of the Fund. |
| Investment Strategy | The investment manager will select from an initial universe of listed ***infrastructure securities*** and listed ***property-related securities***. The aim is to identify listed ***infrastructure securities*** and listed ***property-related securities*** in respect of companies whose underlying assets are considered to have the potential for consistent long term earnings, with strong management teams and whose shares are favourably priced. Instead of allocating to each of ***infrastructure*** and property asset classes in isolation, the investment strategy will focus on important themes that may affect the companies, as a means to assess their potential for ***growth***. The themes we may consider in respect of potential companies include but are not limited to preservation of resources, responsiveness to technological change and facilitation of demographic change.<br><br>From this, the investment manager aims to construct a portfolio that has the potential for ***returns*** in line with the investment objective and which is appropriately diversified across industry sectors and countries.<br><br>The portfolio will typically be constructed with 50 to 60 holdings, although the investment manager may vary this depending on market conditions and the investment opportunities that are available.<br><br>The allocation to listed ***infrastructure securities*** and listed ***property-related securities*** and the geographic composition will vary over time.<br><br>**Use of Benchmark**<br>The Fund is ***actively managed*** and is not managed with reference to a benchmark. The performance of the Fund is shown against the performance of a combination of a 70% weighting to the Dow Jones Brookfield Global Infrastructure Index and a 30% weighting to the FTSE EPRA NAREIT Developed Index for comparison purposes only. The weighting to |

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|---|---|
| | the respective indices represents the number of investible listed ***infrastructure securities*** and listed ***property-related securities*** that the investment manager will select from. Prior to 24 September 2024 when the strategy of the Fund was changed, the performance was compared to a combination of a 20% weighting to the Investment Association UK Direct Property Sector average and an 80% weighting to the Investment Association Property Other Sector average. Prior to 1 December 2021, the performance was compared to a combination of a 50% weighting to the Investment Association UK Direct Property Sector average and a 50% weighting to the Investment Association Property Other Sector average. Prior to 1 September 2018, the performance was compared to the Investment Association Property Sector.<br><br>A combination of the Dow Jones Brookfield Global Infrastructure Index and the FTSE EPRA NAREIT Developed Index has been selected to compare performance because they are representative of the securities in which the Fund may invest.<br><br>**Use of Derivatives**<br>The Fund may invest in ***exchange traded*** and ***over-the-counter derivatives*** in accordance with Part C and Part D of Appendix 3. In particular, ***currency forward contracts*** may be used with the aim of ***hedging*** against movements in the rate of exchange between Sterling and the currency in which assets of the Fund may be denominated. |
| SRRI** | 6 |
| Share Classes Currently Offered | Retail Accumulation<br>Income C<br>Accumulation C<br>Institutional A Accumulation |
| Risk Categories<br><br>(refer to Section "Risks" on page 31) | General<br>Cancellation<br>Efficient Portfolio Management (EPM) and Counterparty Risk<br>Leverage Risk<br>Collateral Risk<br>Currency Exchange Rates<br>Investing in Europe<br>Concentrated Portfolios<br>Banned Weapons Policy<br>Derivatives<br>Property<br>Effect of Initial Charge<br>Suspension of Dealings<br>Liabilities<br>Infrastructure<br>Chinese Markets Risk |

## Global Strategy Adventurous Portfolio

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|---|---|
| Investment Objective | The Fund aims to provide ***growth*** in line with its risk profile in the long term, which is a period of five years or more. The Fund's risk profile is rated as 5, where 1 is a lower level of risk and 5 is a higher level of risk.<br><br>[Note: see HSBC Risk Level Explanation section below] |
| Investment Policy | To achieve its objective the Fund will invest a minimum of 80% in ***collective investment schemes***, including ***exchange traded*** funds, which aim to track the performance of ***market indices***. Such assets shall, in turn, invest in shares of companies (***equities)***, ***bonds*** and property securities that make up the relevant index. The Fund may also invest up to 20% directly in ***bonds*** where exposure to this asset class can be adequately achieved with a relatively low number of holdings, and may invest directly in shares of companies and property securities in limited circumstances. The Fund will be invested across global markets with a bias towards shares of companies.<br><br>The ***collective investment schemes*** that the Fund invests in will, where possible, be those managed or operated by the ***HSBC Group***. Where this is not possible the Fund may invest in ***collective investment schemes*** operated by third party fund providers.<br><br>The Fund may also invest in ***money market instruments***, deposits and cash to manage day-to-day cash flow requirements.<br><br>The Fund may invest in ***derivatives*** for ***efficient portfolio management*** purposes, including ***hedging***. This means investment techniques that aim to reduce risks, reduce costs or generate ***growth*** and ***income***. The Fund may also use ***derivatives*** for broader investment purposes to help the Fund meet its objective. The Fund does not intend to use ***derivatives*** extensively and their use will be consistent with the risk profile of the Fund. |
| Investment Strategy | This is one of a range of ***actively managed*** Global Strategy Portfolios offered at five different risk levels. The ***asset allocation*** of each fund in the range reflects the risk level. The Fund is managed with the aim of maximising ***returns*** in line with its agreed long term risk profile of 5, where 1 is a lower level of risk and 5 is a higher level of risk therefore any potential gains are likely to be limited by the risk profile of the Fund.<br><br>The starting point for the Global Strategy Portfolios is the ***asset allocation*** for each risk level.<br><br>The ***asset allocation*** positions are regularly monitored in order to make timely adjustments to the portfolios' allocations to reflect the Fund manager's views on the current market environment.<br><br>The final stage in the investment process is deciding how best to take exposure to each asset class. This may be achieved by investing in ***collective investment schemes***, investing directly in asset classes and investing in ***derivatives***.<br><br>The Fund aims to meet its objective with a focus on lower ongoing charges. This is taken into consideration when deciding which asset classes the Fund will invest in and how the Fund achieves exposure to those asset classes.<br><br>Under typical market conditions, the portfolio will have the following asset class exposures. It should be noted that these percentages will fluctuate based upon market movement and adjustments to the ***asset allocation*** to enable the Fund to meet its aim. |

| Asset class | Exposure as a percentage of the Fund |
|---|---|
| ***Equity*** | 75% - 100% |
| ***Bonds***<br>Global ***Developed Market*** Government ***Bonds***<br>Global ***Investment Grade*** Corporate ***Bonds*** | 0% - 25% |
| **Property securities** | 0% - 15% |

| | |
|---|---|
| | **Use of Benchmark**<br>The Fund is not managed with reference to a benchmark. The performance of the Fund is shown against the performance of funds that are part of the Morningstar Allocation 80%+ Equity category, with both ***returns*** and ***volatility*** considered in the comparison. The Morningstar Allocation 80%+ Equity category has been selected to enable investors to assess the performance of the Fund because it consists of types of funds that are broadly similar to the Fund. Many funds sold in the UK (and globally) are grouped into categories by Morningstar, an independent data provider, to help investors to compare funds with broadly similar characteristics.<br><br>**Use of Derivatives**<br>The Fund may invest in ***exchange traded*** and ***over-the-counter derivatives*** in accordance with Part C and Part D of Appendix 3. In particular, ***equity index futures*** may be used to increase or reduce ***equity*** exposure and ***bond index futures*** may be used with the aim of managing the overall ***bond duration***.<br><br>***Currency forward contracts*** will be used to gain exposure to currencies or with the aim of ***hedging*** against movements in the rate of exchange between Sterling and the currency in which the bonds and other assets may be denominated. |
| SRRI** | 5 |
| HSBC Risk Level Explanation | The five risk levels are based on ***volatility*** bands defined by HSBC. ***Volatility*** is a measure of investment risk. This differs from the ***SRRI*** which is scored on a scale of 1 to 7 and calculated using historical price ***volatility*** over the last five years.<br><br>The Fund will be managed to operate in line with its risk profile. We will use our forward looking expectations for each asset class held in the Fund and combine them to maximise potential ***returns***, typically within a ***volatility*** range of 14% and above. It is important to remember that this is based on forward looking expectations and that the actual ***volatility*** of the Fund will depend on market conditions. Therefore, there may be periods of time where the ***volatility*** of the Fund is higher or lower than the ***volatility*** range above. |
| Share Classes Currently Offered | Income C<br>Accumulation C |
| Risk Categories<br><br>(refer to Section "Risks" on page 31) | General<br>Cancellation<br>Efficient Portfolio Management (EPM) and Counterparty Risk<br>Leverage Risk<br>Collateral Risk<br>Fixed Income Securities<br>Currency Exchange Rates<br>Investing in Europe<br>High Yield<br>Smaller Companies<br>Banned Weapons Policy<br>Derivatives<br>Property<br>Hedge Funds<br>Alternative Investments<br>Private Equity<br>Commodities<br>Effect of Initial Charge<br>Suspension of Dealings<br>Liabilities<br>Emerging Markets<br>Unregulated Funds |

## Global Strategy Balanced Portfolio

**Investment Objective**

The Fund aims to provide ***growth*** in line with its risk profile in the long term, which is a period of five years or more. The Fund's risk profile is rated as 3, where 1 is a lower level of risk and 5 is a higher level of risk.

[Note: see HSBC Risk Level Explanation section below]

**Investment Policy**

To achieve its objective the Fund will invest a minimum of 70% in ***collective investment schemes***, including ***exchange traded*** funds, which aim to track the performance of ***market indices***. Such assets shall, in turn, invest in shares of companies (***equities***), ***bonds*** and property securities that make up the relevant index. The Fund may also invest up to 30% directly in ***bonds*** where exposure to this asset class can be adequately achieved with a relatively low number of holdings and may invest directly in shares of companies and property securities in limited circumstances. The Fund will be invested across global markets.

The ***collective investment schemes*** that the Fund invests in will, where possible, be those managed or operated by the ***HSBC Group***. Where this is not possible the Fund may invest in ***collective investment schemes*** operated by third party fund providers.

The Fund may also invest in ***money market instruments***, deposits and cash to manage day-to-day cash flow requirements.

The Fund may invest in ***derivatives*** for ***efficient portfolio management*** purposes, including ***hedging***. This means investment techniques that aim to reduce risks, reduce costs or generate ***growth*** and ***income***. The Fund may also use ***derivatives*** for broader investment purposes to help the Fund meet its objective. The Fund does not intend to use ***derivatives*** extensively and their use will be consistent with the risk profile of the Fund.

**Investment Strategy**

This is one of a range of ***actively managed*** Global Strategy Portfolios offered at five different risk levels. The ***asset allocation*** of each fund in the range reflects the risk level. The Fund is managed with the aim of maximising ***returns*** in line with its agreed long term risk profile of 3, where 1 is a lower level of risk and 5 is a higher level of risk therefore any potential gains are likely to be limited by the risk profile of the Fund.

The starting point for the Global Strategy Portfolios is the ***asset allocation*** for each risk level.

The ***asset allocation*** positions are regularly monitored in order to make timely adjustments to the portfolios' allocations to reflect the Fund manager's views on the current market environment.

The final stage in the investment process is deciding how best to take exposure to each asset class. This may be achieved by investing in ***collective investment schemes***, investing directly in asset classes and investing in ***derivatives***.

The Fund aims to meet its objective with a focus on lower ongoing charges. This is taken into consideration when deciding which asset classes the Fund will invest in and how the Fund achieves exposure to those asset classes.

Under typical market conditions, the portfolio will have the following asset class exposures. It should be noted that these percentages will fluctuate based upon market movement and adjustments to the ***asset allocation*** to enable the Fund to meet its aim.

| Asset class | Exposure as a percentage of the Fund |
|---|---|
| ***Equity***<br>Global ***Equity*** | 45% - 70% |
| ***Bonds***<br>Global ***Developed Market*** Government ***Bonds***<br>Global ***Investment Grade*** Corporate ***Bonds*** | 20% - 55% |
| **Property securities** | 0% - 15% |

| | | |
|---|---|---|
| | **Use of Benchmark**<br>The Fund is not managed with reference to a benchmark. The performance of the Fund is shown against the performance of funds that are part of the Morningstar Allocation 40-60% Equity category, with both ***returns*** and ***volatility*** considered in the comparison. The Morningstar Allocation 40-60% Equity category has been selected to enable investors to assess the performance of the Fund because it consists of types of funds that are broadly similar to the Fund. Many funds sold in the UK (and globally) are grouped into categories by Morningstar, an independent data provider, to help investors to compare funds with broadly similar characteristics.<br><br>**Use of Derivatives**<br>The Fund may invest in ***exchange traded*** and ***over-the-counter derivatives*** in accordance with Part C and Part D of Appendix 3. In particular, ***equity index futures*** may be used to increase or reduce ***equity*** exposure and ***bond index futures*** may be used with the aim of managing the overall ***bond duration***.<br><br>***Currency forward contracts*** will be used to gain exposure to currencies or with the aim of ***hedging*** against movements in the rate of exchange between Sterling and the currency in which the bonds and other assets may be denominated. | |
| SRRI** | 4 | |
| HSBC Risk Level Explanation | The five risk levels are based on ***volatility*** bands as defined by HSBC. ***Volatility*** is a measure of investment risk. This differs from the ***SRRI*** which is scored on a scale of 1 to 7 and calculated using historical price ***volatility*** over the last five years.<br><br>The Fund will be managed to operate in line with its risk profile. We will use our forward looking expectations for each asset class held in the Fund and combine them to maximise potential ***returns***, typically within a ***volatility*** range of 8% - 11%. It is important to remember that this is based on forward looking expectations and that the actual ***volatility*** of the Fund will depend on market conditions. Therefore, there may be periods of time where the ***volatility*** of the Fund is higher or lower than the ***volatility*** range above. | |
| Share Classes Currently Offered | Retail X Accumulation<br>Income C | Accumulation C<br>CTF Accumulation |
| Risk Categories<br><br>(refer to Section "Risks" on page 31) | General<br>Cancellation<br>Efficient Portfolio Management (EPM) and Counterparty Risk<br>Leverage Risk<br>Collateral Risk<br>Fixed Income Securities<br>Currency Exchange Rates<br>Investing in Europe<br>High Yield<br>Smaller Companies<br>Banned Weapons Policy<br>Derivatives<br>Property<br>Hedge Funds<br>Alternative Investments<br>Private Equity<br>Commodities<br>Effect of Initial Charge<br>Suspension of Dealings<br>Liabilities<br>Emerging Markets<br>Unregulated Funds | |

| **Global Strategy Cautious Portfolio** | |
|---|---|
| Investment Objective | The Fund aims to provide ***growth*** in line with its risk profile in the long term, which is a period of five years or more. The Fund's risk profile is rated as 1, where 1 is a lower level of risk and 5 is a higher level of risk.<br><br>[Note: see HSBC Risk Level Explanation section below] |
| Investment Policy | To achieve its objective the Fund will invest a minimum of 50% in ***collective investment schemes***, including ***exchange traded*** funds, and directly into certain asset classes. The ***collective investment schemes*** that the Fund may invest in include those which aim to track the performance of ***market indices***. Such assets shall, in turn, invest in shares of companies (***equities)***, ***bonds*** and property securities that make up the relevant index.<br><br>The Fund may also invest up to 50% directly in ***bonds*** where exposure to this asset class can be adequately achieved with a relatively low number of holdings and may invest directly in shares of companies and property securities in limited circumstances. The Fund will be invested across global markets, with a bias towards ***bonds***.<br><br>The ***collective investment schemes*** that the Fund invests in will, where possible, be those managed or operated by the ***HSBC Group***. Where this is not possible the Fund may invest in ***collective investment schemes*** operated by third party fund providers.<br><br>The Fund may also invest in ***money market instruments***, deposits and cash to manage day-to-day cash flow requirements.<br><br>The Fund may invest in ***derivatives*** for ***efficient portfolio management*** purposes, including ***hedging***. This means investment techniques that aim to reduce risks, reduce costs or generate ***growth*** and ***income***. The Fund may also use ***derivatives*** for broader investment purposes to help the Fund meet its objective. The Fund does not intend to use ***derivatives*** extensively and their use will be consistent with the risk profile of the Fund. |
| Investment Strategy | This is one of a range of ***actively managed*** Global Strategy Portfolios offered at five different risk levels. The ***asset allocation*** of each fund in the range reflects the risk level. The Fund is managed with the aim of maximising ***returns*** in line with its agreed long term risk profile of 1, where 1 is a lower level of risk and 5 is a higher level of risk therefore any potential gains are likely to be limited by the risk profile of the Fund.<br><br>The starting point for the Global Strategy Portfolios is the ***asset allocation*** for each risk level.<br><br>The ***asset allocation*** positions are regularly monitored in order to make timely adjustments to the portfolios' allocations to reflect the Fund manager's views on the current market environment.<br><br>The final stage in the investment process is deciding how best to take exposure to each asset class. This may be achieved by investing in ***collective investment schemes***, investing directly in asset classes and investing in ***derivatives***.<br><br>The Fund aims to meet its objective with a focus on lower ongoing charges. This focus is taken into consideration when deciding which asset classes the Fund will invest in and how the Fund achieves exposure to those asset classes.<br><br>Under typical market conditions, the portfolio will have the following asset class exposures. It should be noted that these percentages will fluctuate based upon market movement and adjustments to the ***asset allocation*** to enable the Fund to meet its aim. |

| **Asset class** | **Exposure as a percentage of the Fund** |
|---|---|
| ***Equity***<br>Global ***Equity*** | 10% - 40% |
| ***Bonds***<br>Global ***Developed Market*** Government ***Bonds***<br>Global ***Investment Grade*** Corporate ***Bonds*** | 60% - 90% |
| **Property securities** | 0% - 15% |

| | |
|---|---|
| | **Use of Benchmark**<br>The Fund is not managed with reference to a benchmark. The performance of the Fund is shown against the performance of funds that are part of the Morningstar Allocation 0-20% Equity category, with both ***returns*** and ***volatility*** considered in the comparison. The Morningstar Allocation 0-20% Equity category has been selected to enable investors to assess the performance of the Fund because it consists of types of funds that are broadly similar to the Fund. Many funds sold in the UK (and globally) are grouped into categories by Morningstar, an independent data provider, to help investors to compare funds with broadly similar characteristics.<br><br>**Use of Derivatives**<br>The Fund may invest in ***exchange traded*** and ***over-the-counter derivatives*** in accordance with Part C and Part D of Appendix 3. In particular, ***equity index futures*** may be used to increase or reduce ***equity*** exposure and ***bond index futures*** may be used with the aim of managing the overall ***bond duration***.<br><br>***Currency forward contracts*** will be used to gain exposure to currencies or with the aim of ***hedging*** against movements in the rate of exchange between Sterling and the currency in which the bonds and other assets may be denominated. |
| SRRI** | 4 |
| HSBC Risk Level Explanation | The five risk levels are based on ***volatility*** bands as defined by HSBC. ***Volatility*** is a measure of investment risk. This differs from the ***SRRI*** which is scored on a scale of 1 to 7 and calculated using historical price ***volatility*** over the last five years.<br><br>The Fund will be managed to operate in line with its risk profile. We will use our forward looking expectations for each asset class held in the Fund and combine them to maximise potential ***returns***, typically within a ***volatility*** range of 0% - 5%. It is important to remember that this is based on forward looking expectations and that the actual ***volatility*** of the Fund will depend on market conditions. Therefore, there may be periods of time where the ***volatility*** of the Fund is higher or lower than the ***volatility*** range above. |
| Share Classes Currently Offered | Retail X Accumulation<br>Income C<br>Accumulation C |
| Risk Categories<br><br>(refer to Section "Risks" on page 31) | General<br>Cancellation<br>Efficient Portfolio Management (EPM) and Counterparty Risk<br>Leverage Risk<br>Collateral Risk<br>Fixed Income Securities<br>Currency Exchange Rates<br>Investing in Europe<br>High Yield<br>Smaller Companies<br>Banned Weapons Policy<br>Derivatives<br>Property<br>Hedge Funds<br>Alternative Investments<br>Private Equity<br>Commodities<br>Effect of Initial Charge<br>Suspension of Dealings<br>Liabilities<br>Emerging Markets<br>Unregulated Funds |

| Global Strategy Conservative Portfolio | |
|---|---|
| Investment Objective | The Fund aims to provide ***growth*** in line with its risk profile in the long term, which is a period of five years or more. The Fund's risk profile is rated as 2, where 1 is a lower level of risk and 5 is a higher level of risk.<br><br>[Note: see HSBC Risk Level Explanation section below] |
| Investment Policy | To achieve its objective the Fund will invest a minimum of 70% in ***collective investment schemes***, including ***exchange traded*** funds, which aim to track the performance of ***market indices***. Such assets shall, in turn, invest in ***bonds***, shares of companies (***equities***), and property securities that make up the relevant index. The Fund may also invest up to 30% directly in ***bonds*** where exposure to this asset class can be adequately achieved with a relatively low number of holdings and may invest directly in shares of companies and property securities in limited circumstances. The Fund will be invested across global markets, with a bias towards ***bonds***.<br><br>The ***collective investment schemes*** that the Fund invests in will, where possible, be those managed or operated by the ***HSBC Group***. Where this is not possible the Fund may invest in ***collective investment schemes*** operated by third party fund providers.<br><br>The Fund may also invest in ***money market instruments***, deposits and cash to manage day-to-day cash flow requirements.<br><br>The Fund may invest in ***derivatives*** for ***efficient portfolio management*** purposes, including ***hedging***. This means investment techniques that aim to reduce risks, reduce costs or generate ***growth*** and ***income***. The Fund many also use ***derivatives*** for broader investment purposes to help the Fund meet its objective. The Fund does not intend to use ***derivatives*** extensively and their use will be consistent with the risk profile of the Fund. |
| Investment Strategy | This is one of a range of ***actively managed*** Global Strategy Portfolios offered at five different risk levels. The ***asset allocation*** of each fund in the range reflects the risk level. The Fund is managed with the aim of maximising ***returns*** in line with its agreed long term risk profile of 2, where 1 is a lower level of risk and 5 is a higher level of risk therefore any potential gains are likely to be limited by the risk profile of the Fund.<br><br>The starting point for the Global Strategy Portfolios is the ***asset allocation*** for each risk level.<br><br>The ***asset allocation*** positions are regularly monitored in order to make timely adjustments to the portfolios' allocations to reflect the Fund manager's views on the current market environment.<br><br>The final stage in the investment process is deciding how best to take exposure to each asset class. This may be achieved by investing in ***collective investment schemes***, investing directly in asset classes and investing in ***derivatives***.<br><br>The Fund aims to meet its objective with a focus on lower ongoing charges. This is taken into consideration when deciding which asset classes the Fund will invest in and how the Fund achieves exposure to those asset classes.<br><br>Under typical market conditions, the portfolio will have the following asset class exposures. It should be noted that these percentages will fluctuate based upon market movement and adjustments to the ***asset allocation*** to enable the Fund to meet its aim. |

| Asset class | Exposure as a percentage of the Fund |
|---|---|
| ***Equity*** | 25% - 50% |
| ***Bonds***<br>Global ***Developed Market*** Government ***Bonds***<br>Global ***Investment Grade*** Corporate ***Bonds*** | 40% - 75% |
| **Property securities** | 0% - 15% |

| | |
|---|---|
| | **Use of Benchmark**<br>The Fund is not managed with reference to a benchmark. The performance of the Fund is shown against the performance of funds that are part of the Morningstar Allocation 20-40% Equity category, with both ***returns*** and ***volatility*** considered in the comparison. The Morningstar Allocation 20-40% Equity category has been selected to enable investors to assess the performance of the Fund because it consists of types of funds that are broadly similar to the Fund. Many funds sold in the UK (and globally) are grouped into categories by Morningstar, an independent data provider, to help investors to compare funds with broadly similar characteristics.<br><br>**Use of Derivatives**<br>The Fund may invest in ***exchange traded*** and ***over-the-counter derivatives*** in accordance with Part C and Part D of Appendix 3. In particular, ***equity index futures*** may be used to increase or reduce ***equity*** exposure and ***bond index futures*** may be used with the aim of managing the overall ***bond duration***.<br><br>***Currency forward contracts*** will be used to gain exposure to currencies or with the aim of ***hedging*** against movements in the rate of exchange between Sterling and the currency in which the bonds and other assets may be denominated. |
| SRRI** | 4 |
| HSBC Risk Level Explanation | The five risk levels are based on ***volatility*** bands as defined by HSBC. ***Volatility*** is a measure of investment risk. This differs from the ***SRRI*** which is scored on a scale of 1 to 7 and calculated using historical price ***volatility*** over the last five years.<br><br>The Fund will be managed to operate in line with its risk profile. We will use our forward looking expectations for each asset class held in the Fund and combine them to maximise potential ***returns***, typically within a ***volatility*** range of 5% - 8%. It is important to remember that this is based on forward looking expectations and that the actual ***volatility*** of the Fund will depend on market conditions. Therefore, there may be periods of time where the ***volatility*** of the Fund is higher or lower than the ***volatility*** range above. |
| Share Classes Currently Offered | Income C<br>Accumulation C |
| Risk Categories<br><br>(refer to Section "Risks" on page 31) | General<br>Cancellation<br>Efficient Portfolio Management (EPM) and Counterparty Risk<br>Leverage Risk<br>Collateral Risk<br>Fixed Income Securities<br>Currency Exchange Rates<br>Investing in Europe<br>High Yield<br>Smaller Companies<br>Banned Weapons Policy<br>Derivatives<br>Property<br>Hedge Funds<br>Alternative Investments<br>Private Equity<br>Commodities<br>Effect of Initial Charge<br>Suspension of Dealings<br>Liabilities<br>Emerging Markets<br>Unregulated Funds |

## Global Strategy Dynamic Portfolio

| | |
|---|---|
| Investment Objective | The Fund aims to provide ***growth*** in line with its risk profile in the long term, which is a period of five years or more. The Fund's risk profile is rated as 4, where 1 is a lower level of risk and 5 is a higher level of risk.<br><br>[Note: see HSBC Risk Level Explanation section below] |
| Investment Policy | To achieve its objective the Fund will invest a minimum of 70% in ***collective investment schemes***, including ***exchange traded*** funds, which aim to track the performance of ***market indices***. Such assets shall, in turn, invest in shares of companies (***equities***), ***bonds*** and property securities that make up the relevant index. The Fund may also invest up to 30% directly in ***bonds*** where exposure to an asset class can be adequately achieved with a relatively low number of holdings and may invest directly in shares of companies and property securities in limited circumstances. The Fund will be invested across global markets, with a bias towards shares of companies.<br><br>The ***collective investment schemes*** that the Fund invests in will, where possible, be those managed or operated by the ***HSBC Group***. Where this is not possible the Fund may invest in ***collective investment schemes*** operated by third party fund providers.<br><br>The Fund may also invest in ***money market instruments***, deposits and cash to manage day-to-day cash flow requirements.<br><br>The Fund may invest in ***derivatives*** for ***efficient portfolio management*** purposes, including ***hedging***. This means investment techniques that aim to reduce risks, reduce costs or generate ***growth*** and ***income***. The Fund may also use ***derivatives*** for broader investment purposes to help the Fund meet its objective. The Fund does not intend to use ***derivatives*** extensively and their use will be consistent with the risk profile of the Fund. |
| Investment Strategy | This is one of a range of ***actively managed*** Global Strategy Portfolios offered at five different risk levels. The ***asset allocation*** of each fund in the range reflects the risk level. The Fund is managed with the aim of maximising ***returns*** in line with its agreed long term risk profile of 4, where 1 is a lower level of risk and 5 is a higher level of risk therefore any potential gains are likely to be limited by the risk profile of the Fund.<br><br>The starting point for the Global Strategy Portfolios is the ***asset allocation*** for each risk level.<br><br>The ***asset allocation*** positions are regularly monitored in order to make timely adjustments to the portfolios' allocations to reflect the Fund manager's views on the current market environment.<br><br>The final stage in the investment process is deciding how best to take exposure to each asset class. This may be achieved by investing in ***collective investment schemes***, investing directly in asset classes and investing in ***derivatives***.<br><br>The Fund aims to meet its objective with a focus on lower ongoing charges. This is taken into consideration when deciding which asset classes the Fund will invest in and how the Fund achieves exposure to those asset classes.<br><br>Under typical market conditions, the portfolio will have the following asset class exposures. It should be noted that these percentages will fluctuate based upon market movement and adjustments to the ***asset allocation*** to enable the Fund to meet its aim. |

| Asset class | Exposure as a percentage of the Fund |
|---|---|
| ***Equity***<br>Global ***Equity*** | 60% - 90% |
| ***Bonds***<br>Global ***Developed Market*** Government ***Bonds***<br>Global ***Investment Grade*** Corporate ***Bonds*** | 10% - 40% |
| **Property securities** | 0% - 15% |

| | |
|---|---|
| | **Use of Benchmark**<br>The Fund is not managed with reference to a benchmark. The performance of the Fund is shown against the performance of funds that are part of the Morningstar Allocation 60-80% Equity category, with both ***returns*** and ***volatility*** considered in the comparison. The Morningstar Allocation 60-80% Equity category has been selected to enable investors to assess the performance of the Fund because it consists of types of funds that are broadly similar to the Fund. Many funds sold in the UK (and globally) are grouped into categories by Morningstar, an independent data provider, to help investors to compare funds with broadly similar characteristics.<br><br>**Use of Derivatives**<br>The Fund may invest in ***exchange traded*** and ***over-the-counter derivatives*** in accordance with Part C and Part D of Appendix 3. In particular, ***equity index futures*** may be used to increase or reduce ***equity*** exposure and ***bond index futures*** may be used with the aim of managing the overall ***bond duration***.<br><br>***Currency forward contracts*** will be used to gain exposure to currencies or with the aim of ***hedging*** against movements in the rate of exchange between Sterling and the currency in which the bonds and other assets may be denominated. |
| SRRI** | 5 |
| HSBC Risk Level Explanation | The five risk levels are based on ***volatility*** bands as defined by HSBC. ***Volatility*** is a measure of investment risk. This differs from the ***SRRI*** which is scored on a scale of 1 to 7 and calculated using historical price ***volatility*** over the last five years.<br><br>The Fund will be managed to operate in line with its risk profile. We will use our forward looking expectations for each asset class held in the Fund and combine them to maximise potential ***returns***, typically within a ***volatility*** range of 11% - 14%. It is important to remember that this is based on forward looking expectations and that the actual ***volatility*** of the Fund will depend on market conditions. Therefore, there may be periods of time where the ***volatility*** of the Fund is higher or lower than the ***volatility*** range above. |
| Share Classes Currently Offered | Retail X Accumulation<br>Income C<br>Accumulation C |
| Risk Categories<br><br>(refer to Section "Risks" on page 31) | General<br>Cancellation<br>Efficient Portfolio Management (EPM) and Counterparty Risk<br>Leverage Risk<br>Collateral Risk<br>Fixed Income Securities<br>Currency Exchange Rates<br>Investing in Europe<br>High Yield<br>Smaller Companies<br>Banned Weapons Policy<br>Derivatives<br>Property<br>Hedge Funds<br>Alternative Investments<br>Private Equity<br>Commodities<br>Effect of Initial Charge<br>Suspension of Dealings<br>Liabilities<br>Emerging Markets<br>Unregulated Funds |

| **Global Strategy Sustainable Adventurous Portfolio*** <br> * This Fund is currently being wound up and is no longer available for investment. | |
|---|---|
| Investment Objective | The Fund aims to provide ***growth*** in line with its risk profile in the long term, which is a period of five years or more. The Fund's risk profile is rated as 5 where 1 is a lower level of risk and 5 is a higher level of risk. The Fund aims to invest in assets that form part of a sustainable investment strategy but may also invest in assets that do not form part of a sustainable investment strategy in order to meet the Fund's aim of providing growth in line with its risk profile. <br><br> [Note: see HSBC Risk Level Explanation section below] <br> [Note: see Sustainable Investment Strategies section below for a summary of the strategies or contact the ACD for further information] |
| Investment Policy | To achieve its objective, the Fund will invest a minimum of 80% of its value in ***collective investment schemes***, which in turn provide exposure to ***bonds***, shares of companies (***equities***) and property securities. The Fund may also invest up to 20% of its value directly in ***bonds*** and shares of companies where the investment objective can be more efficiently achieved. The Fund will be invested across global markets and under typical market conditions will have a bias towards exposure to shares of companies through investment in collective investment schemes or direct investment in shares of companies. <br><br> Under typical market conditions the Fund will invest a minimum of 70% of its value in assets that form part of a sustainable investment strategy. <br><br> The ***collective investment schemes*** that the Fund invests in will, where appropriate, be those managed or operated by the HSBC Group. Where this is not appropriate the Fund may invest in ***collective investment schemes*** operated by third party fund providers. <br><br> The Fund may also invest in ***money market instruments***, deposits and cash to manage day-to-day cash flow requirements. <br><br> The Fund may invest in ***derivatives*** for ***efficient portfolio management*** purposes, including ***hedging***. This means investment techniques that aim to reduce risks, reduce costs or generate ***growth*** and ***income***. The Fund may also use ***derivatives*** for broader investment purposes to help the Fund meet its objective. The Fund does not intend to use ***derivatives*** extensively and their use will be consistent with the risk profile of the Fund. |
| Investment Strategy | This is one of a range of ***actively managed*** Global Strategy Sustainable Portfolios offered at different risk levels. The ***asset allocation*** of each fund in the range reflects the risk level. The Fund is managed with the aim of maximising ***returns*** in line with its agreed long term risk profile of 5, where 1 is a lower level of risk and 5 is a higher level of risk therefore any potential ***returns*** are likely to be limited by the risk profile of the Fund. <br><br> The starting point for the Global Strategy Sustainable Portfolios is the ***asset allocation*** for each risk level. <br><br> The ***asset allocation*** positions are regularly monitored in order to make timely adjustments to the portfolios' allocations to reflect the Fund manager's views on the current market environment. <br><br> The final stage in the investment process is deciding how best to take exposure to each asset class. This may be achieved by investing in ***collective investment schemes***, investing directly in asset classes and investing in ***derivatives***. <br><br> The potential for the Fund to invest in assets that form part of a sustainable investment strategy, together with a focus on lower ongoing charges, is taken into |

consideration when deciding which asset classes the Fund will invest in and how the Fund achieves exposure to those asset classes.

Under typical market conditions, the portfolio is anticipated to have the following asset class exposures, achieved through investment in ***collective investment schemes*** where applicable. It should be noted that these percentages will fluctuate based upon market movement and adjustments to the ***asset allocation*** to enable the Fund to meet its aim. This may mean that the asset class exposures are, at times, outside of the ranges shown.

| Asset class | Exposure as a percentage of the Fund |
|---|---|
| ***Equity***<br>Global ***Equity*** | 75% - 100% |
| ***Bonds***<br>Global ***Developed Market*** Government ***Bonds***<br>Global ***Investment Grade*** Corporate ***Bonds*** | 0% - 25% |
| **Property securities** | 0% - 15% |

***Use of Benchmark***
The Fund is not managed with reference to a benchmark. The performance of the Fund is shown against the performance of funds that are part of the Morningstar Allocation 80%+ Equity category, with both ***returns*** and ***volatility*** considered in the comparison. The Morningstar Allocation 80%+ Equity category has been selected to enable investors to assess the performance of the Fund because it consists of types of funds that are broadly similar to the Fund. Many funds sold in the UK (and globally) are grouped into categories by Morningstar, an independent data provider, to help investors to compare funds with broadly similar characteristics.

**Environmental, Social and Governance (ESG) Scores and Carbon Intensity**
To demonstrate the performance of the Fund against its sustainable investment aim the ESG scores and carbon intensity of the Fund are shown compared to the ESG scores and carbon intensity of a reference comparator. ESG scores seek to measure how well an entity, for example a company or government, is managing its key ESG risks. This takes account of a number of factors under each of the environmental, social and governance themes. The scores are adjusted to recognise how well the entity is managing its ESG risks relative to its peers, for example other similar companies.

Carbon intensity considers how much an entity, for example a company or government, contributes to global carbon emissions relative to its economic output, for example relative to the revenues a company generates.

The reference comparator represents the ESG scores and carbon intensity the Fund might have achieved if it did not have a sustainable investment aim. The reference comparator is a combination of ***market capitalisation indices*** that represent the asset classes held by the Fund and in the same proportions (weighting) as the Fund. As at the date of the Prospectus the indices used are shown below:

| Asset class | Index |
|---|---|
| ***US*** Equity | MSCI USA NET TR Index |
| ***Europe ex UK*** Equity | MSCI Europe ex UK NET TR Index |
| ***UK*** Equity | MSCI UK TR Index |
| ***Japan*** Equity | MSCI Japan NET TR Index |
| ***Pac ex Japan*** Equity | MSCI Pacific ex Japan NET TR Index |
| Global ***Emerging Market Equity*** | MSCI Emerging Markets Index |
| Global ***Developed Market*** Government ***Bonds*** | Bloomberg Barclays Global Aggregate Treasuries Index |
| Global ***Investment Grade*** Corporate ***Bonds*** | Bloomberg Barclays Global Aggregate Corporates Index |
| Property securities | FTSE EPRA Nareit Developed Index |

| | |
|---|---|
| | The composition of the reference comparator varies over time broadly in line with the asset classes and proportions held by the Fund.<br>**Use of Derivatives**<br>The Fund may invest in ***exchange traded*** and ***over-the-counter derivatives*** in accordance with Part C and Part D of Appendix 3. In particular, ***equity index futures*** may be used to increase or reduce ***equity*** exposure and ***bond index futures*** may be used with the aim of managing the overall ***bond duration***.<br><br>***Currency forward contracts*** will be used to gain exposure to currencies or with the aim of ***hedging*** against movements in the rate of exchange between Sterling and the currency in which the bonds and other assets may be denominated. |
| Sustainable Investment Strategies | Under typical market conditions a minimum of 70% of the Fund's value will be invested in assets that form part of a sustainable investment strategy. The sustainable investment strategies will invest according to both (a) HSBC Asset Management's responsible investing policies[1]; and (b) at least one or more of the below strategies.<br><br>**It is important to note that there may be periods where all of the strategies are represented in the Fund and other times where not all of the strategies are held.**<br><br>• **ESG Enhanced strategies** – covers the following strategies that intentionally invest in companies based on relative ESG performance or momentum:<br>    o Strategies that aim to invest in ESG improving companies (e.g. companies with an improving Carbon Intensity Rating or improving overall ESG scores); or<br>    o Strategies that aim to deliver a specified outcome (e.g. having a better ESG score than a benchmark) by focusing on investments with a high ESG score; or<br>    o Strategies that aim, through positive screening (best-in-class screening), to invest in sectors, companies or projects that are relatively more advanced in managing ESG risks/opportunities (e.g. investing in companies with top performing ESG scores for their sector or in the investment universe); or<br>    o Strategies that aim, through negative screening or norms-based screening, to exclude sectors or companies based on specific ESG criteria or against minimum standards of business practice based on international norms. The percentage of a company's revenue that relates to excluded activities may be taken into account in determining whether the company meets the exclusion criteria.<br>• **Thematic** – covers strategies investing in ESG related growth areas and trends, by seeking out companies or sectors that align with specific sustainable outcomes (e.g. climate change, clean energy, or demographics). This may include themes aligned with one or more United Nations Sustainable Development Goals and, depending on the theme, may be identified based on revenues that are generated from products or services related to such theme.<br>• **Impact investing** – direct investing into companies, organisations and funds with the intention to deliver a direct, positive and measurable impact on society and/or the environment (e.g. green bonds, social impact bonds).<br><br>In accordance with HSBC Asset Management's responsible investing policies, sustainable investment strategies will not invest in companies considered to be involved in controversial weapons (i.e. those banned by international convention), including but not limited to cluster munitions and/or anti-personnel mines and/or biological weapons and/or blinding laser weapons.<br><br>To identify investments that form part of a sustainable investment strategy, the Fund manager may rely on expertise, research and information provided by well-established financial data providers (when available) and/or its own proprietary research.<br><br>The assets of the Fund are regularly reviewed to ensure they comply with the sustainable investment strategy requirements detailed above. The Fund may |

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| | disinvest, in an efficient manner, from assets that no longer meet these requirements. The Fund may invest in assets that do not form part of a sustainable investment strategy in order to meet its investment objective.<br><br>Sustainable investments is an evolving theme and the range of sustainable investment strategies the Fund invests in may change in future.<br><br>Further information about the sustainable investment strategies utilised, including exclusions applied where applicable, may be obtained by contacting the ACD.<br><br>[1] HSBC Asset Management's responsible investing policies can be found on the HSBC Global Asset Management (UK) Limited website |
| SRRI** | 5 |
| HSBC Risk Level Explanation | The five risk levels are based on ***volatility*** bands as defined by HSBC. ***Volatility*** is a measure of investment risk. This differs from the ***SRRI*** which is scored on a scale of 1 to 7 and calculated using historical price ***volatility*** over the last five years.<br><br>The Fund will be managed to operate in line with its risk profile. We will use our forward looking expectations for each asset class held in the Fund and combine them to maximise potential ***returns***, typically within a ***volatility*** range of 14% to 17%. It is important to remember that this is based on forward looking expectations and that the actual ***volatility*** of the Fund will depend on market conditions. Therefore, there may be periods of time where the ***volatility*** of the Fund is higher or lower than the ***volatility*** range above. |
| Share Classes Currently Offered | Income C<br>Accumulation C |
| Risk Categories<br><br>(refer to Section "Risks" on page 31) | General<br>Cancellation<br>Efficient Portfolio Management (EPM) and Counterparty Risk<br>Leverage Risk<br>Collateral Risk<br>Fixed Income Securities<br>Currency Exchange Rates<br>Investing in Europe<br>United Kingdom leaving the European Union<br>High Yield<br>Smaller Companies<br>Banned Weapons Policy<br>Derivatives<br>Property<br>Hedge Funds<br>Alternative Investments<br>Private Equity<br>Commodities<br>Effect of Initial Charge<br>Suspension of Dealings<br>Liabilities<br>Emerging Markets<br>New Funds<br>Unregulated Funds<br>Environment, Social and Governance (ESG) Scoring Risk<br>Sustainable Funds and Environment, Social and Governance (ESG) data |

## Global Strategy Sustainable Balanced Portfolio*

* This Fund is currently being wound up and is no longer available for investment.

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| Investment Objective | The Fund aims to provide ***growth*** in line with its risk profile in the long term, which is a period of five years or more. The Fund's risk profile is rated as 3 where 1 is a lower level of risk and 5 is a higher level of risk. The Fund aims to invest in assets that form part of a sustainable investment strategy but may also invest in assets that do not form part of a sustainable investment strategy in order to meet the Fund's aim of providing growth in line with its risk profile.<br><br>[Note: see HSBC Risk Level Explanation section below]<br>[Note: see Sustainable Investment Strategies section below for a summary of the strategies or contact the ACD for further information] |
| Investment Policy | To achieve its objective, the Fund will invest a minimum of 80% of its value in ***collective investment schemes***, which in turn provide exposure to ***bonds***, shares of companies (***equities***) and property securities. The Fund may also invest up to 20% of its value directly in ***bonds*** and shares of companies where the investment objective can be more efficiently achieved. The Fund will be invested across global markets.<br><br>Under typical market conditions the Fund will invest a minimum of 70% of its value in assets that form part of a sustainable investment strategy.<br><br>The ***collective investment schemes*** that the Fund invests in will, where appropriate, be those managed or operated by the HSBC Group. Where this is not appropriate the Fund may invest in ***collective investment schemes*** operated by third party fund providers.<br><br>The Fund may also invest in ***money market instruments***, deposits and cash to manage day-to-day cash flow requirements.<br><br>The Fund may invest in ***derivatives*** for ***efficient portfolio management*** purposes, including ***hedging***. This means investment techniques that aim to reduce risks, reduce costs or generate ***growth*** and ***income***. The Fund may also use ***derivatives*** for broader investment purposes to help the Fund meet its objective. The Fund does not intend to use ***derivatives*** extensively and their use will be consistent with the risk profile of the Fund. |
| Investment Strategy | This is one of a range of ***actively managed*** Global Strategy Sustainable Portfolios offered at different risk levels. The ***asset allocation*** of each fund in the range reflects the risk level. The Fund is managed with the aim of maximising ***returns*** in line with its agreed long term risk profile of 3, where 1 is a lower level of risk and 5 is a higher level of risk therefore any potential ***returns*** are likely to be limited by the risk profile of the Fund.<br><br>The starting point for the Global Strategy Sustainable Portfolios is the ***asset allocation*** for each risk level.<br><br>The ***asset allocation*** positions are regularly monitored in order to make timely adjustments to the portfolios' allocations to reflect the Fund manager's views on the current market environment.<br><br>The final stage in the investment process is deciding how best to take exposure to each asset class. This may be achieved by investing in ***collective investment schemes***, investing directly in asset classes and investing in ***derivatives***.<br><br>The potential for the Fund to invest in assets that form part of a sustainable investment strategy, together with a focus on lower ongoing charges, is taken into consideration when deciding which asset classes the Fund will invest in and how the Fund achieves exposure to those asset classes. |

Under typical market conditions, the portfolio is anticipated to have the following asset class exposures, achieved through investment in ***collective investment schemes*** where applicable. It should be noted that these percentages will fluctuate based upon market movement and adjustments to the ***asset allocation*** to enable the Fund to meet its aim. This may mean that the asset class exposures are, at times, outside of the ranges shown.

| **Asset class** | **Exposure as a percentage of the Fund** |
|---|---|
| **Equity**<br>Global Equity | 45% - 70% |
| **Bonds**<br>Global ***Developed Market*** Government ***Bonds***<br>Global ***Investment Grade*** Corporate ***Bonds*** | 20% - 55% |
| **Property securities** | 0% - 15% |

***Use of Benchmark***

The Fund is not managed with reference to a benchmark. The performance of the Fund is shown against the performance of funds that are part of the Morningstar Allocation 40-60% Equity category, with both ***returns*** and ***volatility*** considered in the comparison. The Morningstar Allocation 40-60% Equity category has been selected to enable investors to assess the performance of the Fund because it consists of types of funds that are broadly similar to the Fund. Many funds sold in the UK (and globally) are grouped into categories by Morningstar, an independent data provider, to help investors to compare funds with broadly similar characteristics.

**Environmental, Social and Governance (ESG) Scores and Carbon Intensity**

To demonstrate the performance of the Fund against its sustainable investment aim the ESG scores and carbon intensity of the Fund are shown compared to the ESG scores and carbon intensity of a reference comparator. ESG scores seek to measure how well an entity, for example a company or government, is managing its key ESG risks. This takes account of a number of factors under each of the environmental, social and governance themes. The scores are adjusted to recognise how well the entity is managing its ESG risks relative to its peers, for example other similar companies.

Carbon intensity considers how much an entity, for example a company or government, contributes to global carbon emissions relative to its economic output, for example relative to the revenues a company generates.

The reference comparator represents the ESG scores and carbon intensity the Fund might have achieved if it did not have a sustainable investment aim. The reference comparator is a combination of ***market capitalisation indices*** that represent the asset classes held by the Fund and in the same proportions (weighting) as the Fund. As at the date of the Prospectus the indices used are shown below:

| **Asset class** | **Index** |
|---|---|
| ***US*** Equity | MSCI USA NET TR Index |
| ***Europe ex UK*** Equity | MSCI Europe ex UK NET TR Index |
| ***UK*** Equity | MSCI UK TR Index |
| ***Japan*** Equity | MSCI Japan NET TR Index |
| ***Pac ex Japan*** Equity | MSCI Pacific ex Japan NET TR Index |
| Global ***Emerging Market Equity*** | MSCI Emerging Markets Index |
| Global ***Developed Market*** Government ***Bonds*** | Bloomberg Barclays Global Aggregate Treasuries Index |
| Global ***Investment Grade*** Corporate ***Bonds*** | Bloomberg Barclays Global Aggregate Corporates Index |
| Property securities | FTSE EPRA Nareit Developed Index |

| | |
|---|---|
| | The composition of the reference comparator varies over time broadly in line with the asset classes and proportions held by the Fund.<br><br>**Use of Derivatives**<br>The Fund may invest in ***exchange traded*** and ***over-the-counter derivatives*** in accordance with Part C and Part D of Appendix 3. In particular, ***equity index futures*** may be used to increase or reduce ***equity*** exposure and ***bond index futures*** may be used with the aim of managing the overall ***bond duration***.<br><br>***Currency forward contracts*** will be used to gain exposure to currencies or with the aim of ***hedging*** against movements in the rate of exchange between Sterling and the currency in which the bonds and other assets may be denominated. |
| Sustainable Investment Strategies | Under typical market conditions a minimum of 70% of the Fund's value will be invested in assets that form part of a sustainable investment strategy. The sustainable investment strategies will invest according to both (a) HSBC Asset Management's responsible investing policies[1]; and (b) at least one or more of the below strategies.<br><br>**It is important to note that there may be periods where all of the strategies are represented in the Fund and other times where not all of the strategies are held.**<br><br>• **ESG Enhanced strategies** – covers the following strategies that intentionally invest in companies based on relative ESG performance or momentum:<br>   o Strategies that aim to invest in ESG improving companies (e.g. companies with an improving Carbon Intensity Rating or improving overall ESG scores); or<br>   o Strategies that aim to deliver a specified outcome (e.g. having a better ESG score than a benchmark) by focusing on investments with a high ESG score; or<br>   o Strategies that aim, through positive screening (best-in-class screening), to invest in sectors, companies or projects that are relatively more advanced in managing ESG risks/opportunities (e.g. investing in companies with top performing ESG scores for their sector or in the investment universe); or<br>   o Strategies that aim, through negative screening or norms-based screening, to exclude sectors or companies based on specific ESG criteria or against minimum standards of business practice based on international norms. The percentage of a company's revenue that relates to excluded activities may be taken into account in determining whether the company meets the exclusion criteria.<br>• **Thematic** – covers strategies investing in ESG related growth areas and trends, by seeking out companies or sectors that align with specific sustainable outcomes (e.g. climate change, clean energy, or demographics). This may include themes aligned with one or more United Nations Sustainable Development Goals and, depending on the theme, may be identified based on revenues that are generated from products or services related to such theme.<br>• **Impact investing** – direct investing into companies, organisations and funds with the intention to deliver a direct, positive and measurable impact on society and/or the environment (e.g. green bonds, social impact bonds).<br><br>In accordance with HSBC Asset Management's responsible investing policies, sustainable investment strategies will not invest in companies considered to be involved in controversial weapons (i.e. those banned by international convention), including but not limited to cluster munitions and/or anti-personnel mines and/or biological weapons and/or blinding laser weapons.<br><br>To identify investments that form part of a sustainable investment strategy, the Fund manager may rely on expertise, research and information provided by well-established financial data providers (when available) and/or its own proprietary research.<br><br>The assets of the Fund are regularly reviewed to ensure they comply with the sustainable investment strategy requirements detailed above. The Fund may |

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|---|---|
| | disinvest, in an efficient manner, from assets that no longer meet these requirements. The Fund may invest in assets that do not form part of a sustainable investment strategy in order to meet its investment objective.<br><br>Sustainable investments is an evolving theme and the range of sustainable investment strategies the Fund invests in may change in future.<br><br>Further information about the sustainable investment strategies utilised, including exclusions applied where applicable, may be obtained by contacting the ACD.<br><br>[1] HSBC Asset Management's responsible investing policies can be found on the HSBC Global Asset Management (UK) Limited website |
| SRRI** | 4 |
| HSBC Risk Level Explanation | The five risk levels are based on ***volatility*** bands as defined by HSBC. ***Volatility*** is a measure of investment risk. This differs from the ***SRRI*** which is scored on a scale of 1 to 7 and calculated using historical price ***volatility*** over the last five years.<br><br>The Fund will be managed to operate in line with its risk profile. We will use our forward looking expectations for each asset class held in the Fund and combine them to maximise potential ***returns***, typically within a ***volatility*** range of 8% to 11%. It is important to remember that this is based on forward looking expectations and that the actual ***volatility*** of the Fund will depend on market conditions. Therefore, there may be periods of time where the ***volatility*** of the Fund is higher or lower than the ***volatility*** range above. |
| Share Classes Currently Offered | Income C<br>Accumulation C |
| Risk Categories<br><br>(refer to Section "Risks" on page 31) | General<br>Cancellation<br>Efficient Portfolio Management (EPM) and Counterparty Risk<br>Leverage Risk<br>Collateral Risk<br>Fixed Income Securities<br>Currency Exchange Rates<br>Investing in Europe<br>United Kingdom leaving the European Union<br>High Yield<br>Smaller Companies<br>Banned Weapons Policy<br>Derivatives<br>Property<br>Hedge Funds<br>Alternative Investments<br>Private Equity<br>Commodities<br>Effect of Initial Charge<br>Suspension of Dealings<br>Liabilities<br>Emerging Markets<br>New Funds<br>Unregulated Funds<br>Environment, Social and Governance (ESG) Scoring Risk<br>Sustainable Funds and Environment, Social and Governance (ESG) data |

| Global Strategy Sustainable Cautious Portfolio*<br>* This Fund is currently being wound up and is no longer available for investment. | |
|---|---|
| Investment Objective | The Fund aims to provide ***growth*** in line with its risk profile in the long term, which is a period of five years or more. The Fund's risk profile is rated as 1 where 1 is a lower level of risk and 5 is a higher level of risk. The Fund aims to invest in assets that form part of a sustainable investment strategy but may also invest in assets that do not form part of a sustainable investment strategy in order to meet the Fund's aim of providing growth in line with its risk profile.<br><br>[Note: see HSBC Risk Level Explanation section below]<br>[Note: see Sustainable Investment Strategies section below for a summary of the strategies or contact the ACD for further information] |
| Investment Policy | To achieve its objective the Fund will invest a minimum of 80% of its value in ***collective investment schemes***, which in turn provide exposure to ***bonds***, shares of companies (***equities***) and property securities. The Fund may also invest up to 20% of its value directly in ***bonds*** and shares of companies where the investment objective can be more efficiently achieved. The Fund will be invested across global markets and under typical market conditions will have a bias towards exposure to ***bonds*** through investment in collective investment schemes or direct investment in ***bonds***.<br><br>Under typical market conditions the Fund will invest a minimum of 70% of its value in assets that form part of a sustainable investment strategy.<br><br>The ***collective investment schemes*** that the Fund invests in will, where appropriate, be those managed or operated by the HSBC Group. Where this is not appropriate the Fund may invest in ***collective investment schemes*** operated by third party fund providers.<br><br>The Fund may also invest in ***money market instruments***, deposits and cash to manage day-to-day cash flow requirements.<br><br>The Fund may invest in ***derivatives*** for ***efficient portfolio management*** purposes, including ***hedging***. This means investment techniques that aim to reduce risks, reduce costs or generate ***growth*** and ***income***. The Fund may also use ***derivatives*** for broader investment purposes to help the Fund meet its objective. The Fund does not intend to use ***derivatives*** extensively and their use will be consistent with the risk profile of the Fund. |
| Investment Strategy | This is one of a range of ***actively managed*** Global Strategy Sustainable Portfolios offered at different risk levels. The ***asset allocation*** of each fund in the range reflects the risk level. The Fund is managed with the aim of maximising ***returns*** in line with its agreed long term risk profile of 1, where 1 is a lower level of risk and 5 is a higher level of risk therefore any potential ***returns*** are likely to be limited by the risk profile of the Fund.<br><br>The starting point for the Global Strategy Sustainable Portfolios is the ***asset allocation*** for each risk level.<br><br>The ***asset allocation*** positions are regularly monitored in order to make timely adjustments to the portfolios' allocations to reflect the Fund manager's views on the current market environment.<br><br>The final stage in the investment process is deciding how best to take exposure to each asset class. This may be achieved by investing in ***collective investment schemes***, investing directly in asset classes and investing in ***derivatives***.<br><br>The potential for the Fund to invest in assets that form part of a sustainable investment strategy, together with a focus on lower ongoing charges, is taken into |

consideration when deciding which asset classes the Fund will invest in and how the Fund achieves exposure to those asset classes.

Under typical market conditions, the portfolio is anticipated to have the following asset class exposures, achieved through investment in ***collective investment schemes*** where applicable. It should be noted that these percentages will fluctuate based upon market movement and adjustments to the ***asset allocation*** to enable the Fund to meet its aim. This may mean that the asset class exposures are, at times, outside of the ranges shown.

| **Asset class** | **Exposure as a percentage of the Fund** |
|---|---|
| ***Equity***<br>Global ***Equity*** | 10% - 40% |
| ***Bonds***<br>Global ***Developed Market*** Government ***Bonds***<br>Global ***Investment Grade*** Corporate ***Bonds*** | 60% - 90% |
| **Property securities** | 0% - 15% |

***Use of Benchmark***

The Fund is not managed with reference to a benchmark. The performance of the Fund is shown against the performance of funds that are part of the Morningstar Allocation 0-20% Equity category, with both ***returns*** and ***volatility*** considered in the comparison. The Morningstar Allocation 0-20% Equity category has been selected to enable investors to assess the performance of the Fund because it consists of types of funds that are broadly similar to the Fund. Many funds sold in the UK (and globally) are grouped into categories by Morningstar, an independent data provider, to help investors to compare funds with broadly similar characteristics.

**Environmental, Social and Governance (ESG) Scores and Carbon Intensity**

To demonstrate the performance of the Fund against its sustainable investment aim the ESG scores and carbon intensity of the Fund are shown compared to the ESG scores and carbon intensity of a reference comparator. ESG scores seek to measure how well an entity, for example a company or government, is managing its key ESG risks. This takes account of a number of factors under each of the environmental, social and governance themes. The scores are adjusted to recognise how well the entity is managing its ESG risks relative to its peers, for example other similar companies.

Carbon intensity considers how much an entity, for example a company or government, contributes to global carbon emissions relative to its economic output, for example relative to the revenues a company generates.

The reference comparator represents the ESG scores and carbon intensity the Fund might have achieved if it did not have a sustainable investment aim. The reference comparator is a combination of ***market capitalisation indices*** that represent the asset classes held by the Fund and in the same proportions (weighting) as the Fund. As at the date of the Prospectus the indices used are shown below:

| **Asset class** | **Index** |
|---|---|
| ***US*** Equity | MSCI USA NET TR Index |
| ***Europe ex UK*** Equity | MSCI Europe ex UK NET TR Index |
| ***UK*** Equity | MSCI UK TR Index |
| ***Japan*** Equity | MSCI Japan NET TR Index |
| ***Pac ex Japan*** Equity | MSCI Pacific ex Japan NET TR Index |
| Global ***Emerging Market Equity*** | MSCI Emerging Markets Index |
| Global ***Developed Market*** Government ***Bonds*** | Bloomberg Barclays Global Aggregate Treasuries Index |
| Global ***Investment Grade*** Corporate ***Bonds*** | Bloomberg Barclays Global Aggregate Corporates Index |

| | | |
|---|---|---|
| | Property securities | FTSE EPRA Nareit Developed Index |

The composition of the reference comparator varies over time broadly in line with the asset classes and proportions held by the Fund.

**Use of Derivatives**
The Fund may invest in ***exchange traded*** and ***over-the-counter derivatives*** in accordance with Part C and Part D of Appendix 3. In particular, ***equity index futures*** may be used to increase or reduce ***equity*** exposure and ***bond index futures*** may be used with the aim of managing the overall ***bond duration***.

***Currency forward contracts*** will be used to gain exposure to currencies or with the aim of ***hedging*** against movements in the rate of exchange between Sterling and the currency in which the bonds and other assets may be denominated.

**Sustainable Investment Strategies**

Under typical market conditions a minimum of 70% of the Fund's value will be invested in assets that form part of a sustainable investment strategy. The sustainable investment strategies will invest according to both (a) HSBC Asset Management's responsible investing policies[1]; and (b) at least one or more of the below strategies.

**It is important to note that there may be periods where all of the strategies are represented in the Fund and other times where not all of the strategies are held.**

- **ESG Enhanced strategies** – covers the following strategies that intentionally invest in companies based on relative ESG performance or momentum:
  - Strategies that aim to invest in ESG improving companies (e.g. companies with an improving Carbon Intensity Rating or improving overall ESG scores); or
  - Strategies that aim to deliver a specified outcome (e.g. having a better ESG score than a benchmark) by focusing on investments with a high ESG score; or
  - Strategies that aim, through positive screening (best-in-class screening), to invest in sectors, companies or projects that are relatively more advanced in managing ESG risks/opportunities (e.g. investing in companies with top performing ESG scores for their sector or in the investment universe); or
  - Strategies that aim, through negative screening or norms-based screening, to exclude sectors or companies based on specific ESG criteria or against minimum standards of business practice based on international norms. The percentage of a company's revenue that relates to excluded activities may be taken into account in determining whether the company meets the exclusion criteria.
- **Thematic** – covers strategies investing in ESG related growth areas and trends, by seeking out companies or sectors that align with specific sustainable outcomes (e.g. climate change, clean energy, or demographics). This may include themes aligned with one or more United Nations Sustainable Development Goals and, depending on the theme, may be identified based on revenues that are generated from products or services related to such theme.
- **Impact investing** – direct investing into companies, organisations and funds with the intention to deliver a direct, positive and measurable impact on society and/or the environment (e.g. green bonds, social impact bonds).

In accordance with HSBC Asset Management's responsible investing policies, sustainable investment strategies will not invest in companies considered to be involved in controversial weapons (i.e. those banned by international convention), including but not limited to cluster munitions and/or anti-personnel mines and/or biological weapons and/or blinding laser weapons.

To identify investments that form part of a sustainable investment strategy, the Fund manager may rely on expertise, research and information provided by well-established financial data providers (when available) and/or its own proprietary research.

| | |
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| | The assets of the Fund are regularly reviewed to ensure they comply with the sustainable investment strategy requirements detailed above. The Fund may disinvest, in an efficient manner, from assets that no longer meet these requirements. The Fund may invest in assets that do not form part of a sustainable investment strategy in order to meet its investment objective.<br><br>Sustainable investments is an evolving theme and the range of sustainable investment strategies the Fund invests in may change in future.<br><br>Further information about the sustainable investment strategies utilised, including exclusions applied where applicable, may be obtained by contacting the ACD.<br><br>[1] HSBC Asset Management's responsible investing policies can be found on the HSBC Global Asset Management (UK) Limited website |
| SRRI** | 4 |
| HSBC Risk Level Explanation | The five risk levels are based on ***volatility*** bands as defined by HSBC. ***Volatility*** is a measure of investment risk. This differs from the ***SRRI*** which is scored on a scale of 1 to 7 and calculated using historical price ***volatility*** over the last five years.<br><br>The Fund will be managed to operate in line with its risk profile. We will use our forward looking expectations for each asset class held in the Fund and combine them to maximise potential ***returns***, typically within a ***volatility*** range of 0% to 5%. It is important to remember that this is based on forward looking expectations and that the actual ***volatility*** of the Fund will depend on market conditions. Therefore, there may be periods of time where the ***volatility*** of the Fund is higher or lower than the ***volatility*** range above. |
| Share Classes Currently Offered | Income C<br>Accumulation C |
| Risk Categories<br><br>(refer to Section "Risks" on page 31) | General<br>Cancellation<br>Efficient Portfolio Management (EPM) and Counterparty Risk<br>Leverage Risk<br>Collateral Risk<br>Fixed Income Securities<br>Currency Exchange Rates<br>Investing in Europe<br>United Kingdom leaving the European Union<br>High Yield<br>Smaller Companies<br>Banned Weapons Policy<br>Derivatives<br>Property<br>Hedge Funds<br>Alternative Investments<br>Private Equity<br>Commodities<br>Effect of Initial Charge<br>Suspension of Dealings<br>Liabilities<br>Emerging Markets<br>New Funds<br>Unregulated Funds<br>Environment, Social and Governance (ESG) Scoring Risk<br>Sustainable Funds and Environment, Social and Governance (ESG) data |

| **Global Strategy Sustainable Conservative Portfolio*** <br> * This Fund is currently being wound up and is no longer available for investment. | |
|---|---|
| Investment Objective | The Fund aims to provide ***growth*** in line with its risk profile in the long term, which is a period of five years or more. The Fund's risk profile is rated as 2 where 1 is a lower level of risk and 5 is a higher level of risk. The Fund aims to invest in assets that form part of a sustainable investment strategy but may also invest in assets that do not form part of a sustainable investment strategy in order to meet the Fund's aim of providing growth in line with its risk profile.<br><br>[Note: see HSBC Risk Level Explanation section below]<br>[Note: see Sustainable Investment Strategies section below for a summary of the strategies or contact the ACD for further information] |
| Investment Policy | To achieve its objective the Fund will invest a minimum of 80% of its value in ***collective investment schemes***, which in turn provide exposure to ***bonds***, shares of companies (***equities***) and property securities. The Fund may also invest up to 20% of its value directly in ***bonds*** and shares of companies where the investment objective can be more efficiently achieved. The Fund will be invested across global markets and under typical market conditions will have a bias towards exposure to ***bonds*** through investment in collective investment schemes or direct investment in ***bonds***.<br><br>Under typical market conditions the Fund will invest a minimum of 70% of its value in assets that form part of a sustainable investment strategy.<br><br>The ***collective investment schemes*** that the Fund invests in will, where appropriate, be those managed or operated by the HSBC Group. Where this is not appropriate the Fund may invest in ***collective investment schemes*** operated by third party fund providers.<br><br>The Fund may also invest in ***money market instruments***, deposits and cash to manage day-to-day cash flow requirements.<br><br>The Fund may invest in ***derivatives*** for ***efficient portfolio management*** purposes, including ***hedging***. This means investment techniques that aim to reduce risks, reduce costs or generate ***growth*** and ***income***. The Fund may also use ***derivatives*** for broader investment purposes to help the Fund meet its objective. The Fund does not intend to use ***derivatives*** extensively and their use will be consistent with the risk profile of the Fund. |
| Investment Strategy | This is one of a range of ***actively managed*** Global Strategy Sustainable Portfolios offered at different risk levels. The ***asset allocation*** of each fund in the range reflects the risk level. The Fund is managed with the aim of maximising ***returns*** in line with its agreed long term risk profile of 2, where 1 is a lower level of risk and 5 is a higher level of risk therefore any potential ***returns*** are likely to be limited by the risk profile of the Fund.<br><br>The starting point for the Global Strategy Sustainable Portfolios is the ***asset allocation*** for each risk level.<br><br>The ***asset allocation*** positions are regularly monitored in order to make timely adjustments to the portfolios' allocations to reflect the Fund manager's views on the current market environment.<br><br>The final stage in the investment process is deciding how best to take exposure to each asset class. This may be achieved by investing in ***collective investment schemes***, investing directly in asset classes and investing in ***derivatives***.<br><br>The potential for the Fund to invest in assets that form part of a sustainable investment strategy, together with a focus on lower ongoing charges, is taken into |

consideration when deciding which asset classes the Fund will invest in and how the Fund achieves exposure to those asset classes.

Under typical market conditions, the portfolio is anticipated to have the following asset class exposures, achieved through investment in ***collective investment schemes*** where applicable. It should be noted that these percentages will fluctuate based upon market movement and adjustments to the ***asset allocation*** to enable the Fund to meet its aim. This may mean that the asset class exposures are, at times, outside of the ranges shown.

| **Asset class** | **Exposure as a percentage of the Fund** |
|---|---|
| ***Equity*** | 25% - 50% |
| ***Bonds***<br>Global ***Developed Market*** Government ***Bonds***<br>Global ***Investment Grade*** Corporate ***Bonds*** | 40% - 75% |
| **Property securities** | 0% - 15% |

***Use of Benchmark***

The Fund is not managed with reference to a benchmark. The performance of the Fund is shown against the performance of funds that are part of the Morningstar Allocation 20-40% Equity category, with both ***returns*** and ***volatility*** considered in the comparison. The Morningstar Allocation 20-40% Equity category has been selected to enable investors to assess the performance of the Fund because it consists of types of funds that are broadly similar to the Fund. Many funds sold in the UK (and globally) are grouped into categories by Morningstar, an independent data provider, to help investors to compare funds with broadly similar characteristics.

**Environmental, Social and Governance (ESG) Scores and Carbon Intensity**

To demonstrate the performance of the Fund against its sustainable investment aim the ESG scores and carbon intensity of the Fund are shown compared to the ESG scores and carbon intensity of a reference comparator. ESG scores seek to measure how well an entity, for example a company or government, is managing its key ESG risks. This takes account of a number of factors under each of the environmental, social and governance themes. The scores are adjusted to recognise how well the entity is managing its ESG risks relative to its peers, for example other similar companies.

Carbon intensity considers how much an entity, for example a company or government, contributes to global carbon emissions relative to its economic output, for example relative to the revenues a company generates.

The reference comparator represents the ESG scores and carbon intensity the Fund might have achieved if it did not have a sustainable investment aim. The reference comparator is a combination of ***market capitalisation indices*** that represent the asset classes held by the Fund and in the same proportions (weighting) as the Fund. As at the date of the Prospectus the indices used are shown below:

| **Asset class** | **Index** |
|---|---|
| ***US*** Equity | MSCI USA NET TR Index |
| ***Europe ex UK*** Equity | MSCI Europe ex UK NET TR Index |
| ***UK*** Equity | MSCI UK TR Index |
| ***Japan*** Equity | MSCI Japan NET TR Index |
| ***Pac ex Japan*** Equity | MSCI Pacific ex Japan NET TR Index |
| Global ***Emerging Market Equity*** | MSCI Emerging Markets Index |
| Global ***Developed Market*** Government ***Bonds*** | Bloomberg Barclays Global Aggregate Treasuries Index |
| Global ***Investment Grade*** Corporate ***Bonds*** | Bloomberg Barclays Global Aggregate Corporates Index |
| Property securities | FTSE EPRA Nareit Developed Index |

| | |
|---|---|
| | The composition of the reference comparator varies over time broadly in line with the asset classes and proportions held by the Fund.<br>**Use of Derivatives**<br>The Fund may invest in ***exchange traded*** and ***over-the-counter derivatives*** in accordance with Part C and Part D of Appendix 3. In particular, ***equity index futures*** may be used to increase or reduce ***equity*** exposure and ***bond index futures*** may be used with the aim of managing the overall ***bond duration***.<br><br>***Currency forward contracts*** will be used to gain exposure to currencies or with the aim of ***hedging*** against movements in the rate of exchange between Sterling and the currency in which the bonds and other assets may be denominated. |
| Sustainable Investment Strategies | Under typical market conditions a minimum of 70% of the Fund's value will be invested in assets that form part of a sustainable investment strategy. The sustainable investment strategies will invest according to both (a) HSBC Asset Management's responsible investing policies[1]; and (b) at least one or more of the below strategies.<br><br>**It is important to note that there may be periods where all of the strategies are represented in the Fund and other times where not all of the strategies are held.**<br><br>• **ESG Enhanced strategies** – covers the following strategies that intentionally invest in companies based on relative ESG performance or momentum:<br>o Strategies that aim to invest in ESG improving companies (e.g. companies with an improving Carbon Intensity Rating or improving overall ESG scores); or<br>o Strategies that aim to deliver a specified outcome (e.g. having a better ESG score than a benchmark) by focusing on investments with a high ESG score; or<br>o Strategies that aim, through positive screening (best-in-class screening), to invest in sectors, companies or projects that are relatively more advanced in managing ESG risks/opportunities (e.g. investing in companies with top performing ESG scores for their sector or in the investment universe); or<br>o Strategies that aim, through negative screening or norms-based screening, to exclude sectors or companies based on specific ESG criteria or against minimum standards of business practice based on international norms. The percentage of a company's revenue that relates to excluded activities may be taken into account in determining whether the company needs the exclusion criteria.<br>• **Thematic** – covers strategies investing in ESG related growth areas and trends, by seeking out companies or sectors that align with specific sustainable outcomes (e.g. climate change, clean energy, or demographics). This may include themes aligned with one or more United Nations Sustainable Development Goals and, depending on the theme, may be identified based on revenues that are generated from products or services related to such theme.<br>• **Impact investing** – direct investing into companies, organisations and funds with the intention to deliver a direct, positive and measurable impact on society and/or the environment (e.g. green bonds, social impact bonds).<br><br>In accordance with HSBC Asset Management's responsible investing policies, sustainable investment strategies will not invest in companies considered to be involved in controversial weapons (i.e. those banned by international convention), including but not limited to cluster munitions and/or anti-personnel mines and/or biological weapons and/or blinding laser weapons.<br><br>To identify investments that form part of a sustainable investment strategy, the Fund manager may rely on expertise, research and information provided by well-established financial data providers (when available) and/or its own proprietary research.<br><br>The assets of the Fund are regularly reviewed to ensure they comply with the sustainable investment strategy requirements detailed above. The Fund may disinvest, in an efficient manner, from assets that no longer meet these requirements. |

| | |
|---|---|
| | The Fund may invest in assets that do not form part of a sustainable investment strategy in order to meet its investment objective.<br>Sustainable investments is an evolving theme and the range of sustainable investment strategies the Fund invests in may change in future.<br><br>Further information about the sustainable investment strategies utilised, including exclusions applied where applicable, may be obtained by contacting the ACD.<br><br>[1] HSBC Asset Management's responsible investing policies can be found on the HSBC Global Asset Management (UK) Limited website |
| SRRI** | 4 |
| HSBC Risk Level Explanation | The five risk levels are based on ***volatility*** bands as defined by HSBC. ***Volatility*** is a measure of investment risk. This differs from the ***SRRI*** which is scored on a scale of 1 to 7 and calculated using historical price ***volatility*** over the last five years.<br><br>The Fund will be managed to operate in line with its risk profile. We will use our forward looking expectations for each asset class held in the Fund and combine them to maximise potential ***returns***, typically within a ***volatility*** range of 5% to 8%. It is important to remember that this is based on forward looking expectations and that the actual ***volatility*** of the Fund will depend on market conditions. Therefore, there may be periods of time where the ***volatility*** of the Fund is higher or lower than the ***volatility*** range above. |
| Share Classes Currently Offered | Income C<br>Accumulation C |
| Risk Categories<br><br>(refer to Section "Risks" on page 31) | General<br>Cancellation<br>Efficient Portfolio Management (EPM) and Counterparty Risk<br>Leverage Risk<br>Collateral Risk<br>Fixed Income Securities<br>Currency Exchange Rates<br>Investing in Europe<br>United Kingdom leaving the European Union<br>High Yield<br>Smaller Companies<br>Banned Weapons Policy<br>Derivatives<br>Property<br>Hedge Funds<br>Alternative Investments<br>Private Equity<br>Commodities<br>Effect of Initial Charge<br>Suspension of Dealings<br>Liabilities<br>Emerging Markets<br>New Funds<br>Unregulated Funds<br>Environment, Social and Governance (ESG) Scoring Risk<br>Sustainable Funds and Environment, Social and Governance (ESG) data |

| **Global Strategy Sustainable Dynamic Portfolio*** <br> * This Fund is currently being wound up and is no longer available for investment. | |
|---|---|
| Investment Objective | The Fund aims to provide ***growth*** in line with its risk profile in the long term, which is a period of five years or more. The Fund's risk profile is rated as 4 where 1 is a lower level of risk and 5 is a higher level of risk. The Fund aims to invest in assets that form part of a sustainable investment strategy but may also invest in assets that do not form part of a sustainable investment strategy in order to meet the Fund's aim of providing growth in line with its risk profile. <br><br> [Note: see HSBC Risk Level Explanation section below] <br> [Note: see Sustainable Investment Strategies section below for a summary of the strategies or contact the ACD for further information] |
| Investment Policy | To achieve its objective the Fund will invest a minimum of 80% of its value in ***collective investment schemes***, which in turn provide exposure to ***bonds***, shares of companies (***equities***) and property securities. The Fund may also invest up to 20% of its value directly in ***bonds*** and shares of companies where the investment objective can be more efficiently achieved. The Fund will be invested across global markets and under typical market conditions will have a bias towards exposure to shares of companies through investment in collective investment schemes or direct investment in shares of companies. <br><br> Under typical market conditions the Fund will invest a minimum of 70% of its value in assets that form part of a sustainable investment strategy. <br><br> The ***collective investment schemes*** that the Fund invests in will, where appropriate, be those managed or operated by the HSBC Group. Where this is not appropriate the Fund may invest in ***collective investment schemes*** operated by third party fund providers. <br><br> The Fund may also invest in ***money market instruments***, deposits and cash to manage day-to-day cash flow requirements. <br><br> The Fund may invest in ***derivatives*** for ***efficient portfolio management*** purposes, including ***hedging***. This means investment techniques that aim to reduce risks, reduce costs or generate ***growth*** and ***income***. The Fund may also use ***derivatives*** for broader investment purposes to help the Fund meet its objective. The Fund does not intend to use ***derivatives*** extensively and their use will be consistent with the risk profile of the Fund. <br><br> [Note: see Sustainable Investment Strategies section below for a summary of the strategies or contact the ACD for further information] |
| Investment Strategy | This is one of a range of ***actively managed*** Global Strategy Sustainable Portfolios offered at different risk levels. The ***asset allocation*** of each fund in the range reflects the risk level. The Fund is managed with the aim of maximising ***returns*** in line with its agreed long term risk profile of 4, where 1 is a lower level of risk and 5 is a higher level of risk therefore any potential ***returns*** are likely to be limited by the risk profile of the Fund. <br><br> The starting point for the Global Strategy Sustainable Portfolios is the ***asset allocation*** for each risk level. <br><br> The ***asset allocation*** positions are regularly monitored in order to make timely adjustments to the portfolios' allocations to reflect the Fund manager's views on the current market environment. <br><br> The final stage in the investment process is deciding how best to take exposure to each asset class. This may be achieved by investing in ***collective investment schemes***, investing directly in asset classes and investing in ***derivatives***. |

The potential for the Fund to invest in assets that form part of a sustainable investment strategy, together with a focus on lower ongoing charges, is taken into consideration when deciding which asset classes the Fund will invest in and how the Fund achieves exposure to those asset classes.

Under typical market conditions, the portfolio is anticipated to have the following asset class exposures, achieved through investment in ***collective investment schemes*** where applicable. It should be noted that these percentages will fluctuate based upon market movement and adjustments to the ***asset allocation*** to enable the Fund to meet its aim. This may mean that the asset class exposures are, at times, outside of the ranges shown.

| Asset class | Exposure as a percentage of the Fund |
|---|---|
| ***Equity***<br>Global ***Equity*** | 60% - 90% |
| ***Bonds***<br>Global ***Developed Market*** Government ***Bonds***<br>Global ***Investment Grade*** Corporate ***Bonds*** | 10% - 40% |
| **Property securities** | 0% - 15% |

***Use of Benchmark***

The Fund is not managed with reference to a benchmark. The performance of the Fund is shown against the performance of funds that are part of the Morningstar Allocation 60-80% Equity category, with both ***returns*** and ***volatility*** considered in the comparison. The Morningstar Allocation 60-80% Equity category has been selected to enable investors to assess the performance of the Fund because it consists of types of funds that are broadly similar to the Fund. Many funds sold in the UK (and globally) are grouped into categories by Morningstar, an independent data provider, to help investors to compare funds with broadly similar characteristics.

**Environmental, Social and Governance (ESG) Scores and Carbon Intensity**

To demonstrate the performance of the Fund against its sustainable investment aim the ESG scores and carbon intensity of the Fund are shown compared to the ESG scores and carbon intensity of a reference comparator. ESG scores seek to measure how well an entity, for example a company or government, is managing its key ESG risks. This takes account of a number of factors under each of the environmental, social and governance themes. The scores are adjusted to recognise how well the entity is managing its ESG risks relative to its peers, for example other similar companies.

Carbon intensity considers how much an entity, for example a company or government, contributes to global carbon emissions relative to its economic output, for example relative to the revenues a company generates.

The reference comparator represents the ESG scores and carbon intensity the Fund might have achieved if it did not have a sustainable investment aim. The reference comparator is a combination of ***market capitalisation indices*** that represent the asset classes held by the Fund and in the same proportions (weighting) as the Fund. As at the date of the Prospectus the indices used are shown below:

| Asset class | Index |
|---|---|
| ***US*** Equity | MSCI USA NET TR Index |
| ***Europe ex UK*** Equity | MSCI Europe ex UK NET TR Index |
| ***UK*** Equity | MSCI UK TR Index |
| ***Japan*** Equity | MSCI Japan NET TR Index |
| ***Pac ex Japan*** Equity | MSCI Pacific ex Japan NET TR Index |
| Global ***Emerging Market Equity*** | MSCI Emerging Markets Index |
| Global ***Developed Market*** Government ***Bonds*** | Bloomberg Barclays Global Aggregate Treasuries Index |

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<tr><td>Global Investment Grade Corporate Bonds</td><td>Bloomberg Barclays Global Aggregate Corporates Index</td></tr>
<tr><td>Property securities</td><td>FTSE EPRA Nareit Developed Index</td></tr>
</table>
The composition of the reference comparator varies over time broadly in line with the asset classes and proportions held by the Fund.
Use of Derivatives<br>The Fund may invest in exchange traded and over-the-counter derivatives in accordance with Part C and Part D of Appendix 3. In particular, equity index futures may be used to increase or reduce equity exposure and bond index futures may be used with the aim of managing the overall bond duration.
Currency forward contracts will be used to gain exposure to currencies or with the aim of hedging against movements in the rate of exchange between Sterling and the currency in which the bonds and other assets may be denominated.
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<td>Sustainable Investment Strategies</td>
<td>
Under typical market conditions a minimum of 70% of the Fund's value will be invested in assets that form part of a sustainable investment strategy. The sustainable investment strategies will invest according to both (a) HSBC Asset Management's responsible investing policies[1]; and (b) at least one or more of the below strategies.
It is important to note that there may be periods where all of the strategies are represented in the Fund and other times where not all of the strategies are held.
<ul>
<li>ESG Enhanced strategies – covers the following strategies that intentionally invest in companies based on relative ESG performance or momentum:
<ul>
<li>Strategies that aim to invest in ESG improving companies (e.g. companies with an improving Carbon Intensity Rating or improving overall ESG scores); or</li>
<li>Strategies that aim to deliver a specified outcome (e.g. having a better ESG score than a benchmark) by focusing on investments with a high ESG score; or</li>
<li>Strategies that aim, through positive screening (best-in-class screening), to invest in sectors, companies or projects that are relatively more advanced in managing ESG risks/opportunities (e.g. investing in companies with top performing ESG scores for their sector or in the investment universe); or</li>
<li>Strategies that aim, through negative screening or norms-based screening, to exclude sectors or companies based on specific ESG criteria or against minimum standards of business practice based on international norms. The percentage of a company's revenue that relates to excluded activities may be taken into account in determining whether the company meets the exclusion criteria.</li>
</ul>
</li>
<li>Thematic – covers strategies investing in ESG related growth areas and trends, by seeking out companies or sectors that align with specific sustainable outcomes (e.g. climate change, clean energy, or demographics). This may include themes aligned with one or more United Nations Sustainable Development Goals and, depending on the theme, may be identified based on revenues that are generated from products or services related to such theme.</li>
<li>Impact investing – direct investing into companies, organisations and funds with the intention to deliver a direct, positive and measurable impact on society and/or the environment (e.g. green bonds, social impact bonds).</li>
</ul>
In accordance with HSBC Asset Management's responsible investing policies, sustainable investment strategies will not invest in companies considered to be involved in controversial weapons (i.e. those banned by international convention), including but not limited to cluster munitions and/or anti-personnel mines and/or biological weapons and/or blinding laser weapons.
To identify investments that form part of a sustainable investment strategy, the Fund manager may rely on expertise, research and information provided by well-established financial data providers (when available) and/or its own proprietary research.
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| | |
|---|---|
| | The assets of the Fund are regularly reviewed to ensure they comply with the sustainable investment strategy requirements detailed above. The Fund may disinvest, in an efficient manner, from assets that no longer meet these requirements. The Fund may invest in assets that do not form part of a sustainable investment strategy in order to meet its investment objective.<br><br>Sustainable investments is an evolving theme and the range of sustainable investment strategies the Fund invests in may change in future.<br><br>Further information about the sustainable investment strategies utilised, including exclusions applied where applicable, may be obtained by contacting the ACD.<br><br>[1] HSBC Asset Management's responsible investing policies can be found on the HSBC Global Asset Management (UK) Limited website. |
| SRRI** | 5 |
| HSBC Risk Level Explanation | The five risk levels are based on ***volatility*** bands as defined by HSBC. ***Volatility*** is a measure of investment risk. This differs from the ***SRRI*** which is scored on a scale of 1 to 7 and calculated using historical price ***volatility*** over the last five years.<br><br>The Fund will be managed to operate in line with its risk profile. We will use our forward looking expectations for each asset class held in the Fund and combine them to maximise potential ***returns***, typically within a ***volatility*** range of 11% to 14%. It is important to remember that this is based on forward looking expectations and that the actual ***volatility*** of the Fund will depend on market conditions. Therefore, there may be periods of time where the ***volatility*** of the Fund is higher or lower than the ***volatility*** range above. |
| Share Classes Currently Offered | Income C<br>Accumulation C |
| Risk Categories<br><br>(refer to Section "Risks" on page 31) | General<br>Cancellation<br>Efficient Portfolio Management (EPM) and Counterparty Risk<br>Leverage Risk<br>Collateral Risk<br>Fixed Income Securities<br>Currency Exchange Rates<br>Investing in Europe<br>United Kingdom leaving the European Union<br>High Yield<br>Smaller Companies<br>Banned Weapons Policy<br>Derivatives<br>Property<br>Hedge Funds<br>Alternative Investments<br>Private Equity<br>Commodities<br>Effect of Initial Charge<br>Suspension of Dealings<br>Liabilities<br>Emerging Markets<br>New Funds<br>Unregulated Funds<br>Environment, Social and Governance (ESG) Scoring Risk<br>Sustainable Funds and Environment, Social and Governance (ESG) data |

| Global Responsible Multi-Asset Adventurous Portfolio* | |
|---|---|
| Investment Objective | The Fund aims to provide ***growth*** in line with its risk profile in the long term, which is a period of five years or more. The Fund's risk profile is rated as 5 where 1 is a lower level of risk and 5 is a higher level of risk.<br><br>[Note: see HSBC Risk Level Explanation section below]<br><br>[Note: see the Sustainability-related Pre-contractual Disclosures section below for details of the sustainability characteristics and aims of the Fund. Investing in assets that align with its aims in respect of its sustainability characteristics may have an impact on the Fund's financial risks and returns, as set out in more detail below in the Sustainability-related Pre-contractual Disclosures section.] |
| Investment Policy | *Up until 6 May 2025*<br><br>To achieve its objective the Fund will invest a minimum of 80% in ***collective investment schemes***, which in turn invest in ***bonds***, shares of companies (***equities***) and property securities. The Fund may also invest up to 20% directly in ***bonds*** where the investment objective can be more efficiently achieved and may invest directly in shares of companies in limited circumstances.<br><br>The ***collective investment schemes*** that the Fund invests in will, where appropriate, be those managed or operated by the ***HSBC Group***. Where this is not appropriate the Fund may invest in ***collective investment schemes*** operated by third party fund providers.<br><br>The Fund may also invest in ***money market instruments,*** deposits and cash to manage day-to-day cash flow requirements.<br><br>The Fund may invest in ***derivatives*** for ***efficient portfolio management*** purposes, including ***hedging***. This means investment techniques that aim to reduce risks, reduce costs or generate ***growth*** and ***income***. The Fund may also use ***derivatives*** for broader investment purposes to help the Fund meet its objective. The Fund does not intend to use ***derivatives*** extensively and their use will be consistent with the risk profile of the Fund.<br><br>The Fund will also incorporate sustainability characteristics as set out in the Sustainability-related Pre-contractual Disclosures section below. As part of its investment approach the Fund will invest in assets that support at least one of the following three responsible investment aims:<br><br>• To deliver an overall carbon intensity level that is at least 25% lower than the carbon intensity of the broader investment universe.<br>• To deliver an overall Environmental, Social and Governance ('ESG') score that is higher than the broader investment universe.<br>• To invest in assets focused on themes that contribute towards positive environmental and/or social outcomes.<br><br>*From 6 May 2025*<br><br>To achieve its objective the Fund will invest a minimum of 80% in ***collective investment schemes***, which in turn invest in ***bonds***, shares of companies (***equities***) and alternative asset classes such as ***commodities***, ***infrastructure***, ***private debt***, ***private equity*** and property securities. The Fund may also invest up to 20% directly in ***bonds*** and ***equities*** and may invest in other financial instruments to gain exposure to alternative asset classes where the investment objective can be more efficiently achieved. The Fund will be invested across global markets.<br><br>The ***collective investment schemes*** that the Fund invests in will, where appropriate, be those managed or operated by the ***HSBC Group***. Where this is not appropriate the Fund may invest in ***collective investment schemes*** operated by third party fund providers.<br><br>The Fund may also invest in ***money market instruments,*** deposits and cash to manage day-to-day cash flow requirements.<br><br>The Fund may invest in ***derivatives*** for ***efficient portfolio management*** purposes, including ***hedging***. This means investment techniques that aim to reduce risks, reduce costs or generate ***growth*** and ***income***. The Fund may also use ***derivatives*** for broader investment |

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| | purposes to help the Fund meet its objective. The Fund does not intend to use ***derivatives*** extensively and their use will be consistent with the risk profile of the Fund.<br><br>The Fund will also incorporate sustainability characteristics as set out in the Sustainability-related Pre-contractual Disclosures section below. As part of its investment approach the Fund will invest in assets that support at least one of the following three responsible investment aims:<br><br>• To deliver an overall carbon intensity level that is at least 25% lower than the carbon intensity of the broader investment universe.<br>• To deliver an overall Environmental, Social and Governance ('ESG') score that is higher than the broader investment universe.<br>• To invest in assets focused on themes that contribute towards positive environmental and/or social outcomes. |
| Investment Strategy | *Up until 6 May 2025.*<br><br>This is one of a range of ***actively managed*** Global Responsible Multi-Asset Portfolios offered at different risk levels. The ***asset allocation*** of each fund in the range reflects the risk level. The Fund is managed with the aim of maximising ***returns*** in line with its agreed long term risk profile of 5, where 1 is a lower level of risk and 5 is a higher level of risk therefore any potential ***returns*** are likely to be limited by the risk profile of the Fund.<br><br>The starting point for the Global Responsible Multi-Asset Portfolios is the ***asset allocation*** for each risk level.<br><br>The ***asset allocation*** positions are regularly monitored in order to make timely adjustments to the portfolios' allocations to reflect the Fund manager's views on the current market environment.<br><br>The final stage in the investment process is deciding how best to take exposure to each asset class. This may be achieved by investing in ***collective investment schemes***, investing directly in asset classes and investing in ***derivatives*** and other financial instruments.<br><br>The focus on sustainability characteristics is taken into consideration at each stage, when deciding which asset classes the Fund will invest in and how the Fund achieves exposure to those asset classes.<br><br>Under typical market conditions, the portfolio will have the following asset class exposures, achieved through investment in ***collective investment schemes*** where applicable. It should be noted that these percentages will fluctuate based upon market movement and adjustments to the ***asset allocation*** to enable the Fund to meet its aim. |

| Asset class | Exposure as a percentage of the Fund |
|---|---|
| ***Equity***<br>Global ***Equity*** | 75% - 100% |
| ***Bonds***<br>Global ***Developed Market*** Government ***Bonds***<br>Global Corporate ***Bonds***<br>Global ***High Yield Bonds***<br>***Emerging Market Bonds – Hard Currency***<br>***Emerging Market Bonds – Local Currency***<br>***Asset-Backed Securities*** | 0% - 25% |
| **Property securities** | 0% - 15% |

**Use of Benchmark**

The Fund is not managed with reference to a benchmark. The performance of the Fund is shown against the performance of funds that are part of the Morningstar Allocation 80%+ Equity category, with both ***returns*** and ***volatility*** considered in the comparison. The Morningstar Allocation 80%+ Equity category has been selected to enable investors to assess the performance of the Fund because it consists of types of funds that are broadly similar to the Fund. Many funds sold in the UK (and globally) are grouped into categories by Morningstar, an independent data provider, to help investors to compare funds with broadly similar characteristics.

**Use of Derivatives**

The Fund may invest in ***exchange traded*** and ***over-the-counter derivatives*** in accordance with Part C and Part D of Appendix 3. In particular, ***equity index futures*** may be used to increase or reduce ***equity*** exposure and ***bond index futures*** may be used with the aim of managing the overall ***bond duration***.

***Currency forward contracts*** will be used to gain exposure to currencies or with the aim of ***hedging*** against movements in the rate of exchange between Sterling and the currency in which the bonds and other assets may be denominated.

*From 6 May 2025*

This is one of a range of ***actively managed*** Global Responsible Multi-Asset Portfolios offered at different risk levels. The ***asset allocation*** of each fund in the range reflects the risk level. The Fund is managed with the aim of maximising ***returns*** in line with its agreed long term risk profile of 5, where 1 is a lower level of risk and 5 is a higher level of risk therefore any potential ***returns*** are likely to be limited by the risk profile of the Fund.

The starting point for the Global Responsible Multi-Asset Portfolios is the ***asset allocation*** for each risk level.

The ***asset allocation*** positions are regularly monitored in order to make timely adjustments to the portfolios' allocations to reflect the Fund manager's views on the current market environment.

The final stage in the investment process is deciding how best to take exposure to each asset class. This may be achieved by investing in ***collective investment schemes***, investing directly in asset classes and investing in ***derivatives*** and other financial instruments.

The focus on sustainability characteristics is taken into consideration at each stage, when deciding which asset classes the Fund will invest in and how the Fund achieves exposure to those asset classes.

Under typical market conditions, the portfolio will have the following asset class exposures, achieved through investment in ***collective investment schemes*** where applicable. It should be noted that these percentages will fluctuate based upon market movement and adjustments to the ***asset allocation*** to enable the Fund to meet its aim.

| **Asset class** | **Exposure as a percentage of the Fund** |
|---|---|
| ***Equities***<br>Global ***Equities*** | 65% - 100% |
| ***Bonds***<br>Global ***Developed Market*** Government ***Bonds***<br>Global Corporate ***Bonds***<br>Global ***High Yield Bonds***<br>***Emerging Market Bonds – Hard Currency***<br>***Emerging Market Bonds – Local Currency***<br>***Asset-Backed Securities*** | 0% - 35% |
| **Alternative asset classes**<br>***Infrastructure***<br>Property securities<br>Other alternative asset classes including ***commodities***, ***private debt*** and ***private equity*** | 0% - 20% |

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| | **Use of Benchmark**<br><br>The Fund is not managed with reference to a benchmark. The performance of the Fund is shown against the performance of funds that are part of the Morningstar Allocation 80%+ Equity category, with both ***returns*** and ***volatility*** considered in the comparison. The Morningstar Allocation 80%+ Equity category has been selected to enable investors to assess the performance of the Fund because it consists of types of funds that are broadly similar to the Fund. Many funds sold in the UK (and globally) are grouped into categories by Morningstar, an independent data provider, to help investors to compare funds with broadly similar characteristics.<br><br>**Use of Derivatives**<br><br>The Fund may invest in ***exchange traded*** and ***over-the-counter derivatives*** in accordance with Part C and Part D of Appendix 3. In particular, ***equity index futures*** may be used to increase or reduce ***equity*** exposure and ***bond index futures*** may be used with the aim of managing the overall ***bond duration***.<br><br>***Currency forward contracts*** will be used to gain exposure to currencies or with the aim of ***hedging*** against movements in the rate of exchange between Sterling and the currency in which the bonds and other assets may be denominated. |
| Sustainability-related Pre-contractual Disclosures | This section provides investors with information regarding the Fund's sustainability characteristics and responsible investment aims.<br><br>This Fund does not have a UK sustainable investment label, as defined by the FCA's Sustainability Disclosure Requirements ('SDR'), although it has sustainability characteristics as described further below.<br><br>Sustainable investment labels help investors find products that have a specific sustainability goal. The use of sustainability labels is voluntary and requires funds to meet specific requirements set out by the FCA. The Fund does not have a UK sustainable investment label since it was launched prior to the SDR and its investment approach has not been designed to meet the FCA's specific label requirements.<br><br>While the Fund does not pursue specific sustainability goals as defined by SDR, it does incorporate sustainability characteristics as part of its investment approach, as further described here.<br><br>**<u>Sustainability characteristics</u>**<br><br>**1. What are the Fund's sustainability characteristics?**<br><br>The Fund intends to achieve the three responsible investment aims below by investing into a range of collective investment schemes and other assets (collectively referred to as "Assets") that support at least one of these aims.<br><br>**Aim (1)**<br><br>The Fund aims to invest in Assets that contribute to a lower carbon intensity level. The Fund will seek to deliver an overall carbon intensity level that is at least 25% lower than the carbon intensity of the broader investment universe.<br><br>**Aim (2)**<br><br>The Fund aims to invest in Assets that invest in companies and/or issuers that demonstrate better management of their key environmental, social and governance risks through their products and services, as well as their practices and policies. The Fund will seek to deliver an overall Environmental, Social and Governance ('ESG') score that is higher than the broader investment universe. |

**Aim (3)**

The Fund will invest in Assets focused on themes ('Thematic Assets') that seek to contribute towards positive environmental and/or social outcomes. Thematic Assets will fall under one or more of the following themes:

- Circular Economy and Green Infrastructure
- Climate and Energy Transition
- Natural Resources and Water
- Evolving Society

The Fund will invest at least 20% of its Net Asset Value (NAV) into Thematic Assets.

**2. What percentage of the Fund's Assets will contribute towards its responsible investment aims?**

The Fund will invest at least 70% of its Net Asset Value (excluding cash and derivative Assets) into Assets that contribute to the above responsible investment aims. Given the nature of a multi-asset strategy, exposure to Thematic Assets under Aim (3) will evolve over time to reflect asset allocation decisions taken by the Investment Manager, therefore allocations to the themes will fluctuate and alignment to themes is expected to vary over time.

The Fund may invest up to 30% in Assets that do not necessarily contribute to the Fund's responsible investment aims. As well as cash and derivatives, this includes Assets where data is unavailable to assess carbon intensity levels or ESG scores under Aims 1 and 2.

The Fund may hold cash for liquidity management purposes, including to enable it to issue and redeem shares.

The Fund may also hold derivatives for the purposes of efficient portfolio management, including hedging. The derivatives which may be used include currency forward contracts and exchange traded index futures. Where the Fund invests in exchange traded index futures, whose value is derived from a financial index, the Investment Manager will favour, where available, a financial index that has characteristics materially aligned with HSBC Asset Management's responsible investing policies. For more information investors should refer to our responsible investing policies available on the HSBC Asset Management website, www.assetmanagement.hsbc.co.uk, select "About Us" and then "Responsible investing".

**3. Are there any types of assets that the Fund will not invest in?**

The entire portfolio of the Fund will be subject to the application of investment exclusions. These are set out in HSBC Asset Management's responsible investing policies. The exclusions that apply to HSBC funds include, but are not limited to, companies and issuers we consider to be involved in the development and production of banned weapons, the production of controversial weapons and their key components and the production of tobacco and companies and issuers that have revenues generated from thermal coal power generation or extraction or that we consider to be non-compliant with United Nations Global Compact (UNGC) Principles.

Please note that minimum thresholds are applied in respect of certain excluded activities to determine whether a company or issuer should be excluded. Please also note that some exclusions may not be relevant for all asset classes and that data needed to determine involvement in the excluded activities may not be available in all cases. The description of exclusions above is meant as a summary of the exclusions that apply to HSBC funds and for more information investors should refer to our responsible investing policies available on the HSBC Asset Management website, www.assetmanagement.hsbc.co.uk, select "About Us" and then "Responsible investing".

Where the Fund does not invest in companies or issuers involved in or carrying out excluded activities, this means that the Fund will not benefit from, or be impacted by, the investment performance of such companies or issuers.

The Fund may also invest into Third Party Funds. Where the Fund invests into Third Party Funds, we will ensure that they align with HSBC Asset Management's responsible investing policies. However, we recognise that the method of assessment and maximum thresholds of such exclusions may differ. Where the differences are considered to be material, the Fund will not be permitted to invest in the relevant Third Party Funds. For example, some Third Party Funds may set their tobacco production revenues exclusion at 5% while we set ours at 0%. We would consider this to be an acceptable difference and therefore the Fund would be permitted to invest.

**4. Could the Fund's strategy have an impact on its financial risks and returns?**

The Fund will invest in Assets that align with its responsible investment aims.

This means that the Fund cannot benefit from the investment performance of certain companies or sectors which may cause it to underperform the market. The Fund may need to sell investments that cease to meet its sustainability characteristics requirements even if those investments are performing well financially.

Other similar funds with similar financial goals, but without sustainability characteristics, may be able to invest more widely. This may allow them to have a wider spread of financial risk and means that they may achieve a different financial return which could be higher or lower than a fund that has sustainability characteristics.

The Fund is managed within its prescriptive volatility / risk band and the ACD would not expect the Fund to fall outside its indicated risk profile because of its sustainability characteristics.

**5. How are Assets selected to meet the sustainability characteristics of the Fund?**

Assets selected for the Fund will be assessed by the Investment Manager to ensure they contribute to its responsible investment aims. Aims (1) and (2) are assessed relative to the broader investment universe, as explained in section 1 above. The broader investment universe is represented by a reference comparator, which is a composite benchmark that represents the outcomes the Fund might have achieved if it did not have sustainable investment aims. It is a combination of benchmarks that together represent the Assets held by the Fund and in the same proportions (weighting) as the Fund.

**Carbon Intensity – Aim (1)**

Each Asset will also be assessed to determine the extent to which it contributes to the overall Fund carbon intensity aim to achieve a weighted average carbon intensity ('WACI') that is at least 25% lower than the reference comparator.

WACI is the sum of carbon intensity of all companies and issuers, weighted by the allocation to that specific issuer. This is generally determined using Scope 1 and Scope 2 emissions as described further below.

Carbon intensity is a measure of the quantity of carbon emissions per million dollars of economic output of a company or issuer of a financial instrument. It is a measure of a company's or an issuer's current carbon efficiency, measuring their carbon emissions, relative to their economic output (for example turnover for companies or Gross Domestic Product (GDP) for sovereigns). The Greenhouse Gas Protocol differentiates between 3 scopes of emissions of a company or an issuer:

- Scope 1: direct emissions from owned or controlled sources
- Scope 2: indirect emissions from the generation of purchased energy
- Scope 3: all indirect emissions, not included in Scope 2, that occur in the value chain of the reporting company.

Emissions will be measured using Scope 1 and 2 Greenhouse Gas (GHG) emissions primarily, which are generally more under the control of the company or issuer. Although we believe that Scope 1 and 2 emissions are a good indicator of a company's or issuers carbon emissions, we recognise that Scope 3 indirect emissions are also important and often represent larger levels of emissions due to the fact that they typically represent company/issuer and/or sector value chains. Scope 3 emissions have generally not been considered as data for this type of emissions is currently not widely available. However, where Paris Aligned Benchmark or Climate Transition Benchmark Strategies are used, and as data becomes more widely available, Scope 1, 2 and 3 emissions will be used in the assessment.

Carbon intensity data will be provided by third-party data providers.

This metric is commonly used to demonstrate a fund's carbon performance and disclosure on it is now a regulatory requirement under the UK's Taskforce for Climate Related Financial Disclosures since 2023.

**Environmental, Social and Governance Scores – Aim (2)**

Each Asset will also be assessed to determine the extent to which it contributes towards the overall Fund aim to achieve a weighted average ESG score that is higher than the respective score of the reference comparator. The weighted average ESG score is the sum of the scores of all companies and issuers, weighted by the allocation to that specific issuer.

ESG scores measure how well a company or issuer is managing its key environmental, social and governance risks and, where appropriate, its positioning to meet market demand for the provision of products and services that have a positive environmental or social contribution. Each company is assessed on numerous environmental criteria, which may include but will not be limited to, biodiversity, land use, raw material sources, electronic waster, product carbon footprint as well as social criteria such as, but not limited to, health and safety, privacy and data security, community relations. Additionally, where appropriate, a company may be assessed on environmental or social opportunities which may include opportunities in clean technology, green buildings and renewable energy and/or access to finance, healthcare and opportunities in nutrition and health. Each company is scored across sector-relevant factors of a scale of 1-10. A score of 10 demonstrates a company or government is an industry leader in managing its key environmental, social and governance risks and taking advantage of market demand opportunities. Conversely, a company with a score of 1 will typically be an industry laggard in managing such risks and not taking advantage of market demand opportunity. ESG scores are adjusted by industry.

ESG scores are therefore commonly used to evaluate how well a company or issuer is managing its key environmental, social and governance risks as well as, where appropriate, its market demand opportunities relating to products and services that have positive social or environmental contribution. Good scores may indicate resilience to environmental and/or social disruptions and may also indicate a company has very strong positioning to meet market demand for the provision of products and services that have a positive environmental or social contribution.

To determine the ESG score, data will be obtained from MSCI or other third-party data providers. As part of its methodology, MSCI evaluates each company or issuer on a selection of two to seven environmental and/or social key issues. The environmental and/or social key issues relevant for a given company or issuer are selected based on the company's exposure to potentially material environmental and/or social risks and market demand opportunities, which are driven by industry-specific and market-specific factors. Example key issue areas include climate change, pollution & waste, natural capital, human capital and product liability, among others. MSCI's ESG scores are calculated based on the weight of key issue scores specific to the environmental, social and governance themes.

**Thematic Assets – Aim (3)**

Each Asset that is classified under one or more of the themes will be assessed in a way that is appropriate for the theme or themes relevant to that Asset. Assets held may contribute to more than one theme.

In addition, the Investment Manager has mapped out the United Nations Sustainable Development Goals (UN SDGs) that are typically relevant for each theme (other UN SDGs may be considered as relevant for some Assets). There are 17 UN SDGs, that were introduced at the United Nations Conference on Sustainable Development in 2012. The aim was to produce a set of universal goals that meet the urgent environmental, political and economic challenges facing our world. The UN SDGs are also used as a framework to support investors in how they articulate and assess themes and may measure each theme directly or indirectly depending on the relevant Asset and available data point(s). We recognise that to achieve the UN SDGs, companies must play a role and as such we have chosen to target Thematic Assets which help contribute to 15 of the UN SDGs as set out in the table below.

| **Theme** | **Circular Economy and Green Infrastructure** | **Climate and Energy Transition** | **Natural Resources and Water** | **Evolving Society** |
|---|---|---|---|---|
| **Relevant UN SDGs to support the assessment of the theme (direct via UNSDG revenue metric and/or indirect via another related metric as summarised in section 6)** | UN SDG 9 – Industry, Innovation and Infrastructure<br><br>UN SDG 11 – Sustainable Cities and Communities<br><br>UN SDG 12 – Responsible Consumption and Production | UN SDG 7 – Affordable and Clean Energy<br><br>UN SDG 13 – Climate Action | UN SDG 6 – Clean Water and Sanitation<br><br>UN SDG 14 – Life Below Water<br><br>UN SDG 15 – Life on Land | UN SDG 1 – No Poverty<br><br>UN SDG 2 – Zero Hunger<br><br>UN SDG 3 – Good Health and Wellbeing<br><br>UN SDG 4 – Quality Education<br><br>UN SDG 5 – Gender Equality<br><br>UN SDG 8 – Decent Work and Economic Growth<br><br>UN SDG 10 – Reduced Inequalities |

An Asset focused on a theme will align with one or more of the relevant UN SDGs e.g. an Asset focused on the Climate and Energy Transition theme will typically have an appropriate level of alignment with UN SDG 7 and/or 13. Alignment to the themes (and the underlying UN SDGs as relevant) will be assessed either:

(i) directly (i.e. via revenues, for example UN SDG revenue alignment); or
(ii) indirectly (i.e. via another thematic metric reflective of the theme/UN SDG).

**6. How will investors know if the Fund is achieving its responsible investment aims?**

The ACD and Investment Manager have controls and processes in place to monitor the performance of the Fund in achieving its aims. These aim to both reduce the likelihood of the Fund failing to meet its aims and also to identify where escalation is necessary should issues arise.

The Risk function of the Investment Manager provides a further level of monitoring and oversight. As part of this, the Risk function determines levels of performance, for the measures specified in the aims, which the Fund is reasonably expected to operate within. Although these are not set limits, the levels of anticipated performance are used as an early warning indicator to highlight where deviations are happening. Where this occurs, the Risk function discusses this with the Investment Manager to understand the causes and where necessary, determines any subsequent action to ensure the Fund remains aligned to its aims.

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| | The ACD also receives regular reporting from the Investment Manager, to ensure it has oversight of the performance of the Fund in achieving its aims and will challenge the Investment Manager if any potential issues are identified.<br><br>To demonstrate that the aims are being met the following key metrics will be considered and monitored on an ongoing basis by the Investment Manager. These will be published so that investors can track how the Fund is meeting its aims.<br><br>**Aim (1)**<br><br>**Carbon Emissions:**<br><br>1. WACI of the overall Fund; and<br>2. WACI of the reference comparator.<br><br>As a weighted average, WACI takes account of the proportions in which companies and issuers are invested in by Assets and also the proportions in which Assets are held within the Fund. The calculation excludes any Assets for which data is unavailable. Information regarding data coverage will be disclosed in the ACD's regular reporting.<br><br>**Aim (2)**<br><br>**Environmental and Social quality scores (1-10 scale):**<br><br>1. Weighted average ESG score of the Fund; and<br>2. Weighted average ESG score of the reference comparator.<br><br>As weighted average scores, these take account of the proportions in which companies and issuers invested in by the Assets and also the proportions in which Assets are held within the Fund.<br><br>The calculation excludes any Assets for which data is unavailable. Full details regarding data coverage will be disclosed in the ACD's regular reporting.<br><br>**Aim (3)**<br><br>**Thematic Assets:**<br><br>The Thematic Assets are mapped against one or more themes and we will report the Fund's allocations to these themes.<br><br>We will use and report on other metrics which may change over time. These metrics are applied to any other funds held by the Fund, rather than the underlying assets of those other funds. They may include, but are not limited to, the following:<br><br>1. **Products & Services (measured via revenues)** – Revenues associated with activities linked to the Asset theme and/or specific UN SDG. This can be in the form of UN SDG revenue alignment, green revenues and/or revenue mapped through a proprietary approach for the Asset theme. Typically, at least 20% of revenues in respect of an Asset considered must be aligned to the Asset theme and/or specific UN SDG.<br><br>2. **Climate Strategic Business Alignment** – Climate thematic strategies which focus on metrics that support overall alignment to the goals of the Paris Agreement via current and forward-looking climate considerations. Metrics to measure the theme can include HSBC Asset Management's Net-Zero Investment Framework (NZIF) classification, which is a proprietary classification that takes into account qualitative and quantitative current and forward-looking climate alignment considerations. Under this, investments are classified into one of the following categories: 1. Achieving net-zero 2. Aligned 3. Aligning 4. Committed to Aligning. 5. Not Aligned or Insufficient Information. For Thematic Assets that are considered climate transition strategies, the majority (typically at least 80%) of the assets must fall within the Aligned, Aligning |

or Committed to Aligning categories. Other current and forward-looking metrics may be considered, such as those that apply upfront and year on year decarbonisation targets and/or temperature alignment targets.

3. **Sustainable use of proceeds** – Assets that have a minimum commitment (typically at least 50% of value) to investment in Green, Social and Sustainability (GSS) bonds and/or debt issued by multilateral development banks (MDBs), which is used to fund projects that support social and economic development. GSS bonds and/or MDB bonds are both issuances which support environment and/or social projects and/or the UN SDGs. Specifically, in the case of GSS bonds, issuances will be considered eligible provided they meet key criteria. For example, this may include, but is not limited to, the Green Bond Principles and the Climate Bonds Initiative. In the case of MDBs' bonds, the key criteria may include, but are not limited to, the following: issuers must have a mission statement that state the intent to promote sustainable economic development in developing countries, and publicly disclose they have safeguard policies in place to mitigate and reduce environmental and social risks.

**Reliance on data**

To determine carbon intensity, environmental and social quality ratings and metrics used in respect of Thematic Assets, we may rely on expertise, research and information provided by well-established third party financial data providers and/or our own research. However, we may not always be able to access complete data for the assets held by a fund or index, as the data may not be available. This might be, for example, because a company does not disclose certain information. We will always aim to provide as much information as possible but where data is missing for assets held by a fund or index, we will either use an appropriate proxy or we will exclude these assets from the overall calculations described above.

Additionally, there may be times when it is not possible to represent an asset class held by the Fund within the reference comparator, for example when there is not an appropriate index to represent the asset class or due to a lack of suitable data. In such cases, the allocation to this asset class held by the Fund will not be included in the overall comparison of the KPIs. We generally expect however that, for the Fund as a whole, data will be available for the majority of the Assets held by the Fund.

**Publication of metrics**

The Fund's performance with reference to the above metrics will be reported in periodic factsheets, the SDR Consumer Facing Disclosure and, from 2026, the SDR Product Report. These are available on the HSBC Asset Management website, www.assetmanagement.hsbc.co.uk, select "Fund Centre" and locate and select the Fund from the list of funds.

**7. How will the Manager use Stewardship to support the Fund in achieving its aims?**

Stewardship is the responsible allocation, management and oversight of investors' capital and seeks to enhance long-term value for investors and mitigate risks. Stewardship has the potential to contribute to positive outcomes for the economy, the environment and society, notably by influencing the environmental and social performance of assets through active engagement, the exercise of voting and other rights, shareholder activism or through participation in system-wide initiatives.

The ACD has an approach to undertaking stewardship of the assets, which includes activities such as engagement with companies and voting at company meetings. Scope 3 emissions will be considered indirectly as part of HSBC Asset Management's overall approach to Stewardship.

Engagement, whether through direct discussion with companies or collaborative engagement with other investors, is important for providing valuable insights for more informed investment decision making and encouraging appropriate corporate practices, through voting at company meetings.

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| | HSBC Asset Management sets out stewardship policies and practices which apply to the HSBC entities operating and managing HSBC's funds, including the ACD and the Investment Manager. Where the Fund invests into HSBC funds, those funds will follow HSBC Asset Management's stewardship policies and practices. In respect of the HSBC funds, this includes both proxy voting and engagement and focuses on core themes including climate change (which includes consideration of Scope 3 emissions), biodiversity and nature, human rights, corporate governance, diversity, equity and inclusion, inclusive growth and shared prosperity and trusted technology and data. HSBC Asset Management's approach to stewardship can help to ensure the Fund's Assets are aligned to their aims and can also be used as a useful escalation tool. More information can be found in our annual Stewardship Plan, available on the HSBC Asset Management website: www.assetmanagement.hsbc.co.uk, select "About Us" and then "Responsible investing" and "Stewardship".<br><br>Internally, HSBC Asset Management has a dedicated stewardship team which provides subject matter and regional expertise. Engagement and investment teams work in collaboration to support thematic as well as specific fund/issuer engagement priorities.<br><br>Where the Fund invests into Third Party Funds, the Investment Manager will select funds which are managed by asset managers it considers have robust stewardship policies and practices. As part of its due diligence process the Investment Manager will review ESG and sustainable assets to ensure that their stewardship policies and practices materially reflect HSBC Asset Management's stewardship policies and practices.<br><br>Similarly, where the Investment Manager invests directly into Assets other than funds, the Investment Manager will carry out its own stewardship activity which is aligned to HSBC Asset Management's stewardship policies and practices as set out above.<br><br>The Investment Manager is a signatory to the UK Stewardship Code 2020 published by the Financial Reporting Council.<br><br>**8. What happens if any of the Fund's Assets do not demonstrate sufficient performance against its responsible investment aims?**<br><br>The Fund's aims mean that even if Assets are performing well financially, the Fund may need to sell them in the event that they:<br>- do not demonstrate sufficient performance against the Fund's aims; or<br>- no longer meet the Fund's aims; or<br>- do not perform as expected nor in accordance with the specified metrics.<br><br>The Fund will be subject to regular ongoing monitoring with controls and processes in place that aim to reduce the likelihood of Assets failing to contribute towards the Fund's goals. This includes early warning indicators that highlight where the Fund may be deviating from the levels it is expected to achieve in order to meet its investment objective and its aims. Should this occur, the Investment Manager will investigate to understand the causes and where necessary, determine remedial action to ensure the Fund continues to be aligned to its investment objective and its aims. |
| SRRI** | 5 |
| HSBC Risk Level Explanation | The five risk levels are based on ***volatility*** bands as defined by HSBC. ***Volatility*** is a measure of investment risk. This differs from the ***SRRI*** which is scored on a scale of 1 to 7 and calculated using historical price ***volatility*** over the last five years.<br><br>The Fund will be managed to operate in line with its risk profile. We will use our forward looking expectations for each asset class held in the Fund and combine them to maximise potential ***returns***, typically within a ***volatility*** range of 14% and above. It is important to remember that this is based on forward looking expectations and that the actual ***volatility*** of the Fund will depend on market conditions. Therefore, there may be periods of time where the ***volatility*** of the Fund is higher or lower than the ***volatility*** range above. |
| Share Classes | Income C<br>Accumulation C |

| | |
|---|---|
| Currently Offered | Accumulation P |
| Risk Categories<br><br>(refer to Section “Risks” on page 31) | General<br>Cancellation<br>Efficient Portfolio Management (EPM) and Counterparty Risk<br>Leverage Risk<br>Collateral Risk<br>Fixed Income Securities<br>Currency Exchange Rates<br>Investing in Europe<br>High Yield<br>Smaller Companies<br>Banned Weapons Policy<br>Derivatives<br>Property<br>Hedge Funds<br>Alternative Investments<br>Private Debt<br>Private Equity<br>Commodities<br>Effect of Initial Charge<br>Suspension of Dealings<br>Liabilities<br>Emerging Markets<br>New Funds<br>Unregulated Funds<br>Environment, Social and Governance (ESG) Scoring Risk<br>Sustainable Funds and Environment, Social and Governance (ESG) data |

* Notice has been issued to Shareholders in the Global Responsible Multi-Asset Adventurous Portfolio of an increase to the annual management charges, the introduction of discounts to the annual management charges and the potential to invest in a wider range of alternative asset classes for this Fund, which take effect from 6 May 2025. For further information please refer to the Shareholder notice available on the HSBC Asset Management website www.assetmanagement.hsbc.co.uk or you can contact us.

| **Global Responsible Multi-Asset Balanced Portfolio*** | |
|---|---|
| Investment Objective | The Fund aims to provide ***growth*** in line with its risk profile in the long term, which is a period of five years or more. The Fund's risk profile is rated as 3 where 1 is a lower level of risk and 5 is a higher level of risk.<br><br>[Note: see HSBC Risk Level Explanation section below]<br><br>[Note: see the Sustainability-related Pre-contractual Disclosures section below for details of the sustainability characteristics and aims of the Fund. Investing in assets that align with its aims in respect of its sustainability characteristics may have an impact on the Fund's financial risks and returns, as set out in more detail below in the Sustainability-related Pre-contractual Disclosures section.] |
| Investment Policy | *Up until 6 May 2025*<br><br>To achieve its objective the Fund will invest a minimum of 70% in ***collective investment schemes***, which in turn invest in ***bonds***, shares of companies (***equities***) and property securities. The Fund may also invest up to 30% directly in ***bonds*** where the investment objective can be more efficiently achieved and may invest directly in shares of companies in limited circumstances.<br><br>The ***collective investment schemes*** that the Fund invests in will, where appropriate, be those managed or operated by the ***HSBC Group***. Where this is not appropriate the Fund may invest in ***collective investment schemes*** operated by third party fund providers.<br><br>The Fund may also invest in ***money market instruments***, deposits and cash to manage day-to-day cash flow requirements.<br><br>The Fund may invest in ***derivatives*** for ***efficient portfolio management*** purposes, including ***hedging***. This means investment techniques that aim to reduce risks, reduce costs or generate ***growth*** and ***income***. The Fund may also use ***derivatives*** for broader investment purposes to help the Fund meet its objective. The Fund does not intend to use ***derivatives*** extensively and their use will be consistent with the risk profile of the Fund.<br><br>The Fund will also incorporate sustainability characteristics as set out in the Sustainability-related Pre-contractual Disclosures section below. As part of its investment approach the Fund will invest in assets that support at least one of the following three responsible investment aims:<br><br>• To deliver an overall carbon intensity level that is at least 25% lower than the carbon intensity of the broader investment universe.<br>• To deliver an overall Environmental, Social and Governance ('ESG') score that is higher than the broader investment universe.<br>• To invest in assets focused on themes that contribute towards positive environmental and/or social outcomes.<br><br>*From 6 May 2025*<br><br>To achieve its objective the Fund will invest a minimum of 70% in ***collective investment schemes***, which in turn invest in ***bonds***, shares of companies (***equities***) and alternative asset classes such as ***commodities***, ***infrastructure***, ***private debt***, ***private equity*** and property securities. The Fund may also invest up to 30% directly in ***bonds*** and ***equities*** and may invest in other financial instruments to gain exposure to alternative asset classes where the investment objective can be more efficiently achieved. The Fund will be invested across global markets.<br><br>The ***collective investment schemes*** that the Fund invests in will, where appropriate, be those managed or operated by the ***HSBC Group***. Where this is not appropriate the Fund may invest in ***collective investment schemes*** operated by third party fund providers.<br><br>The Fund may also invest in ***money market instruments***, deposits and cash to manage day-to-day cash flow requirements.<br><br>The Fund may invest in ***derivatives*** for ***efficient portfolio management*** purposes, including ***hedging***. This means investment techniques that aim to reduce risks, reduce costs or generate ***growth*** and ***income***. The Fund may also use ***derivatives*** for broader investment |

purposes to help the Fund meet its objective. The Fund does not intend to use ***derivatives*** extensively and their use will be consistent with the risk profile of the Fund.

The Fund will also incorporate sustainability characteristics as set out in the Sustainability-related Pre-contractual Disclosures section below. As part of its investment approach the Fund will invest in assets that support at least one of the following three responsible investment aims:

- To deliver an overall carbon intensity level that is at least 25% lower than the carbon intensity of the broader investment universe.
- To deliver an overall Environmental, Social and Governance ('ESG') score that is higher than the broader investment universe.
- To invest in assets focused on themes that contribute towards positive environmental and/or social outcomes.

Investment Strategy

*Up until 6 May 2025*

This is one of a range of ***actively managed*** Global Responsible Multi-Asset Portfolios offered at different risk levels. The ***asset allocation*** of each fund in the range reflects the risk level. The Fund is managed with the aim of maximising ***returns*** in line with its agreed long term risk profile of 3, where 1 is a lower level of risk and 5 is a higher level of risk therefore any potential ***returns*** are likely to be limited by the risk profile of the Fund.

The starting point for the Global Responsible Multi-Asset Portfolios is the ***asset allocation*** for each risk level.

The ***asset allocation*** positions are regularly monitored in order to make timely adjustments to the portfolios' allocations to reflect the Fund manager's views on the current market environment.

The final stage in the investment process is deciding how best to take exposure to each asset class. This may be achieved by investing in ***collective investment schemes***, investing directly in asset classes and investing in ***derivatives*** and other financial instruments.

The focus on sustainability characteristics is taken into consideration at each stage, when deciding which asset classes the Fund will invest in and how the Fund achieves exposure to those asset classes.

Under typical market conditions, the portfolio will have the following asset class exposures, achieved through investment in ***collective investment schemes*** where applicable. It should be noted that these percentages will fluctuate based upon market movement and adjustments to the ***asset allocation*** to enable the Fund to meet its aim.

| **Asset class** | **Exposure as a percentage of the Fund** |
|---|---|
| ***Equity***<br>Global Equity | 45% - 70% |
| ***Bonds***<br>Global ***Developed Market*** Government ***Bonds***<br>Global Corporate ***Bonds***<br>Global ***High Yield Bonds***<br>***Emerging Market Bonds – Hard Currency***<br>***Emerging Market Bonds – Local Currency***<br>***Asset-Backed Securities*** | 20% - 55% |
| **Property securities** | 0% - 15% |

**Use of Benchmark**

The Fund is not managed with reference to a benchmark. The performance of the Fund is shown against the performance of funds that are part of the Morningstar Allocation 40-60% Equity category, with both ***returns*** and ***volatility*** considered in the comparison. The

Morningstar Allocation 40-60% Equity category has been selected to enable investors to assess the performance of the Fund because it consists of types of funds that are broadly similar to the Fund. Many funds sold in the UK (and globally) are grouped into categories by Morningstar, an independent data provider, to help investors to compare funds with broadly similar characteristics.

**Use of Derivatives**

The Fund may invest in ***exchange traded*** and ***over-the-counter derivatives*** in accordance with Part C and Part D of Appendix 3. In particular, ***equity index futures*** may be used to increase or reduce ***equity*** exposure and ***bond index futures*** may be used with the aim of managing the overall ***bond duration***.

***Currency forward contracts*** will be used to gain exposure to currencies or with the aim of ***hedging*** against movements in the rate of exchange between Sterling and the currency in which the bonds and other assets may be denominated.

*From 6 May 2025*

This is one of a range of ***actively managed*** Global Responsible Multi-Asset Portfolios offered at different risk levels. The ***asset allocation*** of each fund in the range reflects the risk level. The Fund is managed with the aim of maximising ***returns*** in line with its agreed long term risk profile of 3, where 1 is a lower level of risk and 5 is a higher level of risk therefore any potential ***returns*** are likely to be limited by the risk profile of the Fund.

The starting point for the Global Responsible Multi-Asset Portfolios is the ***asset allocation*** for each risk level.

The ***asset allocation*** positions are regularly monitored in order to make timely adjustments to the portfolios' allocations to reflect the Fund manager's views on the current market environment.

The final stage in the investment process is deciding how best to take exposure to each asset class. This may be achieved by investing in ***collective investment schemes***, investing directly in asset classes and investing in ***derivatives*** and other financial instruments.

The focus on sustainability characteristics is taken into consideration at each stage, when deciding which asset classes the Fund will invest in and how the Fund achieves exposure to those asset classes.

Under typical market conditions, the portfolio will have the following asset class exposures, achieved through investment in ***collective investment schemes*** where applicable. It should be noted that these percentages will fluctuate based upon market movement and adjustments to the ***asset allocation*** to enable the Fund to meet its aim.

| **Asset class** | **Exposure as a percentage of the Fund** |
|---|---|
| ***Equities***<br>Global Equities | 30% - 70% |
| ***Bonds***<br>Global ***Developed Market*** Government ***Bonds***<br>Global Corporate ***Bonds***<br>Global ***High Yield Bonds***<br>***Emerging Market Bonds – Hard Currency***<br>***Emerging Market Bonds – Local Currency***<br>***Asset-Backed Securities*** | 25% - 70% |
| **Alternative asset classes**<br>***Infrastructure***<br>Property securities<br>Other alternative asset classes including ***commodities***, ***private debt*** and ***private equity*** | 0% - 20% |

| | |
|---|---|
| | **Use of Benchmark**<br>The Fund is not managed with reference to a benchmark. The performance of the Fund is shown against the performance of funds that are part of the Morningstar Allocation 40-60% Equity category, with both ***returns*** and ***volatility*** considered in the comparison. The Morningstar Allocation 40-60% Equity category has been selected to enable investors to assess the performance of the Fund because it consists of types of funds that are broadly similar to the Fund. Many funds sold in the UK (and globally) are grouped into categories by Morningstar, an independent data provider, to help investors to compare funds with broadly similar characteristics.<br><br>**Use of Derivatives**<br><br>The Fund may invest in ***exchange traded*** and ***over-the-counter derivatives*** in accordance with Part C and Part D of Appendix 3. In particular, ***equity index futures*** may be used to increase or reduce ***equity*** exposure and ***bond index futures*** may be used with the aim of managing the overall ***bond duration***.<br><br>***Currency forward contracts*** will be used to gain exposure to currencies or with the aim of ***hedging*** against movements in the rate of exchange between Sterling and the currency in which the bonds and other assets may be denominated. |
| Sustainability-related Pre-contractual Disclosures | This section provides investors with information regarding the Fund's sustainability characteristics and responsible investment aims.<br><br>This Fund does not have a UK sustainable investment label, as defined by the FCA's Sustainability Disclosure Requirements ('SDR'), although it has sustainability characteristics as described further below.<br><br>Sustainable investment labels help investors find products that have a specific sustainability goal. The use of sustainability labels is voluntary and requires funds to meet specific requirements set out by the FCA. The Fund does not have a UK sustainable investment label since it was launched prior to the SDR and its investment approach has not been designed to meet the FCA's specific label requirements.<br><br>While the Fund does not pursue specific sustainability goals as defined by SDR, it does incorporate sustainability characteristics as part of its investment approach, as further described here.<br><br>**<u>Sustainability characteristics</u>**<br><br>**1. What are the Fund's sustainability characteristics?**<br><br>The Fund intends to achieve the three responsible investment aims below by investing into a range of collective investment schemes and other assets (collectively referred to as "Assets") that support at least one of these aims.<br><br>**Aim (1)**<br><br>The Fund aims to invest in Assets that contribute to a lower carbon intensity level. The Fund will seek to deliver an overall carbon intensity level that is at least 25% lower than the carbon intensity of the broader investment universe.<br><br>**Aim (2)**<br><br>The Fund aims to invest in Assets that invest in companies and/or issuers that demonstrate better management of their key environmental, social and governance risks through their products and services, as well as their practices and policies. The Fund will seek to deliver an overall Environmental, Social and Governance ('ESG') score that is higher than the broader investment universe. |

**Aim (3)**

The Fund will invest in Assets focused on themes ('Thematic Assets') that seek to contribute towards positive environmental and/or social outcomes. Thematic Assets will fall under one or more of the following themes:

- Circular Economy and Green Infrastructure
- Climate and Energy Transition
- Natural Resources and Water
- Evolving Society

The Fund will invest at least 20% of its Net Asset Value (NAV) into Thematic Assets.

**2. What percentage of the Fund's Assets will contribute towards its responsible investment aims?**

The Fund will invest at least 70% of its Net Asset Value (excluding cash and derivative Assets) into Assets that contribute to the above responsible investment aims. Given the nature of a multi-asset strategy, exposure to Thematic Assets under Aim (3) will evolve over time to reflect asset allocation decisions taken by the Investment Manager, therefore allocations to the themes will fluctuate and alignment to themes is expected to vary over time. The Fund may invest up to 30% in Assets that do not necessarily contribute to the Fund's responsible investment aims. As well as cash and derivatives, this includes Assets where data is unavailable to assess carbon intensity levels or ESG scores under Aims 1 and 2.

The Fund may hold cash for liquidity management purposes, including to enable it to issue and redeem shares.

The Fund may also hold derivatives for the purposes of efficient portfolio management, including hedging. The derivatives which may be used include currency forward contracts and exchange traded index futures. Where the Fund invests in exchange traded index futures, whose value is derived from a financial index, the Investment Manager will favour, where available, a financial index that has characteristics materially aligned with HSBC Asset Management's responsible investing policies. For more information investors should refer to our responsible investing policies available on the HSBC Asset Management website, www.assetmanagement.hsbc.co.uk, select "About Us" and then "Responsible investing".

**3. Are there any types of assets that the Fund will not invest in?**

The entire portfolio of the Fund will be subject to the application of investment exclusions. These are set out in HSBC Asset Management's responsible investing policies. The exclusions that apply to HSBC funds include, but are not limited to, companies and issuers we consider to be involved in the development and production of banned weapons, the production of controversial weapons and their key components and the production of tobacco and companies and issuers that have revenues generated from thermal coal power generation or extraction or that we consider to be non-compliant with United Nations Global Compact (UNGC) Principles.

Please note that minimum thresholds are applied in respect of certain excluded activities to determine whether a company or issuer should be excluded. Please also note that some exclusions may not be relevant for all asset classes and that data needed to determine involvement in the excluded activities may not be available in all cases. The description of exclusions above is meant as a summary of the exclusions that apply to HSBC funds and for more information investors should refer to our responsible investing policies available on the HSBC Asset Management website, www.assetmanagement.hsbc.co.uk, select "About Us" and then "Responsible investing".

Where the Fund does not invest in companies or issuers involved in or carrying out excluded activities, this means that the Fund will not benefit from, or be impacted by, the investment performance of such companies or issuers.

The Fund may also invest into Third Party Funds. Where the Fund invests into Third Party Funds, we will ensure that they align with HSBC Asset Management's responsible investing

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| | policies. However, we recognise that the method of assessment and maximum thresholds of such exclusions may differ. Where the differences are considered to be material, the Fund will not be permitted to invest in the relevant Third Party Funds. For example, some Third Party Funds may set their tobacco production revenues exclusion at 5% while we set ours at 0%. We would consider this to be an acceptable difference and therefore the Fund would be permitted to invest.<br><br>**4. Could the Fund's strategy have an impact on its financial risks and returns?**<br><br>The Fund will invest in Assets that align with its responsible investment aims.<br><br>This means that the Fund cannot benefit from the investment performance of certain companies or sectors which may cause it to underperform the market. The Fund may need to sell investments that cease to meet its sustainability characteristics requirements even if those investments are performing well financially.<br><br>Other similar funds with similar financial goals, but without sustainability characteristics, may be able to invest more widely. This may allow them to have a wider spread of financial risk and means that they may achieve a different financial return which could be higher or lower than a fund that has sustainability characteristics.<br>The Fund is managed within its prescriptive volatility / risk band and the ACD would not expect the Fund to fall outside its indicated risk profile because of its sustainability characteristics.<br><br>**5. How are Assets selected to meet the sustainability characteristics of the Fund?**<br><br>Assets selected for the Fund will be assessed by the Investment Manager to ensure they contribute to its responsible investment aims. Aims (1) and (2) are assessed relative to the broader investment universe, as explained in section 1 above. The broader investment universe is represented by a reference comparator, which is a composite benchmark that represents the outcomes the Fund might have achieved if it did not have sustainable investment aims. It is a combination of benchmarks that together represent the Assets held by the Fund and in the same proportions (weighting) as the Fund.<br><br>**Carbon Intensity – Aim (1)**<br><br>Each Asset will also be assessed to determine the extent to which it contributes to the overall Fund carbon intensity aim to achieve a weighted average carbon intensity ('WACI') that is at least 25% lower than the reference comparator.<br><br>WACI is the sum of carbon intensity of all companies and issuers, weighted by the allocation to that specific issuer. This is generally determined using Scope 1 and Scope 2 emissions as described further below.<br><br>Carbon intensity is a measure of the quantity of carbon emissions per million dollars of economic output of a company or issuer of a financial instrument. It is a measure of a company's or an issuer's current carbon efficiency, measuring their carbon emissions, relative to their economic output (for example turnover for companies or Gross Domestic Product (GDP) for sovereigns). The Greenhouse Gas Protocol differentiates between 3 scopes of emissions of a company or an issuer:<br>• Scope 1: direct emissions from owned or controlled sources<br>• Scope 2: indirect emissions from the generation of purchased energy<br>• Scope 3: all indirect emissions, not included in Scope 2, that occur in the value chain of the reporting company.<br><br>Emissions will be measured using Scope 1 and 2 Greenhouse Gas (GHG) emissions primarily, which are generally more under the control of the company or issuer. Although we believe that Scope 1 and 2 emissions are a good indicator of a company's or issuers carbon emissions, we recognise that Scope 3 indirect emissions are also important and often represent larger levels of emissions due to the fact that they typically represent company/issuer and/or sector value chains. Scope 3 emissions have generally not been considered as data for this type of emissions is currently not widely available. However, where |

Paris Aligned Benchmark or Climate Transition Benchmark Strategies are used, and as data becomes more widely available, Scope 1, 2 and 3 emissions will be used in the assessment.

Carbon intensity data will be provided by third-party data providers.

This metric is commonly used to demonstrate a fund's carbon performance and disclosure on it is now a regulatory requirement under the UK's Taskforce for Climate Related Financial Disclosures since 2023.

**Environmental, Social and Governance Scores – Aim (2)**

Each Asset will also be assessed to determine the extent to which it contributes towards the overall Fund aim to achieve a weighted average ESG score that is higher than the respective score of the reference comparator. The weighted average ESG score is the sum of the scores of all companies and issuers, weighted by the allocation to that specific issuer.

ESG scores measure how well a company or issuer is managing its key environmental, social and governance risks and, where appropriate, its positioning to meet market demand for the provision of products and services that have a positive environmental or social contribution. Each company is assessed on numerous environmental criteria, which may include but will not be limited to, biodiversity, land use, raw material sources, electronic waster, product carbon footprint as well as social criteria such as, but not limited to, health and safety, privacy and data security, community relations. Additionally, where appropriate, a company may be assessed on environmental or social opportunities which may include opportunities in clean technology, green buildings and renewable energy and/or access to finance, healthcare and opportunities in nutrition and health. Each company is scored across sector-relevant factors of a scale of 1-10. A score of 10 demonstrates a company or government is an industry leader in managing its key environmental, social and governance risks and taking advantage of market demand opportunities. Conversely, a company with a score of 1 will typically be an industry laggard in managing such risks and not taking advantage of market demand opportunity. ESG scores are adjusted by industry.

ESG scores are therefore commonly used to evaluate how well a company or issuer is managing its key environmental, social and governance risks as well as, where appropriate, its market demand opportunities relating to products and services that have positive social or environmental contribution. Good scores may indicate resilience to environmental and/or social disruptions and may also indicate a company has very strong positioning to meet market demand for the provision of products and services that have a positive environmental or social contribution.

To determine the ESG score, data will be obtained from MSCI or other third-party data providers. As part of its methodology, MSCI evaluates each company or issuer on a selection of two to seven environmental and/or social key issues. The environmental and/or social key issues relevant for a given company or issuer are selected based on the company's exposure to potentially material environmental and/or social risks and market demand opportunities, which are driven by industry-specific and market-specific factors. Example key issue areas include climate change, pollution & waste, natural capital, human capital and product liability, among others. MSCI's ESG scores are calculated based on the weight of key issue scores specific to the environmental, social and governance themes.

**Thematic Assets – Aim (3)**

Each Asset that is classified under one or more of the themes will be assessed in a way that is appropriate for the theme or themes relevant to that Asset. Assets held may contribute to more than one theme.

In addition, the Investment Manager has mapped out the United Nations Sustainable Development Goals (UN SDGs) that are typically relevant for each theme (other UN SDGs may be considered as relevant for some Assets). There are 17 UN SDGs, that were introduced at the United Nations Conference on Sustainable Development in 2012. The aim was to produce a set of universal goals that meet the urgent environmental, political and economic challenges facing our world. The UN SDGs are also used as a framework to support investors in how they articulate and assess themes and may measure each theme directly or indirectly depending on the relevant Asset and available data point(s). We recognise that to achieve the UN SDGs, companies must play a role and as such we have chosen to target Thematic Assets which help contribute to 15 of the UN SDGs as set out in the table below.

| **Theme** | **Circular Economy and Green Infrastructure** | **Climate and Energy Transition** | **Natural Resources and Water** | **Evolving Society** |
|---|---|---|---|---|
| **Relevant UN SDGs to support the assessment of the theme (direct via UNSDG revenue metric and/or indirect via another related metric as summarised in section 6)** | UN SDG 9 – Industry, Innovation and Infrastructure<br><br>UN SDG 11 – Sustainable Cities and Communities<br><br>UN SDG 12 – Responsible Consumption and Production | UN SDG 7 – Affordable and Clean Energy<br><br>UN SDG 13 – Climate Action | UN SDG 6 – Clean Water and Sanitation<br><br>UN SDG 14 – Life Below Water<br><br>UN SDG 15 – Life on Land | UN SDG 1 – No Poverty<br><br>UN SDG 2 – Zero Hunger<br><br>UN SDG 3 – Good Health and Wellbeing<br><br>UN SDG 4 – Quality Education<br><br>UN SDG 5 – Gender Equality<br><br>UN SDG 8 – Decent Work and Economic Growth<br><br>UN SDG 10 – Reduced Inequalities |

An Asset focused on a theme will align with one or more of the relevant UN SDGs e.g. an Asset focused on the Climate and Energy Transition theme will typically have an appropriate level of alignment with UN SDG 7 and/or 13. Alignment to the themes (and the underlying UN SDGs as relevant) will be assessed either:

(i) directly (i.e. via revenues, for example UN SDG revenue alignment); or
(ii) indirectly (i.e. via another thematic metric reflective of the theme/UN SDG).

**6. How will investors know if the Fund is achieving its responsible investment aims?**

The ACD and Investment Manager have controls and processes in place to monitor the performance of the Fund in achieving its aims. These aim to both reduce the likelihood of the Fund failing to meet its aims and also to identify where escalation is necessary should issues arise.

The Risk function of the Investment Manager provides a further level of monitoring and oversight. As part of this, the Risk function determines levels of performance, for the measures specified in the aims, which the Fund is reasonably expected to operate within. Although these are not set limits, the levels of anticipated performance are used as an early warning indicator to highlight where deviations are happening. Where this occurs, the Risk function discusses this with the Investment Manager to understand the causes and where necessary, determines any subsequent action to ensure the Fund remains aligned to its aims.

The ACD also receives regular reporting from the Investment Manager, to ensure it has oversight of the performance of the Fund in achieving its aims and will challenge the Investment Manager if any potential issues are identified.

To demonstrate that the aims are being met the following key metrics will be considered and monitored on an ongoing basis by the Investment Manager. These will be published so that investors can track how the Fund is meeting its aims.

**Aim (1)**

**Carbon Emissions:**

1. WACI of the overall Fund; and
2. WACI of the reference comparator.

As a weighted average, WACI takes account of the proportions in which companies and issuers are invested in by Assets and also the proportions in which Assets are held within the Fund. The calculation excludes any Assets for which data is unavailable. Information regarding data coverage will be disclosed in the ACD's regular reporting.

**Aim (2)**

**Environmental and Social quality scores (1-10 scale):**

1. Weighted average ESG score of the Fund; and
2. Weighted average ESG score of the reference comparator.

As weighted average scores, these take account of the proportions in which companies and issuers invested in by the Assets and also the proportions in which Assets are held within the Fund.

The calculation excludes any Assets for which data is unavailable. Full details regarding data coverage will be disclosed in the ACD's regular reporting.

**Aim (3)**

**Thematic Assets:**

The Thematic Assets are mapped against one or more themes and we will report the Fund's allocations to these themes.

We will use and report on other metrics which may change over time. These metrics are applied to any other funds held by the Fund, rather than the underlying assets of those other funds. They may include, but are not limited to, the following:

1. **Products & Services (measured via revenues)** – Revenues associated with activities linked to the Asset theme and/or specific UN SDG. This can be in the form of UN SDG revenue alignment, green revenues and/or revenue mapped through a proprietary approach for the Asset theme. Typically, at least 20% of revenues in respect of an Asset considered must be aligned to the Asset theme and/or specific UN SDG.

2. **Climate Strategic Business Alignment** – Climate thematic strategies which focus on metrics that support overall alignment to the goals of the Paris Agreement via current and forward-looking climate considerations. Metrics to measure the theme can include HSBC Asset Management's Net-Zero Investment Framework (NZIF) classification, which is a proprietary classification that takes into account qualitative and quantitative current and forward-looking climate alignment considerations. Under this, investments are classified into one of the following categories: 1. Achieving net-zero 2. Aligned 3. Aligning 4. Committed to Aligning. 5. Not Aligned or Insufficient Information. For Thematic Assets that are considered climate transition strategies, the majority (typically at least 80%) of the assets must fall within the Aligned, Aligning or Committed to Aligning categories. Other current and forward-looking metrics may be considered, such as those that apply upfront and year on year decarbonisation targets and/or temperature alignment targets.

3. **Sustainable use of proceeds** – Assets that have a minimum commitment (typically at least 50% of value) to investment in Green, Social and Sustainability (GSS) bonds and/or debt issued by multilateral development banks (MDBs), which is used to fund projects that support social and economic development. GSS bonds and/or MDB bonds are both issuances which support environment and/or social projects and/or the UN SDGs. Specifically, in the case of GSS bonds, issuances will be considered eligible provided they meet key criteria. For example, this may include, but is not limited to, the Green Bond Principles and the Climate Bonds Initiative. In the case of MDBs' bonds, the key criteria may include, but are not limited to, the following: issuers must have a mission statement that state the intent to promote sustainable economic development in developing countries, and publicly disclose they have safeguard policies in place to mitigate and reduce environmental and social risks.

**Reliance on data**

To determine carbon intensity, environmental and social quality ratings and metrics used in respect of Thematic Assets, we may rely on expertise, research and information provided by well-established third party financial data providers and/or our own research. However, we may not always be able to access complete data for the assets held by a fund or index, as the data may not be available. This might be, for example, because a company does not disclose certain information. We will always aim to provide as much information as possible but where data is missing for assets held by a fund or index, we will either use an appropriate proxy or we will exclude these assets from the overall calculations described above.

Additionally, there may be times when it is not possible to represent an asset class held by the Fund within the reference comparator, for example when there is not an appropriate index to represent the asset class or due to a lack of suitable data. In such cases, the allocation to this asset class held by the Fund will not be included in the overall comparison of the KPIs. We generally expect however that, for the Fund as a whole, data will be available for the majority of the Assets held by the Fund.

**Publication of metrics**

The Fund's performance with reference to the above metrics will be reported in periodic factsheets, the SDR Consumer Facing Disclosure and, from 2026, the SDR Product Report. These are available on the HSBC Asset Management website, www.assetmanagement.hsbc.co.uk, select "Fund Centre" and locate and select the Fund from the list of funds.

**7. How will the Manager use Stewardship to support the Fund in achieving its aims?**

Stewardship is the responsible allocation, management and oversight of investors' capital and seeks to enhance long-term value for investors and mitigate risks. Stewardship has the potential to contribute to positive outcomes for the economy, the environment and society, notably by influencing the environmental and social performance of assets through active engagement, the exercise of voting and other rights, shareholder activism or through participation in system-wide initiatives.

The ACD has an approach to undertaking stewardship of the assets, which includes activities such as engagement with companies and voting at company meetings. Scope 3 emissions will be considered indirectly as part of HSBC Asset Management's overall approach to Stewardship.

Engagement, whether through direct discussion with companies or collaborative engagement with other investors, is important for providing valuable insights for more informed investment decision making and encouraging appropriate corporate practices, through voting at company meetings.

HSBC Asset Management sets out stewardship policies and practices which apply to the HSBC entities operating and managing HSBC's funds, including the ACD and the Investment Manager. Where the Fund invests into HSBC funds, those funds will follow HSBC Asset

| | |
|---|---|
| | Management's stewardship policies and practices. In respect of the HSBC funds, this includes both proxy voting and engagement and focuses on core themes including climate change (which includes consideration of Scope 3 emissions), biodiversity and nature, human rights, corporate governance, diversity, equity and inclusion, inclusive growth and shared prosperity and trusted technology and data. HSBC Asset Management's approach to stewardship can help to ensure the Fund's Assets are aligned to their aims and can also be used as a useful escalation tool. More information can be found in our annual Stewardship Plan, available on the HSBC Asset Management website: www.assetmanagement.hsbc.co.uk, select "About Us" and then "Responsible investing" and "Stewardship".<br><br>Internally, HSBC Asset Management has a dedicated stewardship team which provides subject matter and regional expertise. Engagement and investment teams work in collaboration to support thematic as well as specific fund/issuer engagement priorities.<br><br>Where the Fund invests into Third Party Funds, the Investment Manager will select funds which are managed by asset managers it considers have robust stewardship policies and practices. As part of its due diligence process the Investment Manager will review ESG and sustainable assets to ensure that their stewardship policies and practices materially reflect HSBC Asset Management's stewardship policies and practices.<br><br>Similarly, where the Investment Manager invests directly into Assets other than funds, the Investment Manager will carry out its own stewardship activity which is aligned to HSBC Asset Management's stewardship policies and practices as set out above.<br><br>The Investment Manager is a signatory to the UK Stewardship Code 2020 published by the Financial Reporting Council.<br><br>**8. What happens if any of the Fund's Assets do not demonstrate sufficient performance against its responsible investment aims?**<br><br>The Fund's aims mean that even if Assets are performing well financially, the Fund may need to sell them in the event that they:<br>- do not demonstrate sufficient performance against the Fund's aims; or<br>- no longer meet the Fund's aims; or<br>- do not perform as expected nor in accordance with the specified metrics.<br><br>The Fund will be subject to regular ongoing monitoring with controls and processes in place that aim to reduce the likelihood of Assets failing to contribute towards the Fund's goals. This includes early warning indicators that highlight where the Fund may be deviating from the levels it is expected to achieve in order to meet its investment objective and its aims. Should this occur, the Investment Manager will investigate to understand the causes and where necessary, determine remedial action to ensure the Fund continues to be aligned to its investment objective and its aims. |
| SRRI** | 4 |
| HSBC Risk Level Explanation | The five risk levels are based on ***volatility*** bands as defined by HSBC. ***Volatility*** is a measure of investment risk. This differs from the SRRI which is scored on a scale of 1 to 7 and calculated using historical price ***volatility*** over the last five years.<br><br>The Fund will be managed to operate in line with its risk profile. We will use our forward looking expectations for each asset class held in the Fund and combine them to maximise potential ***returns***, typically within a ***volatility*** range of 8%-11%. It is important to remember that this is based on forward looking expectations and that the actual ***volatility*** of the Fund will depend on market conditions. Therefore, there may be periods of time where the ***volatility*** of the Fund is higher or lower than the ***volatility*** range above. |
| Share Classes Currently Offered | Income C<br>Accumulation C<br>Accumulation P |

| | |
|---|---|
| Risk Categories<br><br>(refer to Section "Risks" on page 31) | General<br>Cancellation<br>Efficient Portfolio Management (EPM) and Counterparty Risk<br>Leverage Risk<br>Collateral Risk<br>Fixed Income Securities<br>Currency Exchange Rates<br>Investing in Europe<br>High Yield<br>Smaller Companies<br>Banned Weapons Policy<br>Derivatives<br>Property<br>Hedge Funds<br>Alternative Investments<br>Private Debt<br>Private Equity<br>Commodities<br>Effect of Initial Charge<br>Suspension of Dealings<br>Liabilities<br>Emerging Markets<br>New Funds<br>Unregulated Funds<br>Environment, Social and Governance (ESG) Scoring Risk<br>Sustainable Funds and Environment, Social and Governance (ESG) data |

* Notice has been issued to Shareholders in the Global Responsible Multi-Asset Balanced Portfolio of an increase to the annual management charges, the introduction of discounts to the annual management charges and the potential to invest in a wider range of alternative asset classes for this Fund, which take effect from 6 May 2025. For further information please refer to the Shareholder notice available on the HSBC Asset Management website www.assetmanagement.hsbc.co.uk or you can contact us.

| Global Responsible Multi-Asset Cautious Portfolio* | |
|---|---|
| Investment Objective | The Fund aims to provide ***growth*** in line with its risk profile in the long term, which is a period of five years or more. The Fund's risk profile is rated as 1 where 1 is a lower level of risk and 5 is a higher level of risk.<br><br>[Note: see HSBC Risk Level Explanation section below]<br><br>[Note: see the Sustainability-related Pre-contractual Disclosures section below for details of the sustainability characteristics and aims of the Fund. Investing in assets that align with its aims in respect of its sustainability characteristics may have an impact on the Fund's financial risks and returns, as set out in more detail below in the Sustainability-related Pre-contractual Disclosures section.] |
| Investment Policy | *Up until 6 May 2025*<br><br>To achieve its objective the Fund will invest a minimum of 40% in ***collective investment schemes***, which in turn invest in ***bonds***, shares of companies (***equities***) and property securities. The Fund may also invest up to 60% directly in ***bonds*** where the investment objective can be more efficiently achieved and may invest directly in shares of companies in limited circumstances.<br><br>The ***collective investment schemes*** that the Fund invests in will, where appropriate, be those managed or operated by the ***HSBC Group***. Where this is not appropriate the Fund may invest in ***collective investment schemes*** operated by third party fund providers.<br><br>The Fund may also invest in ***money market instruments,*** deposits and cash to manage day-to-day cash flow requirements.<br><br>The Fund may invest in ***derivatives*** for ***efficient portfolio management*** purposes, including ***hedging***. This means investment techniques that aim to reduce risks, reduce costs or generate ***growth*** and ***income***. The Fund may also use ***derivatives*** for broader investment purposes to help the Fund meet its objective. The Fund does not intend to use ***derivatives*** extensively and their use will be consistent with the risk profile of the Fund.<br><br>The Fund will also incorporate sustainability characteristics as set out in the Sustainability-related Pre-contractual Disclosures section below. As part of its investment approach the Fund will invest in assets that support at least one of the following three responsible investment aims:<br><br>• To deliver an overall carbon intensity level that is at least 25% lower than the carbon intensity of the broader investment universe.<br>• To deliver an overall Environmental, Social and Governance ('ESG') score that is higher than the broader investment universe.<br>• To invest in assets focused on themes that contribute towards positive environmental and/or social outcomes.<br><br>*From 6 May 2025*<br><br>To achieve its objective the Fund will invest a minimum of 40% in ***collective investment schemes***, which in turn invest in ***bonds***, shares of companies (***equities***) and alternative asset classes such as ***commodities***, ***infrastructure***, ***private debt***, ***private equity*** and property securities. The Fund may also invest up to 60% directly in ***bonds*** and ***equities*** and may invest in other financial instruments to gain exposure to alternative asset classes where the investment objective can be more efficiently achieved. The Fund will be invested across global markets.<br><br>The ***collective investment schemes*** that the Fund invests in will, where appropriate, be those managed or operated by the ***HSBC Group***. Where this is not appropriate the Fund may invest in ***collective investment schemes*** operated by third party fund providers.<br><br>The Fund may also invest in ***money market instruments,*** deposits and cash to manage day-to-day cash flow requirements.<br><br>The Fund may invest in ***derivatives*** for ***efficient portfolio management*** purposes, including ***hedging***. This means investment techniques that aim to reduce risks, reduce costs or generate ***growth*** and ***income***. The Fund may also use ***derivatives*** for broader |

<table>
<tr><td></td><td>
investment purposes to help the Fund meet its objective. The Fund does not intend to use derivatives extensively and their use will be consistent with the risk profile of the Fund.<br><br>
The Fund will also incorporate sustainability characteristics as set out in the Sustainability-related Pre-contractual Disclosures section below. As part of its investment approach the Fund will invest in assets that support at least one of the following three responsible investment aims:
<ul>
<li>To deliver an overall carbon intensity level that is at least 25% lower than the carbon intensity of the broader investment universe.</li>
<li>To deliver an overall Environmental, Social and Governance (‘ESG’) score that is higher than the broader investment universe.</li>
<li>To invest in assets focused on themes that contribute towards positive environmental and/or social outcomes.</li>
</ul>
</td></tr>
<tr><td>Investment Strategy</td><td>
Up until 6 May 2025<br><br>
This is one of a range of actively managed Global Responsible Multi-Asset Portfolios offered at different risk levels. The asset allocation of each fund in the range reflects the risk level. The Fund is managed with the aim of maximising returns in line with its agreed long term risk profile of 1, where 1 is a lower level of risk and 5 is a higher level of risk therefore any potential returns are likely to be limited by the risk profile of the Fund.<br><br>
The starting point for the Global Responsible Multi-Asset Portfolios is the asset allocation for each risk level.<br><br>
The asset allocation positions are regularly monitored in order to make timely adjustments to the portfolios’ allocations to reflect the Fund manager’s views on the current market environment.<br><br>
The final stage in the investment process is deciding how best to take exposure to each asset class. This may be achieved by investing in collective investment schemes, investing directly in asset classes and investing in derivatives and other financial instruments.<br><br>
The focus on sustainability characteristics is taken into consideration at each stage, when deciding which asset classes the Fund will invest in and how the Fund achieves exposure to those asset classes.<br><br>
Under typical market conditions, the portfolio will have the following asset class exposures, achieved through investment in collective investment schemes where applicable. It should be noted that these percentages will fluctuate based upon market movement and adjustments to the asset allocation to enable the Fund to meet its aim.<br><br>
<table>
<tr><th>Asset class</th><th>Exposure as a percentage of the Fund</th></tr>
<tr><td>Equity<br>Global Equity</td><td>10% - 40%</td></tr>
<tr><td>Bonds<br>Global Developed Market Government Bonds<br>Global Corporate Bonds<br>Global High Yield Bonds<br>Emerging Market Bonds – Hard Currency<br>Emerging Market Bonds – Local Currency<br>Asset-Backed Securities</td><td>60% - 90%</td></tr>
<tr><td>Property securities</td><td>0% - 15%</td></tr>
</table>
<br>
Use of Benchmark<br><br>
The Fund is not managed with reference to a benchmark. The performance of the Fund is shown against the performance of funds that are part of the Morningstar Allocation 0-20%
</td></tr>
</table>

Equity category, with both ***returns*** and ***volatility*** considered in the comparison. The Morningstar Allocation 0-20% Equity category has been selected to enable investors to assess the performance of the Fund because it consists of types of funds that are broadly similar to the Fund. Many funds sold in the UK (and globally) are grouped into categories by Morningstar, an independent data provider, to help investors to compare funds with broadly similar characteristics.

**Use of Derivatives**

The Fund may invest in ***exchange traded*** and ***over-the-counter derivatives*** in accordance with Part C and Part D of Appendix 3. In particular, ***equity index futures*** may be used to increase or reduce ***equity*** exposure and ***bond index futures*** may be used with the aim of managing the overall ***bond duration***.

***Currency forward contracts*** will be used to gain exposure to currencies or with the aim of ***hedging*** against movements in the rate of exchange between Sterling and the currency in which the bonds and other assets may be denominated.

*From 6 May 2025*

This is one of a range of ***actively managed*** Global Responsible Multi-Asset Portfolios offered at different risk levels. The ***asset allocation*** of each fund in the range reflects the risk level. The Fund is managed with the aim of maximising ***returns*** in line with its agreed long term risk profile of 1, where 1 is a lower level of risk and 5 is a higher level of risk therefore any potential ***returns*** are likely to be limited by the risk profile of the Fund.

The starting point for the Global Responsible Multi-Asset Portfolios is the ***asset allocation*** for each risk level.

The ***asset allocation*** positions are regularly monitored in order to make timely adjustments to the portfolios' allocations to reflect the Fund manager's views on the current market environment.

The final stage in the investment process is deciding how best to take exposure to each asset class. This may be achieved by investing in ***collective investment schemes***, investing directly in asset classes and investing in ***derivatives*** and other financial instruments.

The focus on sustainability characteristics is taken into consideration at each stage, when deciding which asset classes the Fund will invest in and how the Fund achieves exposure to those asset classes.

Under typical market conditions, the portfolio will have the following asset class exposures, achieved through investment in ***collective investment schemes*** where applicable. It should be noted that these percentages will fluctuate based upon market movement and adjustments to the ***asset allocation*** to enable the Fund to meet its aim.

| **Asset class** | **Exposure as a percentage of the Fund** |
|---|---|
| ***Equities***<br>Global ***Equities*** | 0% - 30% |
| ***Bonds***<br>Global ***Developed Market*** Government ***Bonds***<br>Global Corporate ***Bonds***<br>Global ***High Yield Bonds***<br>***Emerging Market Bonds – Hard Currency***<br>***Emerging Market Bonds – Local Currency***<br>***Asset-Backed Securities*** | 70% - 100% |

| | |
|---|---|
| **Alternative asset classes**<br>***Infrastructure***<br>Property securities<br>Other alternative asset classes including ***commodities***, ***private debt*** and ***private equity*** | 0% - 15% |

**Use of Benchmark**

The Fund is not managed with reference to a benchmark. The performance of the Fund is shown against the performance of funds that are part of the Morningstar Allocation 0-20% Equity category, with both ***returns*** and ***volatility*** considered in the comparison. The Morningstar Allocation 0-20% Equity category has been selected to enable investors to assess the performance of the Fund because it consists of types of funds that are broadly similar to the Fund. Many funds sold in the UK (and globally) are grouped into categories by Morningstar, an independent data provider, to help investors to compare funds with broadly similar characteristics.

**Use of Derivatives**

The Fund may invest in ***exchange traded*** and ***over-the-counter derivatives*** in accordance with Part C and Part D of Appendix 3. In particular, ***equity index futures*** may be used to increase or reduce ***equity*** exposure and ***bond index futures*** may be used with the aim of managing the overall ***bond duration***.

***Currency forward contracts*** will be used to gain exposure to currencies or with the aim of ***hedging*** against movements in the rate of exchange between Sterling and the currency in which the bonds and other assets may be denominated.

Sustainability-related Pre-contractual Disclosures

This section provides investors with information regarding the Fund's sustainability characteristics and responsible investment aims.

This Fund does not have a UK sustainable investment label, as defined by the FCA's Sustainability Disclosure Requirements ('SDR'), although it has sustainability characteristics as described further below.

Sustainable investment labels help investors find products that have a specific sustainability goal. The use of sustainability labels is voluntary and requires funds to meet specific requirements set out by the FCA. The Fund does not have a UK sustainable investment label since it was launched prior to the SDR and its investment approach has not been designed to meet the FCA's specific label requirements.

While the Fund does not pursue specific sustainability goals as defined by SDR, it does incorporate sustainability characteristics as part of its investment approach, as further described here.

**<u>Sustainability characteristics</u>**

**1. What are the Fund's sustainability characteristics?**

The Fund intends to achieve the three responsible investment aims below by investing into a range of collective investment schemes and other assets (collectively referred to as "Assets") that support at least one of these aims.

**Aim (1)**

The Fund aims to invest in Assets that contribute to a lower carbon intensity level. The Fund will seek to deliver an overall carbon intensity level that is at least 25% lower than the carbon intensity of the broader investment universe.

**Aim (2)**

The Fund aims to invest in Assets that invest in companies and/or issuers that demonstrate better management of their key environmental, social and governance risks through their products and services, as well as their practices and policies. The Fund will seek to deliver an overall Environmental, Social and Governance ('ESG') score that is higher than the broader investment universe.

**Aim (3)**

The Fund will invest in Assets focused on themes ('Thematic Assets') that seek to contribute towards positive environmental and/or social outcomes. Thematic Assets will fall under one or more of the following themes:

- Circular Economy and Green Infrastructure
- Climate and Energy Transition
- Natural Resources and Water
- Evolving Society

The Fund will invest at least 20% of its Net Asset Value (NAV) into Thematic Assets.

**2. What percentage of the Fund's Assets will contribute towards its responsible investment aims?**

The Fund will invest at least 70% of its Net Asset Value (excluding cash and derivative Assets) into Assets that contribute to the above responsible investment aims. Given the nature of a multi-asset strategy, exposure to Thematic Assets under Aim (3) will evolve over time to reflect asset allocation decisions taken by the Investment Manager, therefore allocations to the themes will fluctuate and alignment to themes is expected to vary over time.

The Fund may invest up to 30% in Assets that do not necessarily contribute to the Fund's responsible investment aims. As well as cash and derivatives, this includes Assets where data is unavailable to assess carbon intensity levels or ESG scores under Aims 1 and 2.

The Fund may hold cash for liquidity management purposes, including to enable it to issue and redeem shares.

The Fund may also hold derivatives for the purposes of efficient portfolio management, including hedging. The derivatives which may be used include currency forward contracts and exchange traded index futures. Where the Fund invests in exchange traded index futures, whose value is derived from a financial index, the Investment Manager will favour, where available, a financial index that has characteristics materially aligned with HSBC Asset Management's responsible investing policies. For more information investors should refer to our responsible investing policies available on the HSBC Asset Management website, www.assetmanagement.hsbc.co.uk, select "About Us" and then "Responsible investing".

**3. Are there any types of assets that the Fund will not invest in?**

The entire portfolio of the Fund will be subject to the application of investment exclusions. These are set out in HSBC Asset Management's responsible investing policies. The exclusions that apply to HSBC funds include, but are not limited to, companies and issuers we consider to be involved in the development and production of banned weapons, the production of controversial weapons and their key components and the production of tobacco and companies and issuers that have revenues generated from thermal coal power generation or extraction or that we consider to be non-compliant with United Nations Global Compact (UNGC) Principles.

Please note that minimum thresholds are applied in respect of certain excluded activities to determine whether a company or issuer should be excluded. Please also note that some exclusions may not be relevant for all asset classes and that data needed to determine involvement in the excluded activities may not be available in all cases. The description of exclusions above is meant as a summary of the exclusions that apply to HSBC funds and for more information investors should refer to our responsible investing policies available on the HSBC Asset Management website, www.assetmanagement.hsbc.co.uk, select “About Us” and then “Responsible investing”.

Where the Fund does not invest in companies or issuers involved in or carrying out excluded activities, this means that the Fund will not benefit from, or be impacted by, the investment performance of such companies or issuers.

The Fund may also invest into Third Party Funds. Where the Fund invests into Third Party Funds, we will ensure that they align with HSBC Asset Management’s responsible investing policies. However, we recognise that the method of assessment and maximum thresholds of such exclusions may differ. Where the differences are considered to be material, the Fund will not be permitted to invest in the relevant Third Party Funds. For example, some Third Party Funds may set their tobacco production revenues exclusion at 5% while we set ours at 0%. We would consider this to be an acceptable difference and therefore the Fund would be permitted to invest.

**4. Could the Fund’s strategy have an impact on its financial risks and returns?**

The Fund will invest in Assets that align with its responsible investment aims.

This means that the Fund cannot benefit from the investment performance of certain companies or sectors which may cause it to underperform the market. The Fund may need to sell investments that cease to meet its sustainability characteristics requirements even if those investments are performing well financially.

Other similar funds with similar financial goals, but without sustainability characteristics, may be able to invest more widely. This may allow them to have a wider spread of financial risk and means that they may achieve a different financial return which could be higher or lower than a fund that has sustainability characteristics.

The Fund is managed within its prescriptive volatility / risk band and the ACD would not expect the Fund to fall outside its indicated risk profile because of its sustainability characteristics.

**5. How are Assets selected to meet the sustainability characteristics of the Fund?**

Assets selected for the Fund will be assessed by the Investment Manager to ensure they contribute to its responsible investment aims. Aims (1) and (2) are assessed relative to the broader investment universe, as explained in section 1 above. The broader investment universe is represented by a reference comparator, which is a composite benchmark that represents the outcomes the Fund might have achieved if it did not have sustainable investment aims. It is a combination of benchmarks that together represent the Assets held by the Fund and in the same proportions (weighting) as the Fund.

**Carbon Intensity – Aim (1)**

Each Asset will also be assessed to determine the extent to which it contributes to the overall Fund carbon intensity aim to achieve a weighted average carbon intensity (‘WACI’) that is at least 25% lower than the reference comparator.

WACI is the sum of carbon intensity of all companies and issuers, weighted by the allocation to that specific issuer. This is generally determined using Scope 1 and Scope 2 emissions as described further below.

Carbon intensity is a measure of the quantity of carbon emissions per million dollars of economic output of a company or issuer of a financial instrument. It is a measure of a company’s or an issuer’s current carbon efficiency, measuring their carbon emissions, relative to their economic output (for example turnover for companies or Gross Domestic Product (GDP) for sovereigns). The Greenhouse Gas Protocol differentiates between 3 scopes of emissions of a company or an issuer:

- Scope 1: direct emissions from owned or controlled sources
- Scope 2: indirect emissions from the generation of purchased energy
- Scope 3: all indirect emissions, not included in Scope 2, that occur in the value chain of the reporting company.

Emissions will be measured using Scope 1 and 2 Greenhouse Gas (GHG) emissions primarily, which are generally more under the control of the company or issuer. Although we believe that Scope 1 and 2 emissions are a good indicator of a company's or issuers carbon emissions, we recognise that Scope 3 indirect emissions are also important and often represent larger levels of emissions due to the fact that they typically represent company/issuer and/or sector value chains. Scope 3 emissions have generally not been considered as data for this type of emissions is currently not widely available. However, where Paris Aligned Benchmark or Climate Transition Benchmark Strategies are used, and as data becomes more widely available, Scope 1, 2 and 3 emissions will be used in the assessment.

Carbon intensity data will be provided by third-party data providers.
This metric is commonly used to demonstrate a fund's carbon performance and disclosure on it is now a regulatory requirement under the UK's Taskforce for Climate Related Financial Disclosures since 2023.

**Environmental, Social and Governance Scores – Aim (2)**

Each Asset will also be assessed to determine the extent to which it contributes towards the overall Fund aim to achieve a weighted average ESG score that is higher than the respective score of the reference comparator. The weighted average ESG score is the sum of the scores of all companies and issuers, weighted by the allocation to that specific issuer.

ESG scores measure how well a company or issuer is managing its key environmental, social and governance risks and, where appropriate, its positioning to meet market demand for the provision of products and services that have a positive environmental or social contribution. Each company is assessed on numerous environmental criteria, which may include but will not be limited to, biodiversity, land use, raw material sources, electronic waster, product carbon footprint as well as social criteria such as, but not limited to, health and safety, privacy and data security, community relations. Additionally, where appropriate, a company may be assessed on environmental or social opportunities which may include opportunities in clean technology, green buildings and renewable energy and/or access to finance, healthcare and opportunities in nutrition and health. Each company is scored across sector-relevant factors of a scale of 1-10. A score of 10 demonstrates a company or government is an industry leader in managing its key environmental, social and governance risks and taking advantage of market demand opportunities. Conversely, a company with a score of 1 will typically be an industry laggard in managing such risks and not taking advantage of market demand opportunity. ESG scores are adjusted by industry.

ESG scores are therefore commonly used to evaluate how well a company or issuer is managing its key environmental, social and governance risks as well as, where appropriate, its market demand opportunities relating to products and services that have positive social or environmental contribution. Good scores may indicate resilience to environmental and/or social disruptions and may also indicate a company has very strong positioning to meet market demand for the provision of products and services that have a positive environmental or social contribution.

To determine the ESG score, data will be obtained from MSCI or other third-party data providers. As part of its methodology, MSCI evaluates each company or issuer on a selection of two to seven environmental and/or social key issues. The environmental and/or social key issues relevant for a given company or issuer are selected based on the company's exposure to potentially material environmental and/or social risks and market demand opportunities, which are driven by industry-specific and market-specific factors. Example key issue areas include climate change, pollution & waste, natural capital, human capital and product liability, among others. MSCI's ESG scores are calculated based on the weight of key issue scores specific to the environmental, social and governance themes.

**Thematic Assets – Aim (3)**

Each Asset that is classified under one or more of the themes will be assessed in a way that is appropriate for the theme or themes relevant to that Asset. Assets held may contribute to more than one theme.

In addition, the Investment Manager has mapped out the United Nations Sustainable Development Goals (UN SDGs) that are typically relevant for each theme (other UN SDGs may be considered as relevant for some Assets). There are 17 UN SDGs, that were introduced at the United Nations Conference on Sustainable Development in 2012. The aim was to produce a set of universal goals that meet the urgent environmental, political and economic challenges facing our world. The UN SDGs are also used as a framework to support investors in how they articulate and assess themes and may measure each theme directly or indirectly depending on the relevant Asset and available data point(s). We recognise that to achieve the UN SDGs, companies must play a role and as such we have chosen to target Thematic Assets which help contribute to 15 of the UN SDGs as set out in the table below.

| **Theme** | **Circular Economy and Green Infrastructure** | **Climate and Energy Transition** | **Natural Resources and Water** | **Evolving Society** |
|---|---|---|---|---|
| **Relevant UN SDGs to support the assessment of the theme (direct via UNSDG revenue metric and/or indirect via another related metric as summarised in section 6)** | UN SDG 9 – Industry, Innovation and Infrastructure<br><br>UN SDG 11 – Sustainable Cities and Communities<br><br>UN SDG 12 – Responsible Consumption and Production | UN SDG 7 – Affordable and Clean Energy<br><br>UN SDG 13 – Climate Action | UN SDG 6 – Clean Water and Sanitation<br><br>UN SDG 14 – Life Below Water<br><br>UN SDG 15 – Life on Land | UN SDG 1 – No Poverty<br><br>UN SDG 2 – Zero Hunger<br><br>UN SDG 3 – Good Health and Wellbeing<br><br>UN SDG 4 – Quality Education<br><br>UN SDG 5 – Gender Equality<br><br>UN SDG 8 – Decent Work and Economic Growth<br><br>UN SDG 10 – Reduced Inequalities |

An Asset focused on a theme will align with one or more of the relevant UN SDGs e.g. an Asset focused on the Climate and Energy Transition theme will typically have an appropriate level of alignment with UN SDG 7 and/or 13. Alignment to the themes (and the underlying UN SDGs as relevant) will be assessed either:

(i) directly (i.e. via revenues, for example UN SDG revenue alignment); or
(ii) indirectly (i.e. via another thematic metric reflective of the theme/UN SDG).

**6. How will investors know if the Fund is achieving its responsible investment aims?**

The ACD and Investment Manager have controls and processes in place to monitor the performance of the Fund in achieving its aims. These aim to both reduce the likelihood of the Fund failing to meet its aims and also to identify where escalation is necessary should issues arise.

The Risk function of the Investment Manager provides a further level of monitoring and oversight. As part of this, the Risk function determines levels of performance, for the measures specified in the aims, which the Fund is reasonably expected to operate within. Although these are not set limits, the levels of anticipated performance are used as an early warning indicator to highlight where deviations are happening. Where this occurs, the Risk function discusses this with the Investment Manager to understand the causes and where necessary, determines any subsequent action to ensure the Fund remains aligned to its aims.

The ACD also receives regular reporting from the Investment Manager, to ensure it has oversight of the performance of the Fund in achieving its aims and will challenge the Investment Manager if any potential issues are identified.

To demonstrate that the aims are being met the following key metrics will be considered and monitored on an ongoing basis by the Investment Manager. These will be published so that investors can track how the Fund is meeting its aims.

**Aim (1)**

**Carbon Emissions:**

1. WACI of the overall Fund; and
2. WACI of the reference comparator.

As a weighted average, WACI takes account of the proportions in which companies and issuers are invested in by Assets and also the proportions in which Assets are held within the Fund. The calculation excludes any Assets for which data is unavailable. Information regarding data coverage will be disclosed in the ACD's regular reporting.

**Aim (2)**

**Environmental and Social quality scores (1-10 scale):**

1. Weighted average ESG score of the Fund; and
2. Weighted average ESG score of the reference comparator.

As weighted average scores, these take account of the proportions in which companies and issuers invested in by the Assets and also the proportions in which Assets are held within the Fund.

The calculation excludes any Assets for which data is unavailable. Full details regarding data coverage will be disclosed in the ACD's regular reporting.

**Aim (3)**

**Thematic Assets:**

The Thematic Assets are mapped against one or more themes and we will report the Fund's allocations to these themes.

We will use and report on other metrics which may change over time. These metrics are applied to any other funds held by the Fund, rather than the underlying assets of those other funds. They may include, but are not limited to, the following:

1. **Products & Services (measured via revenues)** – Revenues associated with activities linked to the Asset theme and/or specific UN SDG. This can be in the form of UN SDG revenue alignment, green revenues and/or revenue mapped through a proprietary approach for the Asset theme. Typically, at least 20% of

revenues in respect of an Asset considered must be aligned to the Asset theme and/or specific UN SDG.

2. **Climate Strategic Business Alignment** – Climate thematic strategies which focus on metrics that support overall alignment to the goals of the Paris Agreement via current and forward-looking climate considerations. Metrics to measure the theme can include HSBC Asset Management's Net-Zero Investment Framework (NZIF) classification, which is a proprietary classification that takes into account qualitative and quantitative current and forward-looking climate alignment considerations. Under this, investments are classified into one of the following categories: 1. Achieving net-zero 2. Aligned 3. Aligning 4. Committed to Aligning. 5. Not Aligned or Insufficient Information. For Thematic Assets that are considered climate transition strategies, the majority (typically at least 80%) of the assets must fall within the Aligned, Aligning or Committed to Aligning categories. Other current and forward-looking metrics may be considered, such as those that apply upfront and year on year decarbonisation targets and/or temperature alignment targets.

3. **Sustainable use of proceeds** – Assets that have a minimum commitment (typically at least 50% of value) to investment in Green, Social and Sustainability (GSS) bonds and/or debt issued by multilateral development banks (MDBs), which is used to fund projects that support social and economic development. GSS bonds and/or MDB bonds are both issuances which support environment and/or social projects and/or the UN SDGs. Specifically, in the case of GSS bonds, issuances will be considered eligible provided they meet key criteria. For example, this may include, but is not limited to, the Green Bond Principles and the Climate Bonds Initiative. In the case of MDBs' bonds, the key criteria may include, but are not limited to, the following: issuers must have a mission statement that state the intent to promote sustainable economic development in developing countries, and publicly disclose they have safeguard policies in place to mitigate and reduce environmental and social risks.

**Reliance on data**

To determine carbon intensity, environmental and social quality ratings and metrics used in respect of Thematic Assets, we may rely on expertise, research and information provided by well-established third party financial data providers and/or our own research. However, we may not always be able to access complete data for the assets held by a fund or index, as the data may not be available. This might be, for example, because a company does not disclose certain information. We will always aim to provide as much information as possible but where data is missing for assets held by a fund or index, we will either use an appropriate proxy or we will exclude these assets from the overall calculations described above.

Additionally, there may be times when it is not possible to represent an asset class held by the Fund within the reference comparator, for example when there is not an appropriate index to represent the asset class or due to a lack of suitable data. In such cases, the allocation to this asset class held by the Fund will not be included in the overall comparison of the KPIs. We generally expect however that, for the Fund as a whole, data will be available for the majority of the Assets held by the Fund.

**Publication of metrics**

The Fund's performance with reference to the above metrics will be reported in periodic factsheets, the SDR Consumer Facing Disclosure and, from 2026, the SDR Product Report. These are available on the HSBC Asset Management website, www.assetmanagement.hsbc.co.uk, select "Fund Centre" and locate and select the Fund from the list of funds.

**7. How will the Manager use Stewardship to support the Fund in achieving its aims?**

Stewardship is the responsible allocation, management and oversight of investors' capital and seeks to enhance long-term value for investors and mitigate risks. Stewardship has the potential to contribute to positive outcomes for the economy, the environment and society, notably by influencing the environmental and social performance of assets through active

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| | engagement, the exercise of voting and other rights, shareholder activism or through participation in system-wide initiatives.<br><br>The ACD has an approach to undertaking stewardship of the assets, which includes activities such as engagement with companies and voting at company meetings. Scope 3 emissions will be considered indirectly as part of HSBC Asset Management's overall approach to Stewardship.<br><br>Engagement, whether through direct discussion with companies or collaborative engagement with other investors, is important for providing valuable insights for more informed investment decision making and encouraging appropriate corporate practices, through voting at company meetings.<br><br>HSBC Asset Management sets out stewardship policies and practices which apply to the HSBC entities operating and managing HSBC's funds, including the ACD and the Investment Manager. Where the Fund invests into HSBC funds, those funds will follow HSBC Asset Management's stewardship policies and practices. In respect of the HSBC funds, this includes both proxy voting and engagement and focuses on core themes including climate change (which includes consideration of Scope 3 emissions), biodiversity and nature, human rights, corporate governance, diversity, equity and inclusion, inclusive growth and shared prosperity and trusted technology and data. HSBC Asset Management's approach to stewardship can help to ensure the Fund's Assets are aligned to their aims and can also be used as a useful escalation tool. More information can be found in our annual Stewardship Plan, available on the HSBC Asset Management website: www.assetmanagement.hsbc.co.uk, select "About Us" and then "Responsible investing" and "Stewardship".<br><br>Internally, HSBC Asset Management has a dedicated stewardship team which provides subject matter and regional expertise. Engagement and investment teams work in collaboration to support thematic as well as specific fund/issuer engagement priorities.<br><br>Where the Fund invests into Third Party Funds, the Investment Manager will select funds which are managed by asset managers it considers have robust stewardship policies and practices. As part of its due diligence process the Investment Manager will review ESG and sustainable assets to ensure that their stewardship policies and practices materially reflect HSBC Asset Management's stewardship policies and practices.<br><br>Similarly, where the Investment Manager invests directly into Assets other than funds, the Investment Manager will carry out its own stewardship activity which is aligned to HSBC Asset Management's stewardship policies and practices as set out above.<br><br>The Investment Manager is a signatory to the UK Stewardship Code 2020 published by the Financial Reporting Council.<br><br>**8. What happens if any of the Fund's Assets do not demonstrate sufficient performance against its responsible investment aims?**<br><br>The Fund's aims mean that even if Assets are performing well financially, the Fund may need to sell them in the event that they:<br>- do not demonstrate sufficient performance against the Fund's aims; or<br>- no longer meet the Fund's aims; or<br>- do not perform as expected nor in accordance with the specified metrics.<br><br>The Fund will be subject to regular ongoing monitoring with controls and processes in place that aim to reduce the likelihood of Assets failing to contribute towards the Fund's goals. This includes early warning indicators that highlight where the Fund may be deviating from the levels it is expected to achieve in order to meet its investment objective and its aims. Should this occur, the Investment Manager will investigate to understand the causes and where necessary, determine remedial action to ensure the Fund continues to be aligned to its investment objective and its aims. |

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| SRRI** | 4 |
| HSBC Risk Level Explanation | The five risk levels are based on ***volatility*** bands as defined by HSBC. ***Volatility*** is a measure of investment risk. This differs from the ***SRRI*** which is scored on a scale of 1 to 7 and calculated using historical price ***volatility*** over the last five years.<br><br>The Fund will be managed to operate in line with its risk profile. We will use our forward looking expectations for each asset class held in the Fund and combine them to maximise potential ***returns***, typically within a ***volatility*** range of 0%-5%. It is important to remember that this is based on forward looking expectations and that the actual ***volatility*** of the Fund will depend on market conditions. Therefore, there may be periods of time where the ***volatility*** of the Fund is higher or lower than the ***volatility*** range above. |
| Share Classes Currently Offered | Income C<br>Accumulation C<br>Accumulation P |
| Risk Categories<br><br>(refer to Section "Risks" on page 31) | General<br>Cancellation<br>Efficient Portfolio Management (EPM) and Counterparty Risk<br>Leverage Risk<br>Collateral Risk<br>Fixed Income Securities<br>Currency Exchange Rates<br>Investing in Europe<br>High Yield<br>Smaller Companies<br>Banned Weapons Policy<br>Derivatives<br>Property<br>Hedge Funds<br>Alternative Investments<br>Private Debt<br>Private Equity<br>Commodities<br>Effect of Initial Charge<br>Suspension of Dealings<br>Liabilities<br>Emerging Markets<br>New Funds<br>Unregulated Funds<br>Environment, Social and Governance (ESG) Scoring Risk<br>Sustainable Funds and Environment, Social and Governance (ESG) data |

* Notice has been issued to Shareholders in the Global Responsible Multi-Asset Cautious Portfolio of an increase to the annual management charges, the introduction of discounts to the annual management charges and the potential to invest in a wider range of alternative asset classes for this Fund, which take effect from 6 May 2025. For further information please refer to the Shareholder notice available on the HSBC Asset Management website www.assetmanagement.hsbc.co.uk or you can contact us.

| Global Responsible Multi-Asset Conservative Portfolio* | |
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| Investment Objective | The Fund aims to provide ***growth*** in line with its risk profile in the long term, which is a period of five years or more. The Fund's risk profile is rated as 2 where 1 is a lower level of risk and 5 is a higher level of risk.<br><br>[Note: see HSBC Risk Level Explanation section below]<br><br>[Note: see the Sustainability-related Pre-contractual Disclosures section below for details of the sustainability characteristics and aims of the Fund. Investing in assets that align with its aims in respect of its sustainability characteristics may have an impact on the Fund's financial risks and returns, as set out in more detail below in the Sustainability-related Pre-contractual Disclosures section.] |
| Investment Policy | *Up until 6 May 2025*<br><br>To achieve its objective the Fund will invest a minimum of 60% in ***collective investment schemes***, which in turn invest in **bonds**, shares of companies (***equities***) and property securities. The Fund may also invest up to 40% directly in ***bonds*** where the investment objective can be more efficiently achieved and may invest directly in shares of companies in limited circumstances***.***<br><br>The ***collective investment schemes*** that the Fund invests in will, where appropriate, be those managed or operated by the ***HSBC Group***. Where this is not appropriate the Fund may invest in ***collective investment schemes*** operated by third party fund providers.<br><br>The Fund may also invest in ***money market instruments***, deposits and cash to manage day-to-day cash flow requirements.<br><br>The Fund may invest in ***derivatives*** for ***efficient portfolio management*** purposes, including ***hedging***. This means investment techniques that aim to reduce risks, reduce costs or generate ***growth*** and ***income***. The Fund may also use ***derivatives*** for broader investment purposes to help the Fund meet its objective. The Fund does not intend to use ***derivatives*** extensively and their use will be consistent with the risk profile of the Fund.<br><br>The Fund will also incorporate sustainability characteristics as set out in the Sustainability-related Pre-contractual Disclosures section below. As part of its investment approach the Fund will invest in assets that support at least one of the following three responsible investment aims:<br><br>• To deliver an overall carbon intensity level that is at least 25% lower than the carbon intensity of the broader investment universe.<br>• To deliver an overall Environmental, Social and Governance ('ESG') score that is higher than the broader investment universe.<br>• To invest in assets focused on themes that contribute towards positive environmental and/or social outcomes.<br><br>*From 6 May 2025*<br><br>To achieve its objective the Fund will invest a minimum of 60% in ***collective investment schemes***, which in turn invest in **bonds**, shares of companies (***equities***) and alternative asset classes such as ***commodities***, ***infrastructure***, ***private debt***, ***private equity*** and property securities. The Fund may also invest up to 40% directly in ***bonds*** and ***equities*** and may invest in other financial instruments to gain exposure to alternative asset classes where the investment objective can be more efficiently achieved. The Fund will be invested across global markets.<br><br>The ***collective investment schemes*** that the Fund invests in will, where appropriate, be those managed or operated by the ***HSBC Group***. Where this is not appropriate the Fund may invest in ***collective investment schemes*** operated by third party fund providers.<br><br>The Fund may also invest in ***money market instruments***, deposits and cash to manage day-to-day cash flow requirements.<br><br>The Fund may invest in ***derivatives*** for ***efficient portfolio management*** purposes, including ***hedging***. This means investment techniques that aim to reduce risks, reduce costs or generate ***growth*** and ***income***. The Fund may also use ***derivatives*** for broader investment |

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| | purposes to help the Fund meet its objective. The Fund does not intend to use ***derivatives*** extensively and their use will be consistent with the risk profile of the Fund.<br><br>The Fund will also incorporate sustainability characteristics as set out in the Sustainability-related Pre-contractual Disclosures section below. As part of its investment approach the Fund will invest in assets that support at least one of the following three responsible investment aims:<br><br>• To deliver an overall carbon intensity level that is at least 25% lower than the carbon intensity of the broader investment universe.<br>• To deliver an overall Environmental, Social and Governance ('ESG') score that is higher than the broader investment universe.<br>• To invest in assets focused on themes that contribute towards positive environmental and/or social outcomes. |
| Investment Strategy | *Up until 6 May 2025*<br><br>This is one of a range of ***actively managed*** Global Responsible Multi-Asset Portfolios offered at different risk levels. The ***asset allocation*** of each fund in the range reflects the risk level. The Fund is managed with the aim of maximising ***returns*** in line with its agreed long term risk profile of 2, where 1 is a lower level of risk and 5 is a higher level of risk therefore any potential ***returns*** are likely to be limited by the risk profile of the Fund.<br><br>The starting point for the Global Responsible Multi-Asset Portfolios is the ***asset allocation*** for each risk level.<br><br>The ***asset allocation*** positions are regularly monitored in order to make timely adjustments to the portfolios' allocations to reflect the Fund manager's views on the current market environment.<br><br>The final stage in the investment process is deciding how best to take exposure to each asset class. This may be achieved by investing in ***collective investment schemes***, investing directly in asset classes and investing in ***derivatives*** and other financial instruments.<br><br>The focus on sustainability characteristics is taken into consideration at each stage, when deciding which asset classes the Fund will invest in and how the Fund achieves exposure to those asset classes.<br><br>Under typical market conditions, the portfolio will have the following asset class exposures, achieved through investment in ***collective investment schemes*** where applicable. It should be noted that these percentages will fluctuate based upon market movement and adjustments to the ***asset allocation*** to enable the Fund to meet its aim. |

| Asset class | Exposure as a percentage of the Fund |
|---|---|
| ***Equity***<br>Global ***Equity*** | 25% - 50% |
| ***Bonds***<br>Global ***Developed Market*** Government ***Bonds***<br>Global Corporate ***Bonds***<br>Global ***High Yield Bonds***<br>***Emerging Market Bonds – Hard Currency***<br>***Emerging Market Bonds – Local Currency***<br>***Asset-Backed Securities*** | 40% - 75% |
| **Property securities** | 0% - 15% |

**Use of Benchmark**

The Fund is not managed with reference to a benchmark. The performance of the Fund is shown against the performance of funds that are part of the Morningstar Allocation 20-40% Equity category, with both ***returns*** and ***volatility*** considered in the comparison. The

Morningstar Allocation 20-40% Equity category has been selected to enable investors to assess the performance of the Fund because it consists of types of funds that are broadly similar to the Fund. Many funds sold in the UK (and globally) are grouped into categories by Morningstar, an independent data provider, to help investors to compare funds with broadly similar characteristics.

**Use of Derivatives**

The Fund may invest in ***exchange traded*** and ***over-the-counter derivatives*** in accordance with Part C and Part D of Appendix 3. In particular, ***equity index futures*** may be used to increase or reduce ***equity*** exposure and ***bond index futures*** may be used with the aim of managing the overall ***bond duration***.

***Currency forward contracts*** will be used to gain exposure to currencies or with the aim of ***hedging*** against movements in the rate of exchange between Sterling and the currency in which the bonds and other assets may be denominated.

*From 6 May 2025*

This is one of a range of ***actively managed*** Global Responsible Multi-Asset Portfolios offered at different risk levels. The ***asset allocation*** of each fund in the range reflects the risk level. The Fund is managed with the aim of maximising ***returns*** in line with its agreed long term risk profile of 2, where 1 is a lower level of risk and 5 is a higher level of risk therefore any potential ***returns*** are likely to be limited by the risk profile of the Fund.

The starting point for the Global Responsible Multi-Asset Portfolios is the ***asset allocation*** for each risk level.

The ***asset allocation*** positions are regularly monitored in order to make timely adjustments to the portfolios' allocations to reflect the Fund manager's views on the current market environment.

The final stage in the investment process is deciding how best to take exposure to each asset class. This may be achieved by investing in ***collective investment schemes***, investing directly in asset classes and investing in ***derivatives*** and other financial instruments.

The focus on sustainability characteristics is taken into consideration at each stage, when deciding which asset classes the Fund will invest in and how the Fund achieves exposure to those asset classes.

Under typical market conditions, the portfolio will have the following asset class exposures, achieved through investment in ***collective investment schemes*** where applicable. It should be noted that these percentages will fluctuate based upon market movement and adjustments to the ***asset allocation*** to enable the Fund to meet its aim.

| **Asset class** | **Exposure as a percentage of the Fund** |
|---|---|
| ***Equities***<br>Global ***Equities*** | 10% - 45% |
| ***Bonds***<br>Global ***Developed Market*** Government ***Bonds***<br>Global Corporate ***Bonds***<br>Global ***High Yield Bonds***<br>***Emerging Market Bonds – Hard Currency***<br>***Emerging Market Bonds – Local Currency***<br>***Asset-Backed Securities*** | 45% - 90% |
| **Alternative asset classes**<br>***Infrastructure***<br>Property securities | 0% - 15% |

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| | Other alternative asset classes including ***commodities***, ***private debt*** and ***private equity*** |

**Use of Benchmark**
The Fund is not managed with reference to a benchmark. The performance of the Fund is shown against the performance of funds that are part of the Morningstar Allocation 20-40% Equity category, with both ***returns*** and ***volatility*** considered in the comparison. The Morningstar Allocation 20-40% Equity category has been selected to enable investors to assess the performance of the Fund because it consists of types of funds that are broadly similar to the Fund. Many funds sold in the UK (and globally) are grouped into categories by Morningstar, an independent data provider, to help investors to compare funds with broadly similar characteristics.

**Use of Derivatives**

The Fund may invest in ***exchange traded*** and ***over-the-counter derivatives*** in accordance with Part C and Part D of Appendix 3. In particular, ***equity index futures*** may be used to increase or reduce ***equity*** exposure and ***bond index futures*** may be used with the aim of managing the overall ***bond duration***.

***Currency forward contracts*** will be used to gain exposure to currencies or with the aim of ***hedging*** against movements in the rate of exchange between Sterling and the currency in which the bonds and other assets may be denominated.

Sustainability-related Pre-contractual Disclosures

This section provides investors with information regarding the Fund's sustainability characteristics and responsible investment aims.

This Fund does not have a UK sustainable investment label, as defined by the FCA's Sustainability Disclosure Requirements ('SDR'), although it has sustainability characteristics as described further below.

Sustainable investment labels help investors find products that have a specific sustainability goal. The use of sustainability labels is voluntary and requires funds to meet specific requirements set out by the FCA. The Fund does not have a UK sustainable investment label since it was launched prior to the SDR and its investment approach has not been designed to meet the FCA's specific label requirements.

While the Fund does not pursue specific sustainability goals as defined by SDR, it does incorporate sustainability characteristics as part of its investment approach, as further described here.

**<u>Sustainability characteristics</u>**

**1. What are the Fund's sustainability characteristics?**

The Fund intends to achieve the three responsible investment aims below by investing into a range of collective investment schemes and other assets (collectively referred to as "Assets") that support at least one of these aims.

**Aim (1)**

The Fund aims to invest in Assets that contribute to a lower carbon intensity level. The Fund will seek to deliver an overall carbon intensity level that is at least 25% lower than the carbon intensity of the broader investment universe.

**Aim (2)**

The Fund aims to invest in Assets that invest in companies and/or issuers that demonstrate better management of their key environmental, social and governance risks through their products and services, as well as their practices and policies. The Fund will seek to deliver

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| | an overall Environmental, Social and Governance ('ESG') score that is higher than the broader investment universe.<br><br>**Aim (3)**<br><br>The Fund will invest in Assets focused on themes ('Thematic Assets') that seek to contribute towards positive environmental and/or social outcomes. Thematic Assets will fall under one or more of the following themes:<br>• Circular Economy and Green Infrastructure<br>• Climate and Energy Transition<br>• Natural Resources and Water<br>• Evolving Society<br><br>The Fund will invest at least 20% of its Net Asset Value (NAV) into Thematic Assets.<br><br>**2. What percentage of the Fund's Assets will contribute towards its responsible investment aims?**<br><br>The Fund will invest at least 70% of its Net Asset Value (excluding cash and derivative Assets) into Assets that contribute to the above responsible investment aims. Given the nature of a multi-asset strategy, exposure to Thematic Assets under Aim (3) will evolve over time to reflect asset allocation decisions taken by the Investment Manager, therefore allocations to the themes will fluctuate and alignment to themes is expected to vary over time.<br><br>The Fund may invest up to 30% in Assets that do not necessarily contribute to the Fund's responsible investment aims. As well as cash and derivatives, this includes Assets where data is unavailable to assess carbon intensity levels or ESG scores under Aims 1 and 2.<br><br>The Fund may hold cash for liquidity management purposes, including to enable it to issue and redeem shares.<br><br>The Fund may also hold derivatives for the purposes of efficient portfolio management, including hedging. The derivatives which may be used include currency forward contracts and exchange traded index futures. Where the Fund invests in exchange traded index futures, whose value is derived from a financial index, the Investment Manager will favour, where available, a financial index that has characteristics materially aligned with HSBC Asset Management's responsible investing policies. For more information investors should refer to our responsible investing policies available on the HSBC Asset Management website, www.assetmanagement.hsbc.co.uk, select "About Us" and then "Responsible investing".<br><br>**3. Are there any types of assets that the Fund will not invest in?**<br><br>The entire portfolio of the Fund will be subject to the application of investment exclusions. These are set out in HSBC Asset Management's responsible investing policies. The exclusions that apply to HSBC funds include, but are not limited to, companies and issuers we consider to be involved in the development and production of banned weapons, the production of controversial weapons and their key components and the production of tobacco and companies and issuers that have revenues generated from thermal coal power generation or extraction or that we consider to be non-compliant with United Nations Global Compact (UNGC) Principles.<br><br>Please note that minimum thresholds are applied in respect of certain excluded activities to determine whether a company or issuer should be excluded. Please also note that some exclusions may not be relevant for all asset classes and that data needed to determine involvement in the excluded activities may not be available in all cases. The description of exclusions above is meant as a summary of the exclusions that apply to HSBC funds and for more information investors should refer to our responsible investing policies available on the HSBC Asset Management website, www.assetmanagement.hsbc.co.uk, select "About Us" and then "Responsible investing". |

Where the Fund does not invest in companies or issuers involved in or carrying out excluded activities, this means that the Fund will not benefit from, or be impacted by, the investment performance of such companies or issuers.

The Fund may also invest into Third Party Funds. Where the Fund invests into Third Party Funds, we will ensure that they align with HSBC Asset Management's responsible investing policies. However, we recognise that the method of assessment and maximum thresholds of such exclusions may differ. Where the differences are considered to be material, the Fund will not be permitted to invest in the relevant Third Party Funds. For example, some Third Party Funds may set their tobacco production revenues exclusion at 5% while we set ours at 0%. We would consider this to be an acceptable difference and therefore the Fund would be permitted to invest.

**4. Could the Fund's strategy have an impact on its financial risks and returns?**

The Fund will invest in Assets that align with its responsible investment aims.

This means that the Fund cannot benefit from the investment performance of certain companies or sectors which may cause it to underperform the market. The Fund may need to sell investments that cease to meet its sustainability characteristics requirements even if those investments are performing well financially.

Other similar funds with similar financial goals, but without sustainability characteristics, may be able to invest more widely. This may allow them to have a wider spread of financial risk and means that they may achieve a different financial return which could be higher or lower than a fund that has sustainability characteristics.

The Fund is managed within its prescriptive volatility / risk band and the ACD would not expect the Fund to fall outside its indicated risk profile because of its sustainability characteristics.

**5. How are Assets selected to meet the sustainability characteristics of the Fund?**

Assets selected for the Fund will be assessed by the Investment Manager to ensure they contribute to its responsible investment aims. Aims (1) and (2) are assessed relative to the broader investment universe, as explained in section 1 above. The broader investment universe is represented by a reference comparator, which is a composite benchmark that represents the outcomes the Fund might have achieved if it did not have sustainable investment aims. It is a combination of benchmarks that together represent the Assets held by the Fund and in the same proportions (weighting) as the Fund.

**Carbon Intensity – Aim (1)**

Each Asset will also be assessed to determine the extent to which it contributes to the overall Fund carbon intensity aim to achieve a weighted average carbon intensity ('WACI') that is at least 25% lower than the reference comparator.

WACI is the sum of carbon intensity of all companies and issuers, weighted by the allocation to that specific issuer. This is generally determined using Scope 1 and Scope 2 emissions as described further below.

Carbon intensity is a measure of the quantity of carbon emissions per million dollars of economic output of a company or issuer of a financial instrument. It is a measure of a company's or an issuer's current carbon efficiency, measuring their carbon emissions, relative to their economic output (for example turnover for companies or Gross Domestic Product (GDP) for sovereigns). The Greenhouse Gas Protocol differentiates between 3 scopes of emissions of a company or an issuer:

- Scope 1: direct emissions from owned or controlled sources
- Scope 2: indirect emissions from the generation of purchased energy
- Scope 3: all indirect emissions, not included in Scope 2, that occur in the value chain of the reporting company.

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| | Emissions will be measured using Scope 1 and 2 Greenhouse Gas (GHG) emissions primarily, which are generally more under the control of the company or issuer. Although we believe that Scope 1 and 2 emissions are a good indicator of a company's or issuers carbon emissions, we recognise that Scope 3 indirect emissions are also important and often represent larger levels of emissions due to the fact that they typically represent company/issuer and/or sector value chains. Scope 3 emissions have generally not been considered as data for this type of emissions is currently not widely available. However, where Paris Aligned Benchmark or Climate Transition Benchmark Strategies are used, and as data becomes more widely available, Scope 1, 2 and 3 emissions will be used in the assessment.<br><br>Carbon intensity data will be provided by third-party data providers.<br><br>This metric is commonly used to demonstrate a fund's carbon performance and disclosure on it is now a regulatory requirement under the UK's Taskforce for Climate Related Financial Disclosures since 2023.<br><br>**Environmental, Social and Governance Scores – Aim (2)**<br><br>Each Asset will also be assessed to determine the extent to which it contributes towards the overall Fund aim to achieve a weighted average ESG score that is higher than the respective score of the reference comparator. The weighted average ESG score is the sum of the scores of all companies and issuers, weighted by the allocation to that specific issuer.<br><br>ESG scores measure how well a company or issuer is managing its key environmental, social and governance risks and, where appropriate, its positioning to meet market demand for the provision of products and services that have a positive environmental or social contribution. Each company is assessed on numerous environmental criteria, which may include but will not be limited to, biodiversity, land use, raw material sources, electronic waster, product carbon footprint as well as social criteria such as, but not limited to, health and safety, privacy and data security, community relations. Additionally, where appropriate, a company may be assessed on environmental or social opportunities which may include opportunities in clean technology, green buildings and renewable energy and/or access to finance, healthcare and opportunities in nutrition and health. Each company is scored across sector-relevant factors of a scale of 1-10. A score of 10 demonstrates a company or government is an industry leader in managing its key environmental, social and governance risks and taking advantage of market demand opportunities. Conversely, a company with a score of 1 will typically be an industry laggard in managing such risks and not taking advantage of market demand opportunity. ESG scores are adjusted by industry.<br><br>ESG scores are therefore commonly used to evaluate how well a company or issuer is managing its key environmental, social and governance risks as well as, where appropriate, its market demand opportunities relating to products and services that have positive social or environmental contribution. Good scores may indicate resilience to environmental and/or social disruptions and may also indicate a company has very strong positioning to meet market demand for the provision of products and services that have a positive environmental or social contribution.<br><br>To determine the ESG score, data will be obtained from MSCI or other third-party data providers. As part of its methodology, MSCI evaluates each company or issuer on a selection of two to seven environmental and/or social key issues. The environmental and/or social key issues relevant for a given company or issuer are selected based on the company's exposure to potentially material environmental and/or social risks and market demand opportunities, which are driven by industry-specific and market-specific factors. Example key issue areas include climate change, pollution & waste, natural capital, human capital and product liability, among others. MSCI's ESG scores are calculated based on the weight of key issue scores specific to the environmental, social and governance themes.<br><br>**Thematic Assets – Aim (3)**<br><br>Each Asset that is classified under one or more of the themes will be assessed in a way that is appropriate for the theme or themes relevant to that Asset. Assets held may contribute to more than one theme. |

In addition, the Investment Manager has mapped out the United Nations Sustainable Development Goals (UN SDGs) that are typically relevant for each theme (other UN SDGs may be considered as relevant for some Assets). There are 17 UN SDGs, that were introduced at the United Nations Conference on Sustainable Development in 2012. The aim was to produce a set of universal goals that meet the urgent environmental, political and economic challenges facing our world. The UN SDGs are also used as a framework to support investors in how they articulate and assess themes and may measure each theme directly or indirectly depending on the relevant Asset and available data point(s). We recognise that to achieve the UN SDGs, companies must play a role and as such we have chosen to target Thematic Assets which help contribute to 15 of the UN SDGs as set out in the table below.

| **Theme** | **Circular Economy and Green Infrastructure** | **Climate and Energy Transition** | **Natural Resources and Water** | **Evolving Society** |
|---|---|---|---|---|
| **Relevant UN SDGs to support the assessment of the theme (direct via UNSDG revenue metric and/or indirect via another related metric as summarised in section 6)** | UN SDG 9 – Industry, Innovation and Infrastructure<br><br>UN SDG 11 – Sustainable Cities and Communities<br><br>UN SDG 12 – Responsible Consumption and Production | UN SDG 7 – Affordable and Clean Energy<br><br>UN SDG 13 – Climate Action | UN SDG 6 – Clean Water and Sanitation<br><br>UN SDG 14 – Life Below Water<br><br>UN SDG 15 – Life on Land | UN SDG 1 – No Poverty<br><br>UN SDG 2 – Zero Hunger<br><br>UN SDG 3 – Good Health and Wellbeing<br><br>UN SDG 4 – Quality Education<br><br>UN SDG 5 – Gender Equality<br><br>UN SDG 8 – Decent Work and Economic Growth<br><br>UN SDG 10 – Reduced Inequalities |

An Asset focused on a theme will align with one or more of the relevant UN SDGs e.g. an Asset focused on the Climate and Energy Transition theme will typically have an appropriate level of alignment with UN SDG 7 and/or 13. Alignment to the themes (and the underlying UN SDGs as relevant) will be assessed either:

(i) directly (i.e. via revenues, for example UN SDG revenue alignment); or
(ii) indirectly (i.e. via another thematic metric reflective of the theme/UN SDG).

**6. How will investors know if the Fund is achieving its responsible investment aims?**

The ACD and Investment Manager have controls and processes in place to monitor the performance of the Fund in achieving its aims. These aim to both reduce the likelihood of the Fund failing to meet its aims and also to identify where escalation is necessary should issues arise.

The Risk function of the Investment Manager provides a further level of monitoring and oversight. As part of this, the Risk function determines levels of performance, for the measures specified in the aims, which the Fund is reasonably expected to operate within. Although these are not set limits, the levels of anticipated performance are used as an early warning indicator to highlight where deviations are happening. Where this occurs, the Risk function discusses this with the Investment Manager to understand the causes and where necessary, determines any subsequent action to ensure the Fund remains aligned to its aims.

The ACD also receives regular reporting from the Investment Manager, to ensure it has oversight of the performance of the Fund in achieving its aims and will challenge the Investment Manager if any potential issues are identified.

To demonstrate that the aims are being met the following key metrics will be considered and monitored on an ongoing basis by the Investment Manager. These will be published so that investors can track how the Fund is meeting its aims.

**Aim (1)**

**Carbon Emissions:**

1. WACI of the overall Fund; and
2. WACI of the reference comparator.

As a weighted average, WACI takes account of the proportions in which companies and issuers are invested in by Assets and also the proportions in which Assets are held within the Fund. The calculation excludes any Assets for which data is unavailable. Information regarding data coverage will be disclosed in the ACD's regular reporting.

**Aim (2)**

**Environmental and Social quality scores (1-10 scale):**

1. Weighted average ESG score of the Fund; and
2. Weighted average ESG score of the reference comparator.

As weighted average scores, these take account of the proportions in which companies and issuers invested in by the Assets and also the proportions in which Assets are held within the Fund.

The calculation excludes any Assets for which data is unavailable. Full details regarding data coverage will be disclosed in the ACD's regular reporting.

**Aim (3)**

**Thematic Assets:**

The Thematic Assets are mapped against one or more themes and we will report the Fund's allocations to these themes.

We will use and report on other metrics which may change over time. These metrics are applied to any other funds held by the Fund, rather than the underlying assets of those other funds. They may include, but are not limited to, the following:

1. **Products & Services (measured via revenues)** – Revenues associated with activities linked to the Asset theme and/or specific UN SDG. This can be in the form of UN SDG revenue alignment, green revenues and/or revenue mapped through a proprietary approach for the Asset theme. Typically, at least 20% of revenues in respect of an Asset considered must be aligned to the Asset theme and/or specific UN SDG.

2. **Climate Strategic Business Alignment** – Climate thematic strategies which focus on metrics that support overall alignment to the goals of the Paris Agreement via current and forward-looking climate considerations. Metrics to measure the theme can include HSBC Asset Management's Net-Zero Investment Framework (NZIF) classification, which is a proprietary classification that takes into account qualitative and quantitative current and forward-looking climate alignment considerations.

Under this, investments are classified into one of the following categories: 1. Achieving net-zero 2. Aligned 3. Aligning 4. Committed to Aligning. 5. Not Aligned or Insufficient Information. For Thematic Assets that are considered climate transition strategies, the majority (typically at least 80%) of the assets must fall within the Aligned, Aligning or Committed to Aligning categories. Other current and forward-looking metrics may be considered, such as those that apply upfront and year on year decarbonisation targets and/or temperature alignment targets.

3. **Sustainable use of proceeds** – Assets that have a minimum commitment (typically at least 50% of value) to investment in Green, Social and Sustainability (GSS) bonds and/or debt issued by multilateral development banks (MDBs), which is used to fund projects that support social and economic development. GSS bonds and/or MDB bonds are both issuances which support environment and/or social projects and/or the UN SDGs. Specifically, in the case of GSS bonds, issuances will be considered eligible provided they meet key criteria. For example, this may include, but is not limited to, the Green Bond Principles and the Climate Bonds Initiative. In the case of MDBs' bonds, the key criteria may include, but are not limited to, the following: issuers must have a mission statement that state the intent to promote sustainable economic development in developing countries, and publicly disclose they have safeguard policies in place to mitigate and reduce environmental and social risks.

**Reliance on data**

To determine carbon intensity, environmental and social quality ratings and metrics used in respect of Thematic Assets, we may rely on expertise, research and information provided by well-established third party financial data providers and/or our own research. However, we may not always be able to access complete data for the assets held by a fund or index, as the data may not be available. This might be, for example, because a company does not disclose certain information. We will always aim to provide as much information as possible but where data is missing for assets held by a fund or index, we will either use an appropriate proxy or we will exclude these assets from the overall calculations described above.

Additionally, there may be times when it is not possible to represent an asset class held by the Fund within the reference comparator, for example when there is not an appropriate index to represent the asset class or due to a lack of suitable data. In such cases, the allocation to this asset class held by the Fund will not be included in the overall comparison of the KPIs. We generally expect however that, for the Fund as a whole, data will be available for the majority of the Assets held by the Fund.

**Publication of metrics**

The Fund's performance with reference to the above metrics will be reported in periodic factsheets, the SDR Consumer Facing Disclosure and, from 2026, the SDR Product Report. These are available on the HSBC Asset Management website, www.assetmanagement.hsbc.co.uk, select "Fund Centre" and locate and select the Fund from the list of funds.

**7. How will the Manager use Stewardship to support the Fund in achieving its aims?**

Stewardship is the responsible allocation, management and oversight of investors' capital and seeks to enhance long-term value for investors and mitigate risks. Stewardship has the potential to contribute to positive outcomes for the economy, the environment and society, notably by influencing the environmental and social performance of assets through active engagement, the exercise of voting and other rights, shareholder activism or through participation in system-wide initiatives.

The ACD has an approach to undertaking stewardship of the assets, which includes activities such as engagement with companies and voting at company meetings. Scope 3 emissions will be considered indirectly as part of HSBC Asset Management's overall approach to Stewardship.

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| | Engagement, whether through direct discussion with companies or collaborative engagement with other investors, is important for providing valuable insights for more informed investment decision making and encouraging appropriate corporate practices, through voting at company meetings.<br><br>HSBC Asset Management sets out stewardship policies and practices which apply to the HSBC entities operating and managing HSBC's funds, including the ACD and the Investment Manager. Where the Fund invests into HSBC funds, those funds will follow HSBC Asset Management's stewardship policies and practices. In respect of the HSBC funds, this includes both proxy voting and engagement and focuses on core themes including climate change (which includes consideration of Scope 3 emissions), biodiversity and nature, human rights, corporate governance, diversity, equity and inclusion, inclusive growth and shared prosperity and trusted technology and data. HSBC Asset Management's approach to stewardship can help to ensure the Fund's Assets are aligned to their aims and can also be used as a useful escalation tool. More information can be found in our annual Stewardship Plan, available on the HSBC Asset Management website: www.assetmanagement.hsbc.co.uk, select "About Us" and then "Responsible investing" and "Stewardship".<br><br>Internally, HSBC Asset Management has a dedicated stewardship team which provides subject matter and regional expertise. Engagement and investment teams work in collaboration to support thematic as well as specific fund/issuer engagement priorities.<br><br>Where the Fund invests into Third Party Funds, the Investment Manager will select funds which are managed by asset managers it considers have robust stewardship policies and practices. As part of its due diligence process the Investment Manager will review ESG and sustainable assets to ensure that their stewardship policies and practices materially reflect HSBC Asset Management's stewardship policies and practices.<br><br>Similarly, where the Investment Manager invests directly into Assets other than funds, the Investment Manager will carry out its own stewardship activity which is aligned to HSBC Asset Management's stewardship policies and practices as set out above.<br><br>The Investment Manager is a signatory to the UK Stewardship Code 2020 published by the Financial Reporting Council.<br><br>**8. What happens if any of the Fund's Assets do not demonstrate sufficient performance against its responsible investment aims?**<br><br>The Fund's aims mean that even if Assets are performing well financially, the Fund may need to sell them in the event that they:<br>- do not demonstrate sufficient performance against the Fund's aims; or<br>- no longer meet the Fund's aims; or<br>- do not perform as expected nor in accordance with the specified metrics.<br><br>The Fund will be subject to regular ongoing monitoring with controls and processes in place that aim to reduce the likelihood of Assets failing to contribute towards the Fund's goals. This includes early warning indicators that highlight where the Fund may be deviating from the levels it is expected to achieve in order to meet its investment objective and its aims. Should this occur, the Investment Manager will investigate to understand the causes and where necessary, determine remedial action to ensure the Fund continues to be aligned to its investment objective and its aims. |
| SRRI** | 4 |
| HSBC Risk Level Explanation | The five risk levels are based on ***volatility*** bands as defined by HSBC. ***Volatility*** is a measure of investment risk. This differs from the ***SRRI*** which is scored on a scale of 1 to 7 and calculated using historical price ***volatility*** over the last five years.<br><br>The Fund will be managed to operate in line with its risk profile. We will use our forward looking expectations for each asset class held in the Fund and combine them to maximise potential ***returns***, typically within a ***volatility*** range of 5%-8%. It is important to remember |

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| | that this is based on forward looking expectations and that the actual ***volatility*** of the Fund will depend on market conditions. Therefore, there may be periods of time where the ***volatility*** of the Fund is higher or lower than the ***volatility*** range above. |
| Share Classes Currently Offered | Income C<br>Accumulation C<br>Accumulation P |
| Risk Categories<br><br>(refer to Section "Risks" on page 31) | General<br>Cancellation<br>Efficient Portfolio Management (EPM) and Counterparty Risk<br>Leverage Risk<br>Collateral Risk<br>Fixed Income Securities<br>Currency Exchange Rates<br>Investing in Europe<br>High Yield<br>Smaller Companies<br>Banned Weapons Policy<br>Derivatives<br>Property<br>Hedge Funds<br>Alternative Investments<br>Private Debt<br>Private Equity<br>Commodities<br>Effect of Initial Charge<br>Suspension of Dealings<br>Liabilities<br>Emerging Markets<br>New Funds<br>Unregulated Funds<br>Environment, Social and Governance (ESG) Scoring Risk<br>Sustainable Funds and Environment, Social and Governance (ESG) data |

* Notice has been issued to Shareholders in the Global Responsible Multi-Asset Conservative Portfolio of an increase to the annual management charges, the introduction of discounts to the annual management charges and the potential to invest in a wider range of alternative asset classes for this Fund, which take effect from 6 May 2025. For further information please refer to the Shareholder notice available on the HSBC Asset Management website www.assetmanagement.hsbc.co.uk or you can contact us.

| Global Responsible Multi-Asset Dynamic Portfolio* | |
|---|---|
| Investment Objective | The Fund aims to provide ***growth*** in line with its risk profile in the long term, which is a period of five years or more. The Fund's risk profile is rated as 4 where 1 is a lower level of risk and 5 is a higher level of risk.<br><br>[Note: see HSBC Risk Level Explanation section below]<br><br>[Note: see the Sustainability-related Pre-contractual Disclosures section below for details of the sustainability characteristics and aims of the Fund. Investing in assets that align with its aims in respect of its sustainability characteristics may have an impact on the Fund's financial risks and returns, as set out in more detail below in the Sustainability-related Pre-contractual Disclosures section.] |
| Investment Policy | *Up until 6 May 2025*<br><br>To achieve its objective the Fund will invest a minimum of 70% in ***collective investment schemes***, which in turn invest in ***bonds***, shares of companies (***equities***) and property securities. The Fund may also invest up to 30% directly in ***bonds*** where the investment objective can be more efficiently achieved and may invest directly in shares of companies in limited circumstances***.***<br><br>The ***collective investment schemes*** that the Fund invests in will, where appropriate, be those managed or operated by the ***HSBC Group***. Where this is not appropriate the Fund may invest in ***collective investment schemes*** operated by third party fund providers.<br><br>The Fund may also invest in ***money market instruments,*** deposits and cash to manage day-to-day cash flow requirements.<br><br>The Fund may invest in ***derivatives*** for ***efficient portfolio management*** purposes, including ***hedging***. This means investment techniques that aim to reduce risks, reduce costs or generate ***growth*** and ***income***. The Fund may also use ***derivatives*** for broader investment purposes to help the Fund meet its objective. The Fund does not intend to use ***derivatives*** extensively and their use will be consistent with the risk profile of the Fund.<br><br>The Fund will also incorporate sustainability characteristics as set out in the Sustainability-related Pre-contractual Disclosures section below. As part of its investment approach the Fund will invest in assets that support at least one of the following three responsible investment aims:<br><br>• To deliver an overall carbon intensity level that is at least 25% lower than the carbon intensity of the broader investment universe.<br>• To deliver an overall Environmental, Social and Governance ('ESG') score that is higher than the broader investment universe.<br>• To invest in assets focused on themes that contribute towards positive environmental and/or social outcomes.<br><br>*From 6 May 2025*<br><br>To achieve its objective the Fund will invest a minimum of 70% in ***collective investment schemes***, which in turn invest in ***bonds***, shares of companies (***equities***) and alternative asset classes such as ***commodities***, ***infrastructure***, ***private debt***, ***private equity*** and property securities. The Fund may also invest up to 30% directly in ***bonds*** and ***equities*** and may invest in other financial instruments to gain exposure to alternative asset classes where the investment objective can be more efficiently achieved. The Fund will be invested across global markets.<br><br>The ***collective investment schemes*** that the Fund invests in will, where appropriate, be those managed or operated by the ***HSBC Group***. Where this is not appropriate the Fund may invest in ***collective investment schemes*** operated by third party fund providers.<br><br>The Fund may also invest in ***money market instruments,*** deposits and cash to manage day-to-day cash flow requirements.<br><br>The Fund may invest in ***derivatives*** for ***efficient portfolio management*** purposes, including ***hedging***. This means investment techniques that aim to reduce risks, reduce costs or generate ***growth*** and ***income***. The Fund may also use ***derivatives*** for broader investment |

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|---|---|
| | purposes to help the Fund meet its objective. The Fund does not intend to use ***derivatives*** extensively and their use will be consistent with the risk profile of the Fund.<br><br>The Fund will also incorporate sustainability characteristics as set out in the Sustainability-related Pre-contractual Disclosures section below. As part of its investment approach the Fund will invest in assets that support at least one of the following three responsible investment aims:<br>• To deliver an overall carbon intensity level that is at least 25% lower than the carbon intensity of the broader investment universe.<br>• To deliver an overall Environmental, Social and Governance ('ESG') score that is higher than the broader investment universe.<br>• To invest in assets focused on themes that contribute towards positive environmental and/or social outcomes. |
| Investment Strategy | *Up until 6 May 2025*<br><br>This is one of a range of ***actively managed*** Global Responsible Multi-Asset Portfolios offered at different risk levels. The ***asset allocation*** of each fund in the range reflects the risk level. The Fund is managed with the aim of maximising ***returns*** in line with its agreed long term risk profile of 4, where 1 is a lower level of risk and 5 is a higher level of risk therefore any potential ***returns*** are likely to be limited by the risk profile of the Fund.<br><br>The starting point for the Global Responsible Multi-Asset Portfolios is the ***asset allocation*** for each risk level.<br><br>The ***asset allocation*** positions are regularly monitored in order to make timely adjustments to the portfolios' allocations to reflect the Fund manager's views on the current market environment.<br><br>The final stage in the investment process is deciding how best to take exposure to each asset class. This may be achieved by investing in ***collective investment schemes***, investing directly in asset classes and investing in ***derivatives*** and other financial markets.<br><br>The focus on sustainability characteristics is taken into consideration at each stage, when deciding which asset classes the Fund will invest in and how the Fund achieves exposure to those asset classes.<br><br>Under typical market conditions, the portfolio will have the following asset class exposures, achieved through investment in ***collective investment schemes*** where applicable. It should be noted that these percentages will fluctuate based upon market movement and adjustments to the ***asset allocation*** to enable the Fund to meet its aim. |

| Asset class | Exposure as a percentage of the Fund |
|---|---|
| ***Equity***<br>Global ***Equity*** | 60% - 90% |
| ***Bonds***<br>Global ***Developed Market*** Government ***Bonds***<br>Global Corporate ***Bonds***<br>Global ***High Yield Bonds***<br>***Emerging Market Bonds – Hard Currency***<br>***Emerging Market Bonds – Local Currency***<br>***Asset-Backed Securities*** | 10% - 40% |
| **Property securities** | 0% - 15% |

**Use of Benchmark**

The Fund is not managed with reference to a benchmark. The performance of the Fund is shown against the performance of funds that are part of the Morningstar Allocation 60-80% Equity category, with both ***returns*** and ***volatility*** considered in the comparison. The Morningstar Allocation 60-80% Equity category has been selected to enable investors to assess the performance of the Fund because it consists of types of funds that are broadly similar to the Fund. Many funds sold in the UK (and globally) are grouped into categories by Morningstar, an independent data provider, to help investors to compare funds with broadly similar characteristics.

**Use of Derivatives**

The Fund may invest in ***exchange traded*** and ***over-the-counter derivatives*** in accordance with Part C and Part D of Appendix 3. In particular, ***equity index futures*** may be used to increase or reduce ***equity*** exposure and ***bond index futures*** may be used with the aim of managing the overall ***bond duration***.

***Currency forward contracts*** will be used to gain exposure to currencies or with the aim of ***hedging*** against movements in the rate of exchange between Sterling and the currency in which the bonds and other assets may be denominated.

*From 6 May 2025*

This is one of a range of ***actively managed*** Global Responsible Multi-Asset Portfolios offered at different risk levels. The ***asset allocation*** of each fund in the range reflects the risk level. The Fund is managed with the aim of maximising ***returns*** in line with its agreed long term risk profile of 4, where 1 is a lower level of risk and 5 is a higher level of risk therefore any potential ***returns*** are likely to be limited by the risk profile of the Fund.

The starting point for the Global Responsible Multi-Asset Portfolios is the ***asset allocation*** for each risk level.

The ***asset allocation*** positions are regularly monitored in order to make timely adjustments to the portfolios' allocations to reflect the Fund manager's views on the current market environment.

The final stage in the investment process is deciding how best to take exposure to each asset class. This may be achieved by investing in ***collective investment schemes***, investing directly in asset classes and investing in ***derivatives*** and other financial markets.

The focus on sustainability characteristics is taken into consideration at each stage, when deciding which asset classes the Fund will invest in and how the Fund achieves exposure to those asset classes.

Under typical market conditions, the portfolio will have the following asset class exposures, achieved through investment in ***collective investment schemes*** where applicable. It should be noted that these percentages will fluctuate based upon market movement and adjustments to the ***asset allocation*** to enable the Fund to meet its aim.

| **Asset class** | **Exposure as a percentage of the Fund** |
| --- | --- |
| ***Equities***<br>Global ***Equities*** | 50% - 90% |

| | |
|---|---|
| ***Bonds***<br>Global ***Developed Market*** Government ***Bonds***<br>Global Corporate ***Bonds***<br>Global ***High Yield Bonds***<br>***Emerging Market Bonds – Hard Currency***<br>***Emerging Market Bonds – Local Currency***<br>***Asset-Backed Securities*** | 10% - 50% |
| **Alternative asset classes**<br>***Infrastructure***<br>Property securities<br>Other alternative asset classes including ***commodities***, ***private debt*** and ***private equity*** | 0% - 20% |

**Use of Benchmark**
The Fund is not managed with reference to a benchmark. The performance of the Fund is shown against the performance of funds that are part of the Morningstar Allocation 60-80% Equity category, with both ***returns*** and ***volatility*** considered in the comparison. The Morningstar Allocation 60-80% Equity category has been selected to enable investors to assess the performance of the Fund because it consists of types of funds that are broadly similar to the Fund. Many funds sold in the UK (and globally) are grouped into categories by Morningstar, an independent data provider, to help investors to compare funds with broadly similar characteristics.

**Use of Derivatives**

The Fund may invest in ***exchange traded*** and ***over-the-counter derivatives*** in accordance with Part C and Part D of Appendix 3. In particular, ***equity index futures*** may be used to increase or reduce ***equity*** exposure and ***bond index futures*** may be used with the aim of managing the overall ***bond duration***.

***Currency forward contracts*** will be used to gain exposure to currencies or with the aim of ***hedging*** against movements in the rate of exchange between Sterling and the currency in which the bonds and other assets may be denominated.

Sustainability-related Pre-contractual Disclosures

This section provides investors with information regarding the Fund's sustainability characteristics and responsible investment aims.

This Fund does not have a UK sustainable investment label, as defined by the FCA's Sustainability Disclosure Requirements ('SDR'), although it has sustainability characteristics as described further below.

Sustainable investment labels help investors find products that have a specific sustainability goal. The use of sustainability labels is voluntary and requires funds to meet specific requirements set out by the FCA. The Fund does not have a UK sustainable investment label since it was launched prior to the SDR and its investment approach has not been designed to meet the FCA's specific label requirements.

While the Fund does not pursue specific sustainability goals as defined by SDR, it does incorporate sustainability characteristics as part of its investment approach, as further described here.

**Sustainability characteristics**

**1. What are the Fund's sustainability characteristics?**

The Fund intends to achieve the three responsible investment aims below by investing into a range of collective investment schemes and other assets (collectively referred to as "Assets") that support at least one of these aims.

**Aim (1)**

The Fund aims to invest in Assets that contribute to a lower carbon intensity level. The Fund will seek to deliver an overall carbon intensity level that is at least 25% lower than the carbon intensity of the broader investment universe.

**Aim (2)**

The Fund aims to invest in Assets that invest in companies and/or issuers that demonstrate better management of their key environmental, social and governance risks through their products and services, as well as their practices and policies. The Fund will seek to deliver an overall Environmental, Social and Governance ('ESG') score that is higher than the broader investment universe.

**Aim (3)**

The Fund will invest in Assets focused on themes ('Thematic Assets') that seek to contribute towards positive environmental and/or social outcomes. Thematic Assets will fall under one or more of the following themes:

- Circular Economy and Green Infrastructure
- Climate and Energy Transition
- Natural Resources and Water
- Evolving Society

The Fund will invest at least 20% of its Net Asset Value (NAV) into Thematic Assets.

**2. What percentage of the Fund's Assets will contribute towards its responsible investment aims?**

The Fund will invest at least 70% of its Net Asset Value (excluding cash and derivative Assets) into Assets that contribute to the above responsible investment aims. Given the nature of a multi-asset strategy, exposure to Thematic Assets under Aim (3) will evolve over time to reflect asset allocation decisions taken by the Investment Manager, therefore allocations to the themes will fluctuate and alignment to themes is expected to vary over time.

The Fund may invest up to 30% in Assets that do not necessarily contribute to the Fund's responsible investment aims. As well as cash and derivatives, this includes Assets where data is unavailable to assess carbon intensity levels or ESG scores under Aims 1 and 2.

The Fund may hold cash for liquidity management purposes, including to enable it to issue and redeem shares.

The Fund may also hold derivatives for the purposes of efficient portfolio management, including hedging. The derivatives which may be used include currency forward contracts and exchange traded index futures. Where the Fund invests in exchange traded index futures, whose value is derived from a financial index, the Investment Manager will favour, where available, a financial index that has characteristics materially aligned with HSBC Asset Management's responsible investing policies. For more information investors should refer to our responsible investing policies available on the HSBC Asset Management website, www.assetmanagement.hsbc.co.uk, select "About Us" and then "Responsible investing".

**3. Are there any types of assets that the Fund will not invest in?**

The entire portfolio of the Fund will be subject to the application of investment exclusions. These are set out in HSBC Asset Management's responsible investing policies. The exclusions that apply to HSBC funds include, but are not limited to, companies and issuers we consider to be involved in the development and production of banned weapons, the production of controversial weapons and their key components and the production of tobacco and companies and issuers that have revenues generated from thermal coal power generation or extraction or that we consider to be non-compliant with United Nations Global Compact (UNGC) Principles.

Please note that minimum thresholds are applied in respect of certain excluded activities to determine whether a company or issuer should be excluded. Please also note that some exclusions may not be relevant for all asset classes and that data needed to determine involvement in the excluded activities may not be available in all cases. The description of exclusions above is meant as a summary of the exclusions that apply to HSBC funds and for more information investors should refer to our responsible investing policies available on the HSBC Asset Management website, www.assetmanagement.hsbc.co.uk, select “About Us” and then “Responsible investing”.

Where the Fund does not invest in companies or issuers involved in or carrying out excluded activities, this means that the Fund will not benefit from, or be impacted by, the investment performance of such companies or issuers.

The Fund may also invest into Third Party Funds. Where the Fund invests into Third Party Funds, we will ensure that they align with HSBC Asset Management’s responsible investing policies. However, we recognise that the method of assessment and maximum thresholds of such exclusions may differ. Where the differences are considered to be material, the Fund will not be permitted to invest in the relevant Third Party Funds. For example, some Third Party Funds may set their tobacco production revenues exclusion at 5% while we set ours at 0%. We would consider this to be an acceptable difference and therefore the Fund would be permitted to invest.

**4. Could the Fund’s strategy have an impact on its financial risks and returns?**

The Fund will invest in Assets that align with its responsible investment aims.

This means that the Fund cannot benefit from the investment performance of certain companies or sectors which may cause it to underperform the market. The Fund may need to sell investments that cease to meet its sustainability characteristics requirements even if those investments are performing well financially.

Other similar funds with similar financial goals, but without sustainability characteristics, may be able to invest more widely. This may allow them to have a wider spread of financial risk and means that they may achieve a different financial return which could be higher or lower than a fund that has sustainability characteristics.

The Fund is managed within its prescriptive volatility / risk band and the ACD would not expect the Fund to fall outside its indicated risk profile because of its sustainability characteristics.

**5. How are Assets selected to meet the sustainability characteristics of the Fund?**

Assets selected for the Fund will be assessed by the Investment Manager to ensure they contribute to its responsible investment aims. Aims (1) and (2) are assessed relative to the broader investment universe, as explained in section 1 above. The broader investment universe is represented by a reference comparator, which is a composite benchmark that represents the outcomes the Fund might have achieved if it did not have sustainable investment aims. It is a combination of benchmarks that together represent the Assets held by the Fund and in the same proportions (weighting) as the Fund.

**Carbon Intensity – Aim (1)**

Each Asset will also be assessed to determine the extent to which it contributes to the overall Fund carbon intensity aim to achieve a weighted average carbon intensity (‘WACI’) that is at least 25% lower than the reference comparator.

WACI is the sum of carbon intensity of all companies and issuers, weighted by the allocation to that specific issuer. This is generally determined using Scope 1 and Scope 2 emissions as described further below.

Carbon intensity is a measure of the quantity of carbon emissions per million dollars of economic output of a company or issuer of a financial instrument. It is a measure of a company’s or an issuer’s current carbon efficiency, measuring their carbon emissions, relative

| | |
|---|---|
| | to their economic output (for example turnover for companies or Gross Domestic Product (GDP) for sovereigns). The Greenhouse Gas Protocol differentiates between 3 scopes of emissions of a company or an issuer:<br>• Scope 1: direct emissions from owned or controlled sources<br>• Scope 2: indirect emissions from the generation of purchased energy<br>• Scope 3: all indirect emissions, not included in Scope 2, that occur in the value chain of the reporting company.<br><br>Emissions will be measured using Scope 1 and 2 Greenhouse Gas (GHG) emissions primarily, which are generally more under the control of the company or issuer. Although we believe that Scope 1 and 2 emissions are a good indicator of a company's or issuers carbon emissions, we recognise that Scope 3 indirect emissions are also important and often represent larger levels of emissions due to the fact that they typically represent company/issuer and/or sector value chains. Scope 3 emissions have generally not been considered as data for this type of emissions is currently not widely available. However, where Paris Aligned Benchmark or Climate Transition Benchmark Strategies are used, and as data becomes more widely available, Scope 1, 2 and 3 emissions will be used in the assessment.<br><br>Carbon intensity data will be provided by third-party data providers.<br><br>This metric is commonly used to demonstrate a fund's carbon performance and disclosure on it is now a regulatory requirement under the UK's Taskforce for Climate Related Financial Disclosures since 2023.<br><br>**Environmental, Social and Governance Scores – Aim (2)**<br><br>Each Asset will also be assessed to determine the extent to which it contributes towards the overall Fund aim to achieve a weighted average ESG score that is higher than the respective score of the reference comparator. The weighted average ESG score is the sum of the scores of all companies and issuers, weighted by the allocation to that specific issuer.<br><br>ESG scores measure how well a company or issuer is managing its key environmental, social and governance risks and, where appropriate, its positioning to meet market demand for the provision of products and services that have a positive environmental or social contribution. Each company is assessed on numerous environmental criteria, which may include but will not be limited to, biodiversity, land use, raw material sources, electronic waster, product carbon footprint as well as social criteria such as, but not limited to, health and safety, privacy and data security, community relations. Additionally, where appropriate, a company may be assessed on environmental or social opportunities which may include opportunities in clean technology, green buildings and renewable energy and/or access to finance, healthcare and opportunities in nutrition and health. Each company is scored across sector-relevant factors of a scale of 1-10. A score of 10 demonstrates a company or government is an industry leader in managing its key environmental, social and governance risks and taking advantage of market demand opportunities. Conversely, a company with a score of 1 will typically be an industry laggard in managing such risks and not taking advantage of market demand opportunity. ESG scores are adjusted by industry.<br><br>ESG scores are therefore commonly used to evaluate how well a company or issuer is managing its key environmental, social and governance risks as well as, where appropriate, its market demand opportunities relating to products and services that have positive social or environmental contribution. Good scores may indicate resilience to environmental and/or social disruptions and may also indicate a company has very strong positioning to meet market demand for the provision of products and services that have a positive environmental or social contribution.<br><br>To determine the ESG score, data will be obtained from MSCI or other third-party data providers. As part of its methodology, MSCI evaluates each company or issuer on a selection of two to seven environmental and/or social key issues. The environmental and/or social key issues relevant for a given company or issuer are selected based on the company's exposure to potentially material environmental and/or social risks and market demand opportunities, which are driven by industry-specific and market-specific factors. Example key issue areas |

include climate change, pollution & waste, natural capital, human capital and product liability, among others. MSCI's ESG scores are calculated based on the weight of key issue scores specific to the environmental, social and governance themes.

**Thematic Assets – Aim (3)**

Each Asset that is classified under one or more of the themes will be assessed in a way that is appropriate for the theme or themes relevant to that Asset. Assets held may contribute to more than one theme.

In addition, the Investment Manager has mapped out the United Nations Sustainable Development Goals (UN SDGs) that are typically relevant for each theme (other UN SDGs may be considered as relevant for some Assets). There are 17 UN SDGs, that were introduced at the United Nations Conference on Sustainable Development in 2012. The aim was to produce a set of universal goals that meet the urgent environmental, political and economic challenges facing our world. The UN SDGs are also used as a framework to support investors in how they articulate and assess themes and may measure each theme directly or indirectly depending on the relevant Asset and available data point(s). We recognise that to achieve the UN SDGs, companies must play a role and as such we have chosen to target Thematic Assets which help contribute to 15 of the UN SDGs as set out in the table below.

| **Theme** | **Circular Economy and Green Infrastructure** | **Climate and Energy Transition** | **Natural Resources and Water** | **Evolving Society** |
|---|---|---|---|---|
| **Relevant UN SDGs to support the assessment of the theme (direct via UNSDG revenue metric and/or indirect via another related metric as summarised in section 6)** | UN SDG 9 – Industry, Innovation and Infrastructure<br><br>UN SDG 11 – Sustainable Cities and Communities<br><br>UN SDG 12 – Responsible Consumption and Production | UN SDG 7 – Affordable and Clean Energy<br><br>UN SDG 13 – Climate Action | UN SDG 6 – Clean Water and Sanitation<br><br>UN SDG 14 – Life Below Water<br><br>UN SDG 15 – Life on Land | UN SDG 1 – No Poverty<br><br>UN SDG 2 – Zero Hunger<br><br>UN SDG 3 – Good Health and Wellbeing<br><br>UN SDG 4 – Quality Education<br><br>UN SDG 5 – Gender Equality<br><br>UN SDG 8 – Decent Work and Economic Growth<br><br>UN SDG 10 – Reduced Inequalities |

An Asset focused on a theme will align with one or more of the relevant UN SDGs e.g. an Asset focused on the Climate and Energy Transition theme will typically have an appropriate level of alignment with UN SDG 7 and/or 13. Alignment to the themes (and the underlying UN SDGs as relevant) will be assessed either:

(i) directly (i.e. via revenues, for example UN SDG revenue alignment); or
(ii) indirectly (i.e. via another thematic metric reflective of the theme/UN SDG).

**6. How will investors know if the Fund is achieving its responsible investment aims?**

The ACD and Investment Manager have controls and processes in place to monitor the performance of the Fund in achieving its aims. These aim to both reduce the likelihood of the Fund failing to meet its aims and also to identify where escalation is necessary should issues arise.

The Risk function of the Investment Manager provides a further level of monitoring and oversight. As part of this, the Risk function determines levels of performance, for the measures specified in the aims, which the Fund is reasonably expected to operate within. Although these are not set limits, the levels of anticipated performance are used as an early warning indicator to highlight where deviations are happening. Where this occurs, the Risk function discusses this with the Investment Manager to understand the causes and where necessary, determines any subsequent action to ensure the Fund remains aligned to its aims.

The ACD also receives regular reporting from the Investment Manager, to ensure it has oversight of the performance of the Fund in achieving its aims and will challenge the Investment Manager if any potential issues are identified.

To demonstrate that the aims are being met the following key metrics will be considered and monitored on an ongoing basis by the Investment Manager. These will be published so that investors can track how the Fund is meeting its aims.

**Aim (1)**

**Carbon Emissions:**

1. WACI of the overall Fund; and
2. WACI of the reference comparator.

As a weighted average, WACI takes account of the proportions in which companies and issuers are invested in by Assets and also the proportions in which Assets are held within the Fund. The calculation excludes any Assets for which data is unavailable. Information regarding data coverage will be disclosed in the ACD's regular reporting.

**Aim (2)**

**Environmental and Social quality scores (1-10 scale):**

1. Weighted average ESG score of the Fund; and
2. Weighted average ESG score of the reference comparator.

As weighted average scores, these take account of the proportions in which companies and issuers invested in by the Assets and also the proportions in which Assets are held within the Fund.

The calculation excludes any Assets for which data is unavailable. Full details regarding data coverage will be disclosed in the ACD's regular reporting.

**Aim (3)**

**Thematic Assets:**

The Thematic Assets are mapped against one or more themes and we will report the Fund's allocations to these themes.

We will use and report on other metrics which may change over time. These metrics are applied to any other funds held by the Fund, rather than the underlying assets of those other funds. They may include, but are not limited to, the following:

1. **Products & Services (measured via revenues)** – Revenues associated with activities linked to the Asset theme and/or specific UN SDG. This can be in the form

of UN SDG revenue alignment, green revenues and/or revenue mapped through a proprietary approach for the Asset theme. Typically, at least 20% of revenues in respect of an Asset considered must be aligned to the Asset theme and/or specific UN SDG.

2. **Climate Strategic Business Alignment** – Climate thematic strategies which focus on metrics that support overall alignment to the goals of the Paris Agreement via current and forward-looking climate considerations. Metrics to measure the theme can include HSBC Asset Management's Net-Zero Investment Framework (NZIF) classification, which is a proprietary classification that takes into account qualitative and quantitative current and forward-looking climate alignment considerations. Under this, investments are classified into one of the following categories: 1. Achieving net-zero 2. Aligned 3. Aligning 4. Committed to Aligning. 5. Not Aligned or Insufficient Information. For Thematic Assets that are considered climate transition strategies, the majority (typically at least 80%) of the assets must fall within the Aligned, Aligning or Committed to Aligning categories. Other current and forward-looking metrics may be considered, such as those that apply upfront and year on year decarbonisation targets and/or temperature alignment targets.

3. **Sustainable use of proceeds** – Assets that have a minimum commitment (typically at least 50% of value) to investment in Green, Social and Sustainability (GSS) bonds and/or debt issued by multilateral development banks (MDBs), which is used to fund projects that support social and economic development. GSS bonds and/or MDB bonds are both issuances which support environment and/or social projects and/or the UN SDGs. Specifically, in the case of GSS bonds, issuances will be considered eligible provided they meet key criteria. For example, this may include, but is not limited to, the Green Bond Principles and the Climate Bonds Initiative. In the case of MDBs' bonds, the key criteria may include, but are not limited to, the following: issuers must have a mission statement that state the intent to promote sustainable economic development in developing countries, and publicly disclose they have safeguard policies in place to mitigate and reduce environmental and social risks.

**Reliance on data**

To determine carbon intensity, environmental and social quality ratings and metrics used in respect of Thematic Assets, we may rely on expertise, research and information provided by well-established third party financial data providers and/or our own research. However, we may not always be able to access complete data for the assets held by a fund or index, as the data may not be available. This might be, for example, because a company does not disclose certain information. We will always aim to provide as much information as possible but where data is missing for assets held by a fund or index, we will either use an appropriate proxy or we will exclude these assets from the overall calculations described above.

Additionally, there may be times when it is not possible to represent an asset class held by the Fund within the reference comparator, for example when there is not an appropriate index to represent the asset class or due to a lack of suitable data. In such cases, the allocation to this asset class held by the Fund will not be included in the overall comparison of the KPIs. We generally expect however that, for the Fund as a whole, data will be available for the majority of the Assets held by the Fund.

**Publication of metrics**

The Fund's performance with reference to the above metrics will be reported in periodic factsheets, the SDR Consumer Facing Disclosure and, from 2026, the SDR Product Report. These are available on the HSBC Asset Management website, www.assetmanagement.hsbc.co.uk, select "Fund Centre" and locate and select the Fund from the list of funds.

**7. How will the Manager use Stewardship to support the Fund in achieving its aims?**

Stewardship is the responsible allocation, management and oversight of investors' capital and seeks to enhance long-term value for investors and mitigate risks. Stewardship has the potential to contribute to positive outcomes for the economy, the environment and society, notably by influencing the environmental and social performance of assets through active engagement, the exercise of voting and other rights, shareholder activism or through participation in system-wide initiatives.

The ACD has an approach to undertaking stewardship of the assets, which includes activities such as engagement with companies and voting at company meetings. Scope 3 emissions will be considered indirectly as part of HSBC Asset Management's overall approach to Stewardship.

Engagement, whether through direct discussion with companies or collaborative engagement with other investors, is important for providing valuable insights for more informed investment decision making and encouraging appropriate corporate practices, through voting at company meetings.

HSBC Asset Management sets out stewardship policies and practices which apply to the HSBC entities operating and managing HSBC's funds, including the ACD and the Investment Manager. Where the Fund invests into HSBC funds, those funds will follow HSBC Asset Management's stewardship policies and practices. In respect of the HSBC funds, this includes both proxy voting and engagement and focuses on core themes including climate change (which includes consideration of Scope 3 emissions), biodiversity and nature, human rights, corporate governance, diversity, equity and inclusion, inclusive growth and shared prosperity and trusted technology and data. HSBC Asset Management's approach to stewardship can help to ensure the Fund's Assets are aligned to their aims and can also be used as a useful escalation tool. More information can be found in our annual Stewardship Plan, available on the HSBC Asset Management website: www.assetmanagement.hsbc.co.uk, select "About Us" and then "Responsible investing" and "Stewardship".

Internally, HSBC Asset Management has a dedicated stewardship team which provides subject matter and regional expertise. Engagement and investment teams work in collaboration to support thematic as well as specific fund/issuer engagement priorities.

Where the Fund invests into Third Party Funds, the Investment Manager will select funds which are managed by asset managers it considers have robust stewardship policies and practices. As part of its due diligence process the Investment Manager will review ESG and sustainable assets to ensure that their stewardship policies and practices materially reflect HSBC Asset Management's stewardship policies and practices.

Similarly, where the Investment Manager invests directly into Assets other than funds, the Investment Manager will carry out its own stewardship activity which is aligned to HSBC Asset Management's stewardship policies and practices as set out above.

The Investment Manager is a signatory to the UK Stewardship Code 2020 published by the Financial Reporting Council.

**8. What happens if any of the Fund's Assets do not demonstrate sufficient performance against its responsible investment aims?**

The Fund's aims mean that even if Assets are performing well financially, the Fund may need to sell them in the event that they:

- do not demonstrate sufficient performance against the Fund's aims; or
- no longer meet the Fund's aims; or
- do not perform as expected nor in accordance with the specified metrics.

The Fund will be subject to regular ongoing monitoring with controls and processes in place that aim to reduce the likelihood of Assets failing to contribute towards the Fund's goals. This includes early warning indicators that highlight where the Fund may be deviating from the levels it is expected to achieve in order to meet its investment objective and its aims. Should this occur, the Investment Manager will investigate to understand the causes and where necessary, determine remedial action to ensure the Fund continues to be aligned to its investment objective and its aims.

| | |
|---|---|
| SRRI** | 5 |
| HSBC Risk Level Explanation | The five risk levels are based on ***volatility*** bands as defined by HSBC. ***Volatility*** is a measure of investment risk. This differs from the ***SRRI*** which is scored on a scale of 1 to 7 and calculated using historical price ***volatility*** over the last five years.<br><br>The Fund will be managed to operate in line with its risk profile. We will use our forward looking expectations for each asset class held in the Fund and combine them to maximise potential ***returns***, typically within a ***volatility*** range of 11%-14%. It is important to remember that this is based on forward looking expectations and that the actual ***volatility*** of the Fund will depend on market conditions. Therefore, there may be periods of time where the ***volatility*** of the Fund is higher or lower than the ***volatility*** range above. |
| Share Classes Currently Offered | Income C<br>Accumulation C<br>Accumulation P |
| Risk Categories<br><br>(refer to Section "Risks" on page 31) | General<br>Cancellation<br>Efficient Portfolio Management (EPM) and Counterparty Risk<br>Leverage Risk<br>Collateral Risk<br>Fixed Income Securities<br>Currency Exchange Rates<br>Investing in Europe<br>High Yield<br>Smaller Companies<br>Banned Weapons Policy<br>Derivatives<br>Property<br>Hedge Funds<br>Alternative Investments<br>Private Debt<br>Private Equity<br>Commodities<br>Effect of Initial Charge<br>Suspension of Dealings<br>Liabilities<br>Emerging Markets<br>New Funds<br>Unregulated Funds<br>Environment, Social and Governance (ESG) Scoring Risk<br>Sustainable Funds and Environment, Social and Governance (ESG) data |

* Notice has been issued to Shareholders in the Global Responsible Multi-Asset Dynamic Portfolio of an increase to the annual management charges, the introduction of discounts to the annual management charges and the potential to invest in a wider range of alternative asset classes for this Fund, which take effect from 6 May 2025. For further information please refer to the Shareholder notice available on the HSBC Asset Management website www.assetmanagement.hsbc.co.uk or you can contact us.

| World Selection – Adventurous Portfolio | |
|---|---|
| Investment Objective | The Fund aims to provide ***growth*** in line with its risk profile in the long term, which is a period of five years or more. The Fund's risk profile is rated as 5, where 1 is a lower level of risk and 5 is a higher level of risk.<br>[Note: see HSBC Risk Level Explanation section below] |
| Investment Policy | To achieve its objective the Fund will invest a minimum of 80% in ***collective investment schemes*** that in turn invest in shares of companies (***equities)***, ***bonds***, ***derivatives*** and alternative asset classes such as property, ***hedge funds, private equity*** and ***commodities***. The Fund may also invest up to 20% directly in ***bonds*** where the investment objective can be more efficiently achieved and may invest directly in shares of companies in limited circumstances. The Fund will be invested across global markets and typically the Fund will invest at least 70% in asset classes that focus on shares of companies.<br>The ***collective investment schemes*** that the Fund invests in will, where possible, be those managed or operated by the ***HSBC Group***. Where this is not possible the Fund may invest in ***collective investment schemes*** operated by third party fund providers.<br>The Fund may also invest in ***money market instruments***, deposits and cash to manage day-to-day cash flow requirements.<br>The Fund may invest in ***derivatives*** for ***efficient portfolio management*** purposes, including ***hedging***. This means investment techniques that aim to reduce risks, reduce costs or generate ***growth*** and ***income***. The Fund may also use ***derivatives*** for broader investment purposes to help the Fund meet its objective. The Fund does not intend to use ***derivatives*** extensively and their use will be consistent with the risk profile of the Fund. |
| Investment Strategy | This is one of a range of ***actively managed*** World Selection Portfolios offered at five different risk levels. The ***asset allocation*** of each fund in the range reflects the risk level. The Fund is managed with the aim of maximising ***returns*** in line with its agreed long term risk profile of 5, where 1 is a lower level of risk and 5 is a higher level of risk therefore any potential ***returns*** are likely to be limited by the risk profile of the Fund.<br>The starting point for the World Selection Portfolios is the ***asset allocation*** for each risk level.<br>The ***asset allocation*** positions are regularly monitored in order to make timely adjustments to the portfolios' allocations to reflect the Fund manager's views on the current market environment.<br>The final stage in the investment process is deciding how best to take exposure to each asset class. This may be achieved by investing in ***collective investment schemes***, investing directly in asset classes and investing in ***derivatives***.<br>Under typical market conditions, the portfolio will have the following asset class exposures. It should be noted that these percentages will fluctuate based upon market movement and adjustments to the ***asset allocation*** to enable the Fund to meet its aim. |

| Asset class | Exposure as a percentage of the Fund |
|---|---|
| ***Equity***<br>Global ***Equity*** | 70% - 95% |
| ***Bonds***<br>Global ***Developed Market*** Government ***Bonds***<br>Global ***Investment Grade*** Corporate ***Bonds***<br>Global ***High Yield Bonds***<br>***Emerging Market Bonds – Hard Currency***<br>***Emerging Market Bonds – Local Currency***<br>***Asset-Backed Securities*** | 0% - 30% |
| **Alternative asset classes**<br>Property<br>***Hedge funds***<br>Other alternative asset classes including ***private equity*** and ***commodities*** | 0% - 20% |

| | | |
|---|---|---|
| | **Use of Benchmark**<br><br>The Fund is not managed with reference to a benchmark. The performance of the Fund is shown against the performance of funds that are part of the Morningstar Allocation 80%+ Equity category, with both ***returns*** and ***volatility*** considered in the comparison. The Morningstar Allocation 80%+ Equity category has been selected to enable investors to assess the performance of the Fund because it consists of types of funds that are broadly similar to the Fund. Many funds sold in the UK (and globally) are grouped into categories by Morningstar, an independent data provider, to help investors to compare funds with broadly similar characteristics.<br><br>**Use of Derivatives**<br><br>The Fund may invest in ***exchange traded*** and ***over-the-counter derivatives*** in accordance with Part C and Part D of Appendix 3. In particular, ***equity index futures*** may be used to increase or reduce ***equity*** exposure and ***bond index futures*** may be used with the aim of managing the overall ***bond duration***.<br><br>***Currency forward contracts*** will be used to gain exposure to currencies or with the aim of ***hedging*** against movements in the rate of exchange between Sterling and the currency in which the bonds and other assets may be denominated. | |
| SRRI** | 5 | |
| HSBC Risk Level Explanation | The five risk levels are based on ***volatility*** bands as defined by HSBC. ***Volatility*** is a measure of investment risk. This differs from the ***SRRI*** which is scored on a scale of 1 to 7 and calculated using historical price ***volatility*** over the last five years.<br><br>The Fund will be managed to operate in line with its risk profile. We will use our forward looking expectations for each asset class held in the Fund and combine them to maximise potential ***returns***, typically within a ***volatility*** range of 14% and above. It is important to remember that this is based on forward looking expectations and that the actual ***volatility*** of the Fund will depend on market conditions. Therefore, there may be periods of time where the ***volatility*** of the Fund is higher or lower than the ***volatility*** range above. | |
| Share Classes Currently Offered | Income C<br>Accumulation C | Institutional Income<br>Institutional Accumulation<br>Accumulation P |
| Risk Categories<br><br>(refer to Section "Risks" on page 31) | General<br>Cancellation<br>Efficient Portfolio Management (EPM) and Counterparty Risk<br>Leverage Risk<br>Collateral Risk<br>Fixed Income Securities<br>Currency Exchange Rates<br>Investing in Europe<br>High Yield<br>Smaller Companies<br>Banned Weapons Policy<br>Derivatives<br>Property<br>Hedge Funds<br>Alternative Investments<br>Private Equity<br>Commodities<br>Effect of Initial Charge<br>Suspension of Dealings<br>Liabilities<br>Emerging Markets<br>Unregulated Funds | |

## World Selection – Balanced Portfolio

| | |
|---|---|
| Investment Objective | The Fund aims to provide ***growth*** in line with its risk profile in the long term, which is a period of five years or more. The Fund's risk profile is rated as 3, where 1 is a lower level of risk and 5 is a higher level of risk.<br><br>[Note: see HSBC Risk Level Explanation section below] |
| Investment Policy | To achieve its objective the Fund will invest a minimum of 70% in ***collective investment schemes*** that in turn invest in shares of companies (***equities***), ***bonds***, ***derivatives*** and alternative asset classes such as property, ***hedge funds, private equity*** and ***commodities***. The Fund may also invest up to 30% directly in ***bonds*** where the investment objective can be more efficiently achieved and may also invest directly in shares of companies in limited circumstances. The Fund will be invested across global markets.<br><br>The ***collective investment schemes*** that the Fund invests in will, where possible, be those managed or operated by the ***HSBC Group***. Where this is not possible the Fund may invest in ***collective investment schemes*** operated by third party fund providers.<br><br>The Fund may also invest in ***money market instruments***, deposits and cash to manage day-to-day cash flow requirements.<br><br>The Fund may invest in ***derivatives*** for ***efficient portfolio management*** purposes, including ***hedging***. This means investment techniques that aim to reduce risks, reduce costs or generate ***growth*** and ***income***. The Fund may also use ***derivatives*** for broader investment purposes to help the Fund meet its objective. The Fund does not intend to use ***derivatives*** extensively and their use will be consistent with the risk profile of the Fund. |
| Investment Strategy | This is one of a range of ***actively managed*** World Selection Portfolios offered at five different risk levels. The ***asset allocation*** of each fund in the range reflects the risk level. The Fund is rated as 3, where 1 is a lower level of risk and 5 is a higher level of risk. The Fund is managed with the aim of maximising ***returns*** in line with its agreed long term risk profile therefore any potential ***returns*** are likely to be limited by the risk profile of the Fund.<br><br>The starting point for the World Selection Portfolios is the ***asset allocation*** for each risk level.<br><br>The ***asset allocation*** positions are regularly monitored in order to make timely adjustments to the portfolios' allocations to reflect the Fund manager's views on the current market environment.<br><br>The final stage in the investment process is deciding how best to take exposure to each asset class. This may be achieved by investing in ***collective investment schemes***, investing directly in asset classes and investing in ***derivatives***.<br><br>Under typical market conditions, the portfolio will have the following asset class exposures. It should be noted that these percentages will fluctuate based upon market movement and adjustments to the ***asset allocation*** to enable the Fund to meet its aim. |

| Asset class | Exposure as a percentage of the Fund |
|---|---|
| ***Equity***<br>Global ***Equity*** | 40% - 65% |
| ***Bonds***<br>Global ***Developed Market*** Government ***Bonds***<br>Global ***Investment Grade*** Corporate ***Bonds***<br>Global ***High Yield Bonds***<br>***Emerging Market Bonds – Hard Currency***<br>***Emerging Market Bonds – Local Currency***<br>***Asset-Backed Securities*** | 25% - 60% |
| **Alternative asset classes**<br>Property<br>***Hedge funds***<br>Other alternative asset classes including ***private equity*** and ***commodities*** | 0% - 20% |

<table>
<tr><td></td><td colspan="2">Use of Benchmark<br>The Fund is not managed with reference to a benchmark. The performance of the Fund is shown against the performance of funds that are part of the Morningstar Allocation 40-60% Equity category, with both returns and volatility considered in the comparison. The Morningstar Allocation 40-60% Equity category has been selected to enable investors to assess the performance of the Fund because it consists of types of funds that are broadly similar to the Fund. Many funds sold in the UK (and globally) are grouped into categories by Morningstar, an independent data provider, to help investors to compare funds with broadly similar characteristics.<br><br>Use of Derivatives<br>The Fund may invest in exchange traded and over-the-counter derivatives in accordance with Part C and Part D of Appendix 3. In particular, equity index futures may be used to increase or reduce equity exposure and bond index futures may be used with the aim of managing the overall bond duration.<br><br>Currency forward contracts will be used to gain exposure to currencies or with the aim of hedging against movements in the rate of exchange between Sterling and the currency in which the bonds and other assets may be denominated.</td></tr>
<tr><td>SRRI**</td><td colspan="2">4</td></tr>
<tr><td>HSBC Risk Level Explanation</td><td colspan="2">The five risk levels are based on volatility bands as defined by HSBC. Volatility is a measure of investment risk. This differs from the SRRI which is scored on a scale of 1 to 7 and calculated using historical price volatility over the last five years.<br><br>The Fund will be managed to operate in line with its risk profile. We will use our forward looking expectations for each asset class held in the Fund and combine them to maximise potential returns, typically within a volatility range of 8% - 11%. It is important to remember that this is based on forward looking expectations and that the actual volatility of the Fund will depend on market conditions. Therefore, there may be periods of time where the volatility of the Fund is higher or lower than the volatility range above.</td></tr>
<tr><td>Share Classes Currently Offered</td><td>Retail Income<br>Retail Accumulation<br>Income C<br>Accumulation C</td><td>Institutional Income<br>Institutional Accumulation<br>Income P<br>Accumulation P</td></tr>
<tr><td>Risk Categories<br><br>(refer to Section “Risks” on page 31)</td><td colspan="2">General<br>Cancellation<br>Efficient Portfolio Management (EPM) and Counterparty Risk<br>Leverage Risk<br>Collateral Risk<br>Fixed Income Securities<br>Currency Exchange Rates<br>Investing in Europe<br>High Yield<br>Smaller Companies<br>Banned Weapons Policy<br>Derivatives<br>Property<br>Hedge Funds<br>Alternative Investments<br>Private Equity<br>Commodities<br>Effect of Initial Charge<br>Suspension of Dealings<br>Liabilities<br>Emerging Markets<br>Unregulated Funds</td></tr>
</table>

## World Selection – Cautious Portfolio

| | |
|---|---|
| Investment Objective | The Fund aims to provide ***growth*** in line with its risk profile in the long term, which is a period of five years or more. The Fund's risk profile is rated as 1, where 1 is a lower level of risk and 5 is a higher level of risk.<br><br>[Note: see HSBC Risk Level Explanation section below] |
| Investment Policy | To achieve its objective the Fund will invest a minimum of 50% in ***collective investment schemes*** that in turn invest in ***bonds***, shares of companies (***equities***), ***derivatives*** and alternative asset classes such as property, ***hedge funds, private equity*** and ***commodities***. The Fund may also invest up to 50% directly in ***bonds*** where the investment objective can be more efficiently achieved and may invest directly in shares of companies in limited circumstances. The Fund will be invested across global markets and typically the Fund will have a bias towards asset classes that focus on ***bonds***.<br><br>The ***collective investment schemes*** that the Fund invests in will, where possible, be those managed or operated by the ***HSBC Group***. Where this is not possible the Fund may invest in ***collective investment schemes*** operated by third party fund providers.<br><br>The Fund may also invest in ***money market instruments***, deposits and cash to manage day-to-day cash flow requirements.<br><br>The Fund may invest in ***derivatives*** for ***efficient portfolio management*** purposes, including ***hedging***. This means investment techniques that aim to reduce risks, reduce costs or generate ***growth*** and ***income***. The Fund may also use ***derivatives*** for broader investment purposes to help the Fund meet its objective. The Fund does not intend to use ***derivatives*** extensively and their use will be consistent with the risk profile of the Fund. |
| Investment Strategy | This is one of a range of ***actively managed*** World Selection Portfolios offered at five different risk levels. The ***asset allocation*** of each fund in the range reflects the risk level. The Fund is managed with the aim of maximising ***returns*** in line with its agreed long term risk profile of 1, where 1 is a lower level of risk and 5 is a higher level of risk therefore any potential ***returns*** are likely to be limited by the risk profile of the Fund.<br><br>The starting point for the World Selection Portfolios is the ***asset allocation*** for each risk level.<br><br>The ***asset allocation*** positions are regularly monitored in order to make timely adjustments to the portfolios' allocations to reflect the Fund manager's views on the current market environment.<br><br>The final stage in the investment process is deciding how best to take exposure to each asset class. This may be achieved by investing in ***collective investment schemes***, investing directly in asset classes and investing in ***derivatives***.<br><br>Under typical market conditions, the portfolio will have the following asset class exposures. It should be noted that these percentages will fluctuate based upon market movement and adjustments to the ***asset allocation*** to enable the Fund to meet its aim. |

| Asset class | Exposure as a percentage of the Fund |
|---|---|
| ***Equity***<br>Global ***Equity*** | 7.5% - 27.5% |
| ***Bonds***<br>Global ***Developed Market*** Government ***Bonds***<br>Global ***Investment Grade*** Corporate ***Bonds***<br>Global ***High Yield Bonds***<br>***Emerging Market Bonds – Hard Currency***<br>***Emerging Market Bonds – Local Currency***<br>***Asset-Backed Securities*** | 65% - 95% |
| **Alternative asset classes**<br>Property<br>***Hedge funds***<br>Other alternative asset classes including ***private equity*** and ***commodities*** | 0% - 20% |

| | | |
|---|---|---|
| | **Use of Benchmark**<br>The Fund is not managed with reference to a benchmark. The performance of the Fund is shown against the performance of funds that are part of the Morningstar Allocation 0-20% Equity category, with both ***returns*** and ***volatility*** considered in the comparison. The Morningstar Allocation 0-20% Equity category has been selected to enable investors to assess the performance of the Fund because it consists of types of funds that are broadly similar to the Fund. Many funds sold in the UK (and globally) are grouped into categories by Morningstar, an independent data provider, to help investors to compare funds with broadly similar characteristics.<br><br>**Use of Derivatives**<br>The Fund may invest in ***exchange traded*** and ***over-the-counter derivatives*** in accordance with Part C and Part D of Appendix 3. In particular, ***equity index futures*** may be used to increase or reduce ***equity*** exposure and ***bond index futures*** may be used with the aim of managing the overall ***bond duration***.<br><br>***Currency forward contracts*** will be used to gain exposure to currencies or with the aim of ***hedging*** against movements in the rate of exchange between Sterling and the currency in which the bonds and other assets may be denominated. | |
| SRRI** | 3 | |
| HSBC Risk Level Explanation | The five risk levels are based on ***volatility*** bands as defined by HSBC. ***Volatility*** is a measure of investment risk. This differs from the ***SRRI*** which is scored on a scale of 1 to 7 and calculated using historical price ***volatility*** over the last five years.<br><br>The Fund will be managed to operate in line with its risk profile. We will use our forward looking expectations for each asset class held in the Fund and combine them to maximise potential ***returns***, typically within a ***volatility*** range of 0% - 5%. It is important to remember that this is based on forward looking expectations and that the actual ***volatility*** of the Fund will depend on market conditions. Therefore, there may be periods of time where the ***volatility*** of the Fund is higher or lower than the ***volatility*** range above. | |
| Share Classes Currently Offered | Income C<br>Accumulation C<br>Institutional Income<br>Institutional Accumulation | Income P<br>Accumulation P |
| Risk Categories<br><br>(refer to Section "Risks" on page 31) | General<br>Cancellation<br>Efficient Portfolio Management (EPM) and Counterparty Risk<br>Leverage Risk<br>Collateral Risk<br>Fixed Income Securities<br>Currency Exchange Rates<br>Investing in Europe<br>High Yield<br>Smaller Companies<br>Banned Weapons Policy<br>Derivatives<br>Property<br>Hedge Funds<br>Alternative Investments<br>Private Equity<br>Commodities<br>Effect of Initial Charge<br>Suspension of Dealings<br>Liabilities<br>Emerging Markets<br>Unregulated Funds | |

## World Selection – Conservative Portfolio

Investment Objective

The Fund aims to provide ***growth*** in line with its risk profile in the long term, which is a period of five years or more. The Fund's risk profile is rated as 2 where 1 is a lower level of risk and 5 is a higher level of risk.

[Note: see HSBC Risk Level Explanation section below]

Investment Policy

To achieve its objective the Fund will invest a minimum of 70% in ***collective investment schemes*** that in turn invest in ***bonds***, shares of companies (***equities***), ***derivatives*** and alternative asset classes such as property, ***hedge funds, private equity*** and ***commodities***. The Fund may also invest up to 30% directly in ***bonds*** where the investment objective can be more efficiently achieved and may invest directly in shares of companies in limited circumstances. The Fund will be invested across global markets and typically the Fund will have a bias towards asset classes that focus on ***bonds***.

The ***collective investment schemes*** that the Fund invests in will, where possible, be those managed or operated by the ***HSBC Group***. Where this is not possible the Fund may invest in ***collective investment schemes*** operated by third party fund providers.

The Fund may also invest in ***money market instruments***, deposits and cash to manage day-to-day cash flow requirements.

The Fund may invest in ***derivatives*** for ***efficient portfolio management*** purposes, including ***hedging***. This means investment techniques that aim to reduce risks, reduce costs or generate ***growth*** and ***income***. The Fund may also use ***derivatives*** for broader investment purposes to help the Fund meet its objective. The Fund does not intend to use ***derivatives*** extensively and their use will be consistent with the risk profile of the Fund.

Investment Strategy

This is one of a range of ***actively managed*** World Selection Portfolios offered at five different risk levels. The ***asset allocation*** of each fund in the range reflects the risk level. The Fund is managed with the aim of maximising ***returns*** in line with its agreed long term risk profile of 2, where 1 is a lower level of risk and 5 is a higher level of risk therefore any potential ***returns*** are likely to be limited by the risk profile of the Fund.

The starting point for the World Selection Portfolios is the ***asset allocation*** for each risk level.

The ***asset allocation*** positions are regularly monitored in order to make timely adjustments to the portfolios' allocations to reflect the Fund manager's views on the current market environment.

The final stage in the investment process is deciding how best to take exposure to each asset class. This may be achieved by investing in ***collective investment schemes***, investing directly in asset classes and investing in ***derivatives***.

Under typical market conditions, the portfolio will have the following asset class exposures. It should be noted that these percentages will fluctuate based upon market movement and adjustments to the ***asset allocation*** to enable the Fund to meet its aim.

| **Asset class** | **Exposure as a percentage of the Fund** |
|---|---|
| ***Equity***<br>Global ***Equity*** | 25% - 45% |
| ***Bonds***<br>Global ***Developed Market*** Government ***Bonds***<br>Global ***Investment Grade*** Corporate ***Bonds***<br>Global ***High Yield Bonds***<br>***Emerging Market Bonds – Hard Currency***<br>***Emerging Market Bonds – Local Currency***<br>***Asset-Backed Securities*** | 45% - 75% |
| **Alternative asset classes**<br>Property<br>***Hedge funds***<br>Other alternative asset classes including<br>***private equity*** and ***commodities*** | 0% - 20% |

| | | |
|---|---|---|
| | **Use of Benchmark**<br>The Fund is not managed with reference to a benchmark. The performance of the Fund is shown against the performance of funds that are part of the Morningstar Allocation 20-40% Equity category, with both ***returns*** and ***volatility*** considered in the comparison. The Morningstar Allocation 20-40% Equity category has been selected to enable investors to assess the performance of the Fund because it consists of types of funds that are broadly similar to the Fund. Many funds sold in the UK (and globally) are grouped into categories by Morningstar, an independent data provider, to help investors to compare funds with broadly similar characteristics.<br><br>**Use of Derivatives**<br>The Fund may invest in ***exchange traded*** and ***over-the-counter derivatives*** in accordance with Part C and Part D of Appendix 3. In particular, ***equity index futures*** may be used to increase or reduce ***equity*** exposure and ***bond index futures*** may be used with the aim of managing the overall ***bond duration***.<br><br>***Currency forward contracts*** will be used to gain exposure to currencies or with the aim of ***hedging*** against movements in the rate of exchange between Sterling and the currency in which the bonds and other assets may be denominated. | |
| SRRI** | 4 | |
| HSBC Risk Level Explanation | The five risk levels are based on ***volatility*** bands as defined by HSBC. ***Volatility*** is a measure of investment risk. This differs from the ***SRRI*** which is scored on a scale of 1 to 7 and calculated using historical price ***volatility*** over the last five years.<br><br>The Fund will be managed to operate in line with its risk profile. We will use our forward looking expectations for each asset class held in the Fund and combine them to maximise potential ***returns***, typically within a ***volatility*** range of 5% - 8%. It is important to remember that this is based on forward looking expectations and that the actual ***volatility*** of the Fund will depend on market conditions. Therefore, there may be periods of time where the ***volatility*** of the Fund is higher or lower than the ***volatility*** range above. | |
| Share Classes Currently Offered | Income C<br>Accumulation C<br>Accumulation P | Institutional Income<br>Institutional Accumulation |
| Risk Categories<br><br>(refer to Section "Risks" on page 31) | General<br>Cancellation<br>Efficient Portfolio Management (EPM) and Counterparty Risk<br>Leverage Risk<br>Collateral Risk<br>Fixed Income Securities<br>Currency Exchange Rates<br>Investing in Europe<br>High Yield<br>Smaller Companies<br>Banned Weapons Policy<br>Derivatives<br>Property<br>Hedge Funds<br>Alternative Investments<br>Private Equity<br>Commodities<br>Effect of Initial Charge<br>Suspension of Dealings<br>Liabilities<br>Emerging Markets<br>Unregulated Funds | |

## World Selection - Dividend Distribution Portfolio*

**Investment Objective**

The Fund aims to provide a high level of ***income*** in line with its risk profile in the long term, which is a period of five years or more. The Fund's risk profile is rated as 3, where 1 is a lower level of risk and 5 is a higher level of risk.

[Note: see HSBC Risk Level Explanation section below]

**Investment Policy**

To achieve its objective the Fund will invest a minimum of 70% in ***collective investment schemes*** that in turn invest in ***bonds***, shares of companies (***equities***), ***derivatives*** and alternative asset classes such as property, ***infrastructure, hedge funds, private equity*** and ***commodities***. The Fund may also invest up to 30% directly in ***bonds*** where the investment objective can be more efficiently achieved and may invest directly in shares of companies in limited circumstances. The Fund will be invested across global markets.

The ***collective investment schemes*** that the Fund invests in will, where possible, be those managed or operated by the ***HSBC Group***. Where this is not possible the Fund may invest in ***collective investment schemes*** operated by third party fund providers.

The Fund may also invest in ***money market instruments***, deposits and cash to manage day-to-day cash flow requirements.

The Fund may invest in ***derivatives*** for ***efficient portfolio management*** purposes, including ***hedging***. This means investment techniques that aim to reduce risks, reduce costs or generate ***growth*** and ***income***. The Fund may also use ***derivatives*** for broader investment purposes to help the Fund meet its objective. The Fund does not intend to use ***derivatives*** extensively and their use will be consistent with the risk profile of the Fund.

**Investment Strategy**

This is one of a range of ***actively managed*** World Selection Portfolios offered at five different risk levels. The ***asset allocation*** of each fund in the range reflects the risk level. The Fund is managed with the aim of providing ***income*** in line with its agreed long term risk profile of 3, where 1 is a lower level of risk and 5 is a higher level of risk therefore any potential returns are likely to be limited by the risk profile of the Fund.

The starting point for the World Selection Portfolios is the ***asset allocation*** for each risk level.

The ***asset allocation*** positions are regularly monitored in order to make timely adjustments to the portfolios' allocations to reflect the Fund manager's views on the current market environment.

The final stage in the investment process is deciding how best to take exposure to each asset class. This may be achieved by investing in ***collective investment schemes***, investing directly in asset classes and investing in ***derivatives***.

Under typical market conditions, the portfolio will have the following asset class exposures. It should be noted that these percentages will fluctuate based upon market movement and adjustments to the ***asset allocation*** to enable the Fund to meet its aim.

| **Asset class** | **Exposure as a percentage of the Fund** |
|---|---|
| ***Equity***<br>Global ***Equity*** | 35% - 65% |
| ***Bonds***<br>Global ***Developed Market*** Government ***Bonds***<br>Global ***Investment Grade*** Corporate ***Bonds***<br>Global ***High Yield Bonds***<br>***Emerging Market Bonds – Hard Currency***<br>***Emerging Market Bonds – Local Currency***<br>***Asset-Backed Securities*** | 35% - 65% |
| **Alternative asset classes**<br>Property<br>***Infrastructure***<br>***Hedge funds***<br>Other alternative asset classes including<br>***private equity*** and ***commodities*** | 0% - 20% |

| | | |
|---|---|---|
| | **Use of Benchmark**<br>The Fund is not managed with reference to a benchmark. The performance of the Fund is shown against the performance of funds that are part of the Morningstar Allocation 40-60% Equity category, with both ***returns*** and ***volatility*** considered in the comparison. The Morningstar Allocation 40-60% Equity category has been selected to enable investors to assess the performance of the Fund because it consists of types of funds that are broadly similar to the Fund. Many funds sold in the UK (and globally) are grouped into categories by Morningstar, an independent data provider, to help investors to compare funds with broadly similar characteristics.<br><br>**Use of Derivatives**<br>The Fund may invest in ***exchange traded*** and ***over-the-counter derivatives*** in accordance with Part C and Part D of Appendix 3. In particular, ***equity index futures*** may be used to increase or reduce ***equity*** exposure and ***bond index futures*** may be used with the aim of managing the overall ***bond duration***.<br><br>***Currency forward contracts*** will be used to gain exposure to currencies or with the aim of ***hedging*** against movements in the rate of exchange between Sterling and the currency in which the bonds and other assets may be denominated. | |
| SRRI** | 4 | |
| HSBC Risk Level Explanation | The five risk levels are based on ***volatility*** bands as defined by HSBC. ***Volatility*** is a measure of investment risk. This differs from the ***SRRI*** which is scored on a scale of 1 to 7 and calculated using historical price ***volatility*** over the last five years.<br><br>The Fund will be managed to operate in line with its risk profile. We will use our forward looking expectations for each asset class held in the Fund and combine them to maximise potential ***returns***, typically within a ***volatility*** range of 8% - 11%. It is important to remember that this is based on forward looking expectations and that the actual ***volatility*** of the Fund will depend on market conditions. Therefore, there may be periods of time where the ***volatility*** of the Fund is higher or lower than the ***volatility*** range above. | |
| Share Classes Currently Offered | Retail Income<br>Retail Accumulation | Income C<br>Accumulation C |
| Risk Categories<br><br>(refer to Section "Risks" on page 31) | General<br>Cancellation<br>Efficient Portfolio Management (EPM) and Counterparty Risk<br>Leverage Risk<br>Collateral Risk<br>Fixed Income Securities<br>Currency Exchange Rates<br>Investing in Europe<br>High Yield<br>Smaller Companies<br>Banned Weapons Policy<br>Derivatives<br>Property<br>Hedge Funds<br>Alternative Investments<br>Private Equity<br>Commodities<br>Effect of Initial Charge<br>Suspension of Dealings<br>Charges to Capital<br>Liabilities<br>Emerging Markets<br>Unregulated Funds | |

## World Selection – Dynamic Portfolio

### Investment Objective

The Fund aims to provide ***growth*** in line with its risk profile in the long term, which is a period of five years or more. The Fund's risk profile is rated as 4, where 1 is a lower level of risk and 5 is a higher level of risk.

[Note: see HSBC Risk Level Explanation section below]

### Investment Policy

To achieve its objective the Fund will invest a minimum of 70% in ***collective investment schemes*** that in turn invest in ***bonds***, shares of companies (***equities***), ***derivatives*** and alternative asset classes such as property, ***hedge funds, private equity*** and ***commodities***. The Fund may also invest up to 30% directly in ***bonds*** where the investment objective can be more efficiently achieved and may invest directly in shares of companies in limited circumstances. The Fund will be invested across global markets and typically the Fund will have a bias towards asset classes that focus on shares of companies.

The ***collective investment schemes*** that the Fund invests in will, where possible, be those managed or operated by the ***HSBC Group***. Where this is not possible the Fund may invest in ***collective investment schemes*** operated by third party fund providers.

The Fund may also invest in ***money market instruments***, deposits and cash to manage day-to-day cash flow requirements.

The Fund may invest in ***derivatives*** for ***efficient portfolio management*** purposes, including ***hedging***. This means investment techniques that aim to reduce risks, reduce costs or generate ***growth*** and ***income***. The Fund may also use ***derivatives*** for broader investment purposes to help the Fund meet its objective. The Fund does not intend to use ***derivatives*** extensively and their use will be consistent with the risk profile of the Fund.

### Investment Strategy

This is one of a range of ***actively managed*** World Selection Portfolios offered at five different risk levels. The ***asset allocation*** of each fund in the range reflects the risk level. The Fund is managed with the aim of maximising ***returns*** in line with its agreed long term risk profile of 4, where 1 is a lower level of risk and 5 is a higher level of risk therefore any potential returns are likely to be limited by the risk profile of the Fund.

The starting point for the World Selection Portfolios is the ***asset allocation*** for each risk level.

The ***asset allocation*** positions are regularly monitored in order to make timely adjustments to the portfolios' allocations to reflect the Fund manager's views on the current market environment.

The final stage in the investment process is deciding how best to take exposure to each asset class. This may be achieved by investing in ***collective investment schemes***, investing directly in asset classes and investing in ***derivatives***.

Under typical market conditions, the portfolio will have the following asset class exposures. It should be noted that these percentages will fluctuate based upon market movement and adjustments to the ***asset allocation*** to enable the Fund to meet its aim.

| **Asset class** | **Exposure as a percentage of the Fund** |
|---|---|
| ***Equity***<br>Global ***Equity*** | 57.5% - 82.5% |
| ***Bonds***<br>Global ***Developed Market*** Government ***Bonds***<br>Global ***Investment Grade*** Corporate ***Bonds***<br>Global ***High Yield Bonds***<br>***Emerging Market Bonds – Hard Currency***<br>***Emerging Market Bonds – Local Currency***<br>***Asset-Backed Securities*** | 10% - 45% |
| **Alternative asset classes**<br>Property<br>***Hedge funds***<br>Other alternative asset classes including<br>***private equity*** and ***commodities*** | 0% - 20% |

<table>
<tr><td></td><td colspan="2">Use of Benchmark<br>The Fund is not managed with reference to a benchmark. The performance of the Fund is shown against the performance of funds that are part of the Morningstar Allocation 60-80% Equity category, with both returns and volatility considered in the comparison. The Morningstar Allocation 60-80% Equity category has been selected to enable investors to assess the performance of the Fund because it consists of types of funds that are broadly similar to the Fund. Many funds sold in the UK (and globally) are grouped into categories by Morningstar, an independent data provider, to help investors to compare funds with broadly similar characteristics.<br><br>Use of Derivatives<br>The Fund may invest in exchange traded and over-the-counter derivatives in accordance with Part C and Part D of Appendix 3. In particular, equity index futures may be used to increase or reduce equity exposure and bond index futures may be used with the aim of managing the overall bond duration.<br><br>Currency forward contracts will be used to gain exposure to currencies or with the aim of hedging against movements in the rate of exchange between Sterling and the currency in which the bonds and other assets may be denominated.</td></tr>
<tr><td>SRRI**</td><td colspan="2">5</td></tr>
<tr><td>HSBC Risk Level Explanation</td><td colspan="2">The five risk levels are based on volatility bands as defined by HSBC. Volatility is a measure of investment risk. This differs from the SRRI which is scored on a scale of 1 to 7 and calculated using historical price volatility over the last five years.<br><br>The Fund will be managed to operate in line with its risk profile. We will use our forward looking expectations for each asset class held in the Fund and combine them to maximise potential returns, typically within a volatility range of 8% - 11%. It is important to remember that this is based on forward looking expectations and that the actual volatility of the Fund will depend on market conditions. Therefore, there may be periods of time where the volatility of the Fund is higher or lower than the volatility range above.</td></tr>
<tr><td>Share Classes Currently Offered</td><td>Income C<br>Accumulation C<br>Institutional Income</td><td>Institutional Accumulation<br>Income P<br>Accumulation P</td></tr>
<tr><td>Risk Categories<br><br>(refer to Section “Risks” on page 31)</td><td colspan="2">General<br>Cancellation<br>Efficient Portfolio Management (EPM) and Counterparty Risk<br>Leverage Risk<br>Collateral Risk<br>Fixed Income Securities<br>Currency Exchange Rates<br>Investing in Europe<br>High Yield<br>Smaller Companies<br>Banned Weapons Policy<br>Derivatives<br>Property<br>Hedge Funds<br>Alternative Investments<br>Private Equity<br>Commodities<br>Effect of Initial Charge<br>Suspension of Dealings<br>Liabilities<br>Emerging Markets<br>Unregulated Funds</td></tr>
</table>

## World Selection – Interest Income Portfolio*

### Investment Objective

The Fund aims to provide ***income*** in line with its risk profile in the long term, which is a period of five years or more. The Fund's risk profile is rated as 2, where 1 is a lower level of risk and 5 is a higher level of risk.

[Note: see HSBC Risk Level Explanation section below]

### Investment Policy

To achieve its objective the Fund will invest a minimum of 70% in ***collective investment schemes*** that in turn invest in ***bonds***, shares of companies (***equities***), ***derivatives*** and alternative asset classes such as property, ***infrastructure, hedge funds, private equity*** and ***commodities***. The Fund may also invest up to 30% directly in ***bonds*** where the investment objective can be more efficiently achieved and may invest directly in shares of companies in limited circumstances. The Fund will be invested across global markets and typically the Fund will have a bias towards asset classes that focus on ***bonds***.

The ***collective investment schemes*** that the Fund invests in will, where possible, be those managed or operated by the ***HSBC Group***. Where this is not possible the Fund may invest in ***collective investment schemes*** operated by third party fund providers.

The Fund may also invest in ***money market instruments***, deposits and cash to manage day-to-day cash flow requirements.

The Fund may invest in ***derivatives*** for ***efficient portfolio management*** purposes, including ***hedging***. This means investment techniques that aim to reduce risks, reduce costs or generate ***growth*** and ***income***. The Fund may also use ***derivatives*** for broader investment purposes to help the Fund meet its objective. The Fund does not intend to use ***derivatives*** extensively and their use will be consistent with the risk profile of the Fund

### Investment Strategy

This is one of a range of ***actively managed*** World Selection Portfolios offered at five different risk levels. The ***asset allocation*** of each fund in the range reflects the risk level. The Fund is managed with the aim of providing ***income*** in line with its agreed long term risk profile of 2, where 1 is a lower level of risk and 5 is a higher level of risk therefore any potential returns are likely to be limited by the risk profile of the Fund.

The starting point for the World Selection Portfolios is the ***asset allocation*** for each risk level.

The ***asset allocation*** positions are regularly monitored in order to make timely adjustments to the portfolios' allocations to reflect the Fund manager's views on the current market environment.

The final stage in the investment process is deciding how best to take exposure to each asset class. This may be achieved by investing in ***collective investment schemes***, investing directly in asset classes and investing in ***derivatives***.

Under typical market conditions, the portfolio will have the following asset class exposures. It should be noted that these percentages will fluctuate based upon market movement and adjustments to the ***asset allocation*** to enable the Fund to meet its aim.

| **Asset class** | **Exposure as a percentage of the Fund** |
|---|---|
| ***Equity***<br>Global ***Equity*** | 15% - 35% |
| ***Bonds***<br>Global ***Developed Market*** Government ***Bonds***<br>Global ***Investment Grade*** Corporate ***Bonds***<br>Global ***High Yield Bonds***<br>***Emerging Market Bonds – Hard Currency***<br>***Emerging Market Bonds – Local Currency***<br>***Asset-Backed Securities*** | 60% - 90% |
| **Alternative asset classes**<br>Property<br>***Infrastructure***<br>***Hedge funds***<br>Other alternative asset classes including ***private equity*** and ***commodities*** | 0% - 20% |

| | | |
|---|---|---|
| | **Use of Benchmark**<br>The Fund is not managed with reference to a benchmark. The performance of the Fund is shown against the performance of funds that are part of the Morningstar Allocation 20-40% Equity category, with both ***returns*** and ***volatility*** considered in the comparison. The Morningstar Allocation 20-40% Equity category has been selected to enable investors to assess the performance of the Fund because it consists of types of funds that are broadly similar to the Fund. Many funds sold in the UK (and globally) are grouped into categories by Morningstar, an independent data provider, to help investors to compare funds with broadly similar characteristics.<br><br>**Use of Derivatives**<br>The Fund may invest in ***exchange traded*** and ***over-the-counter derivatives*** in accordance with Part C and Part D of Appendix 3. In particular, ***equity index futures*** may be used to increase or reduce ***equity*** exposure and ***bond index futures*** may be used with the aim of managing the overall ***bond duration***.<br><br>***Currency forward contracts*** will be used to gain exposure to currencies or with the aim of ***hedging*** against movements in the rate of exchange between Sterling and the currency in which the bonds and other assets may be denominated. | |
| SRRI** | 4 | |
| HSBC Risk Level Explanation | The five risk levels are based on ***volatility*** bands as defined by HSBC. ***Volatility*** is a measure of investment risk. This differs from the ***SRRI*** which is scored on a scale of 1 to 7 and calculated using historical price ***volatility*** over the last five years.<br><br>The Fund will be managed to operate in line with its risk profile. We will use our forward looking expectations for each asset class held in the Fund and combine them to maximise potential ***returns***, typically within a ***volatility*** range of 5% - 8%. It is important to remember that this is based on forward looking expectations and that the actual ***volatility*** of the Fund will depend on market conditions. Therefore, there may be periods of time where the ***volatility*** of the Fund is higher or lower than the ***volatility*** range above. | |
| Share Classes Currently Offered | Income C<br>Accumulation C | Income P<br>Accumulation P |
| Risk Categories<br><br>(refer to Section "Risks" on page 31) | General<br>Cancellation<br>Efficient Portfolio Management (EPM) and Counterparty Risk<br>Leverage Risk<br>Collateral Risk<br>Fixed Income Securities<br>Currency Exchange Rates<br>Investing in Europe<br>High Yield<br>Smaller Companies<br>Banned Weapons Policy<br>Derivatives<br>Property<br>Hedge Funds<br>Alternative Investments<br>Private Equity<br>Commodities<br>Effect of Initial Charge<br>Suspension of Dealings<br>Charges to Capital<br>Liabilities<br>Emerging Markets<br>Unregulated Funds | |

* For these Funds the ACD's remuneration (that is the Annual Management Charge and any applicable registration fee) is taken from the capital of the Fund. This may have the effect of limiting capital growth or eroding capital if there is insufficient growth.

** SRRI Rating

The SRRI rating is based on price volatility over the last five years and is an indicator of absolute risk. An SRRI is scored on a scale of 1 to 7. A Fund that scores an SRRI at the lower end of the scale would typically mean lower risk and lower returns, whereas a Fund that scores an SRRI at the higher end of the scale would typically mean a higher risk and higher returns. Historical data may not be a reliable indication for the future.

The SRRI of the above Funds may change as a result of changes to the Fund's investment objective, investment policy or its investment strategy. Prior to making any change to the investment objective or investment policy the ACD and Depositary shall determine whether the change is 'fundamental' or 'significant', as defined in the FCA Rules. In the event of a change to the investment objective or the investment policy the ACD is required to give Shareholders due notice of such proposal prior to its implementation in accordance with the FCA Rules. A change that is to be treated as a significant change will require the ACD to contact the Shareholders on the Register a minimum of 60 days prior to making the change, whereas a fundamental change will require the prior approval of Shareholders at a General Meeting.

The ACD is not, however, required to give prior notice to Shareholders of any change to the investment strategy of a Fund, which it may implement from time to time as market conditions change, provided that any such change is, and remains, consistent with the investment objective and the investment policy of the Fund. In the event that the ACD does not provide prior notification to Shareholders, it will publish details of any such change in the half yearly report and accounts.

Where the SRRI of the Fund changes as a result of activity outside of the investment manager or ACD's control, for example through movement in market volatility, this will have some effect on the SRRI of a Fund. In this circumstance the ACD will publish details of such change in the Company's Report and Accounts.

## The European Benchmarks Regulation

The Benchmark Regulation ('BMR') was published in the Official Journal of the EU on 29 June 2016 and entered into force on 30 June 2016. It is directly applicable law across the EU. The majority of its provisions applied from 1 January 2018.

The BMR applies principally to administrators and also, in some respects, to contributors and certain users of benchmarks which in certain circumstances can include investment funds such as the sub-funds of the Company.

For a Benchmark to be used by an EU/EEA supervised entity which until 31 December included sub-funds of the Company, the BMR will among other things:

(i) require UK-based benchmark administrators to be authorised or registered by the FCA or, if located outside the UK in a Member State by the Member-State relevant competent authority.

(ii) require benchmark administrators not located in a Member-State, to be approved via recognition or endorsement by the FCA or another Member-State competent authority, unless an equivalence decision has been made by the European Commission on the jurisdictions where the benchmark administrators are located. Indeed, the European Commission can declare the regulatory and supervisory frameworks in certain jurisdictions equivalent under Article 30 of the BMR. Third country benchmark administrators and benchmarks falling in scope of those equivalence decisions are not required to seek further approval to a Member-State competent authority. Administrators must submit their application by 31 December 2021.

The BMR will make significant changes to the way in which benchmarks falling within its scope are governed (including reforms of governance and control arrangements, obligations in relation to input data, certain transparency and record-keeping requirements and detailed codes of conduct for contributors); and (ii) prevent certain uses of benchmarks provided by unauthorised administrators by supervised entities in the UK.

Potential effects of BMR include (among other things): an index which is a benchmark could not be used by a UK Fund in certain ways if such index's administrator does not obtain relevant authorisation or, the administrator is not otherwise recognised as equivalent; and the methodology or other terms of the benchmark could be changed in order to comply with the terms of the BMR, and such changes could (among other things) have the effect of reducing or increasing the rate or level, or affecting the volatility, of the published rate or level of the benchmark.

If any proposed changes change the way in which the benchmarks are calculated or a benchmark is discontinued or is not otherwise permitted to be used by the sub-funds of the Company, this could adversely affect a sub-fund and its Net Asset Value.

The European Securities and Markets Authority (ESMA) maintains two official registers of approved benchmark administrators and approved third country benchmarks under BMR, however benchmark administrators may be taking advantage of transitional arrangements. The FCA also lists on its register the benchmark administrators it has authorised or registered.

- Status of the Benchmarks used by the Funds

At the date of this prospectus no third country benchmark administrators and benchmarks used by the sub-funds of the Company can benefit from an equivalence decision made by the European Commission. In addition, the following Benchmark Administrators are located in the UK and authorised or registered by the FCA. They appear on the ESMA and FCA registers: *Bloomberg Index Services Limited, FTSE International Limited, MSCI Limited*

A plan has been adopted by the ACD to address the contingency of a benchmark changing materially or ceasing to be provided in accordance with the BMR.

- Impact of Brexit on the rolling out of BMR in the UK

The FCA has confirmed equivalence which means any EEA benchmark administrators will be able to access UK markets and UK supervised entities can continue to use their benchmarks on that basis. The UK Government has extended the current transitional period for all third country benchmarks set out in UK BMR from the end of 2022 to the end of 2025, which means UK supervised entities are permitted to use all third country benchmarks until the end 2025 without further action from the EEA benchmark administrator.

# Appendix 2

## Historical Fund Performance

The table shows Fund performance and benchmark performance, where applicable, for complete 12 month periods for the last five years ending on 28 February 2025.

These figures refer to the past. Past performance is not a reliable indicator of future returns.

The Fund performance for all Funds is based on single priced Accumulation C Shares, allowing for net income accumulated, excluding any Initial Charge. More recent performance information may be available by contacting us. This information has been taken from Morningstar, an independent data source.

| **Fund/Benchmark** | 29/02/2024 to 28/02/2025 % growth | 28/02/2023 to 29/02/2024 % growth | 28/02/2022 to 28/02/2023 % growth | 28/02/2021 to 28/02/2022 % growth | 29/02/2020 to 28/02/2021 % growth |
|---|---|---|---|---|---|
| Global Listed Real Assets Fund | 12.3 | -3.8 | -10.8 | 12.7 | -8.5 |
| 70% Dow Jones Brookfield Global Infrastructure Index / 30% FTSE EPRA NAREIT Developed Index * | 13.9 | -2.3 | -10.1 | 9.9 | -3.6 |
| | | | | | |
| Global Strategy Adventurous Portfolio | 14.0 | 13.9 | 2.3 | 9.9 | 16.0 |
| | | | | | |
| Global Strategy Balanced Portfolio | 10.8 | 10.1 | -2.4 | 5.5 | 11.1 |
| | | | | | |
| Global Strategy Cautious Portfolio | 6.6 | 5.7 | -8.0 | 0.0 | 2.6 |
| | | | | | |
| Global Strategy Conservative Portfolio | 8.6 | 7.8 | -5.4 | 2.6 | 6.8 |
| | | | | | |
| Global Strategy Dynamic Portfolio | 12.9 | 12.2 | 0.6 | 8.2 | 15.0 |
| | | | | | |
| Global Strategy Sustainable Adventurous Portfolio + | N/A | N/A | N/A | N/A | N/A |
| | | | | | |
| Global Strategy Sustainable Balanced Portfolio + | N/A | N/A | N/A | N/A | N/A |
| | | | | | |
| Global Strategy Sustainable Cautious Portfolio + | N/A | N/A | N/A | N/A | N/A |
| | | | | | |
| Global Strategy Sustainable Conservative Portfolio + | N/A | N/A | N/A | N/A | N/A |
| | | | | | |
| Global Strategy Sustainable Dynamic Portfolio + | N/A | N/A | N/A | N/A | N/A |
| | | | | | |
| Global Responsible Multi-Asset Adventurous Portfolio** | 10.2 | 9.3 | 1.6 | 8.0 | N/A |
| | | | | | |
| Global Responsible Multi-Asset Balanced Portfolio** | 8.2 | 7.3 | -2.6 | 4.4 | 9.7 |
| | | | | | |
| Global Responsible Multi-Asset Cautious Portfolio** | 5.6 | 4.4 | -8.7 | -0.2 | N/A |
| | | | | | |
| Global Responsible Multi-Asset Conservative Portfolio** | 6.9 | 5.9 | -5.8 | 1.9 | 5.1 |
| | | | | | |
| Global Responsible Multi-Asset Dynamic Portfolio** | 9.4 | 8.5 | -0.1 | 6.5 | N/A |

| | | | | | |
|---|---|---|---|---|---|
| World Selection – Adventurous Portfolio | 11.6 | 12.7 | 1.7 | 9.2 | 14.0 |
| World Selection – Balanced Portfolio | 10.8 | 8.6 | -1.3 | 5.4 | 9.0 |
| World Selection – Cautious Portfolio | 6.1 | 4.0 | -6.6 | -0.1 | 1.7 |
| World Selection – Conservative Portfolio | 8.1 | 5.9 | -4.5 | 2.1 | 4.3 |
| World Selection – Dividend Distribution Portfolio | 11.4 | 7.5 | -1.3 | 2.7 | 6.2 |
| World Selection – Dynamic Portfolio | 12.6 | 10.7 | 1.2 | 8.0 | 12.8 |
| World Selection – Interest Income Portfolio | 9.1 | 5.4 | -4.6 | 0.3 | 2.7 |

*The benchmark was the IA Property sector up to 31 August 2018, the benchmark was a combination of a 50% weighting to the Investment Association UK Direct Property Sector average and an 50% weighting to the Investment Association Property Other Sector average up to 30 November 2021, and the benchmark was a combination of a 20% weighting to the Investment Association UK Direct Property Sector and an 80% weighting to the Investment Association Property Other Sector up to 24 September 2024.

** Notice has been issued to Shareholders in the Global Responsible Multi-Asset Adventurous Portfolio, Global Responsible Multi-Asset Balanced Portfolio, Global Responsible Multi-Asset Cautious Portfolio, Global Responsible Multi-Asset Conservative Portfolio and the Global Responsible Multi-Asset Dynamic Portfolio of an increase to the annual management charges, the introduction of discounts to the annual management charges and the potential to invest in a wider range of alternative asset classes for these Funds, which take effect from 6 May 2025. For further information please refer to the Shareholder notice available on the HSBC Asset Management website www.assetmanagement.hsbc.co.uk or you can contact us.

Performance for the Global Responsible Multi-Asset Adventurous Portfolio**, Global Responsible Multi-Asset Cautious Portfolio** and Global Responsible Multi-Asset Dynamic Portfolio** is only available for four years as the Funds launched on 20 April 2020.

+ This Fund is currently being wound up and is no longer available for investment.

# Appendix 3

## Part A

### Investment Powers and Restrictions

The range of investments that may generally be held within the individual Fund of the Company is set out below. The Company may exercise restricted powers, as set out below, in respect of each Fund under Chapter 5 of the FCA Collective Investment Schemes rules (COLL 5) for an ICVC belonging to the Non-UCITS Retail Scheme type.

The property of each Fund will be invested with the aim of providing a prudent spread of risk and achieving the investment objective and policy of that Fund but subject to the limits set out in the FCA Rules and this Prospectus. These limits apply to each Fund as set out below.

1. The scheme property of a Fund must, except where otherwise provided in Chapter 5 of the FCA Collective Investment Schemes rules consist of any one or more of:

   - transferable securities;
   - money market instruments;
   - units in permitted collective investment schemes;
   - permitted derivatives and forward transactions;
   - permitted deposits;
   - permitted immovables*; and
   - gold up to a limit of 10% of the value of the property of the Fund*.

   *** As at the date of this Prospectus no Fund of the Company is able to invest in permitted immovables or physical gold. However, if any of the Funds invest in other collective investment schemes which in turn hold commodities including gold, this is permitted.**

2. Except in respect of transferable securities or approved money-market instruments issued or guaranteed by a single state, local authority or public international body each Fund may invest:

   (a) not more than 20% of the value of the property of a Fund in deposits with a single body;

   (b) not more than 10% of the value of the property of a Fund in transferable securities or money market instruments issued by any single body however, except in the case of the Global Listed Real Assets Fund, World Selection – Adventurous Portfolio, World Selection – Balanced Portfolio, World Selection – Cautious Portfolio, World Selection – Conservative Portfolio, World Selection – Dividend Distribution Portfolio, World Selection – Dynamic Portfolio, World Selection – Interest Income Portfolio, Global Strategy Cautious Portfolio, Global Strategy Balanced Portfolio, Global Strategy Dynamic Portfolio, Global Strategy Adventurous Portfolio, Global Strategy Conservative Portfolio, Global Strategy Sustainable Adventurous Portfolio*, Global Strategy Sustainable Balanced Portfolio*, Global Strategy Sustainable Cautious Portfolio*, Global Strategy Sustainable Conservative Portfolio*, Global Strategy Sustainable Dynamic Portfolio*, Global Responsible Multi-Asset Adventurous Portfolio**, Global Responsible Multi-Asset Balanced Portfolio**, Global Responsible Multi-Asset Cautious Portfolio**, Global Responsible Multi-Asset Conservative Portfolio** and Global Responsible Multi-Asset Dynamic Portfolio** this limit may be raised to 25% of the value of the property of a Fund in respect of covered bonds and, in either case, certificates representing certain securities will be treated as equivalent to the underlying security;

   (c) in an over the counter derivative transaction however, the exposure to any one counterparty must not exceed 10% of the value of the property of the Fund;

   (d) not more than 35% of the value of the property of a Fund in units or shares in any one collective investment scheme.

* This Fund is currently being wound up and is no longer available for investment.

** Notice has been issued to Shareholders in the Global Responsible Multi-Asset Adventurous Portfolio, Global Responsible Multi-Asset Balanced Portfolio, Global Responsible Multi-Asset Cautious Portfolio, Global Responsible Multi-Asset Conservative Portfolio and the Global Responsible Multi-Asset Dynamic Portfolio of an increase to the annual management charges, the introduction of discounts to the annual management charges and the potential to invest in a wider range of alternative asset classes for these Funds, which take effect from 6 May 2025. For further information please refer to the Shareholder notice available on the HSBC Asset Management website www.assetmanagement.hsbc.co.uk or you can contact us.

3. For the purposes of calculating the limit in 2 (c) above, such exposure may be reduced to the extent that collateral is held provided the collateral meets each of the following conditions:

   (a) it is marked to market on a daily basis and exceeds the value of the amount at risk; and

   (b) it is exposed only to negligible risks and is liquid; and

   (c) it is held by a third party custodian not related to the provider or is legally secured from the consequences of a failure of a related party; and

   (d) it can be fully enforced by the Fund at any time.

   Furthermore, any over the counter derivative positions with the same counterparty may be netted provided that the netting procedures:

   (e) comply with the conditions set out in the UK Capital Requirement Regulation (UK CRR); and

   (f) are based on legally binding agreements.

4. Where the investment policy of a Fund is to replicate the performance or composition of an index meeting certain criteria as specified in the FCA Rules up to 20% of the value of the property of the Fund may be invested in shares and debentures which are issued by the same body and such limit may be increased to 35% of the value of the property of the Fund in respect of one body where justified by exceptional market conditions. **This does not apply to any Fund of the Company available for investment as at the date of this Prospectus.**

5. In applying 2 – 4 above, all derivatives transactions are deemed to be free of counterparty risk if they are performed on an exchange where the clearing house meets each of the following conditions:

   (a) it is backed by an appropriate performance guarantee; and

   (b) it is characterised by a daily mark-to-market valuation of the derivative positions and an at least daily margining.

   Furthermore a single body is, in relation to transferable securities and money market instruments, the person by whom they are issued and, in relation to deposits, the person with whom they are placed.

6. Where no more than 35% of the value of the property of a Fund is invested in transferable securities or approved money-market instruments issued or guaranteed by a single state, local authority or public international body there is no limit on the amount which may be invested in such securities or in any one issue.

7. More than 35% of the value of the property of a Fund can be invested in transferable securities or approved money-market instruments issued or guaranteed by a single state, local authority or public international body provided that:

   (a) the ACD has, before any such investment is made, consulted with the Depositary and as a result considers that the issuer of such securities is one which is appropriate in accordance with the investment objectives of the Fund;

   (b) no more than 30% of the value of the property of that Fund consists of such securities of any one issue;

   (c) the scheme property of that Fund includes such securities issued or guaranteed by that or another issuer of at least six different issues; and

   (d) certain details have been disclosed in the Prospectus.

8. The Funds to which 7 above applies (if any) and the names of the single states, local authorities or public international bodies issuing or guaranteeing transferable securities or approved money market

instruments in which each such Fund may invest over 35% of its assets (if any) will be noted in Part B below.

9. A warrant may be held only if the exposure created by the exercise of the right conferred by the warrant will not exceed the limits imposed by Chapter 5 of the FCA Collective Investment Schemes rules. **For the Global Listed Real Assets Fund, World Selection – Adventurous Portfolio, World Selection – Balanced Portfolio, World Selection – Cautious Portfolio, World Selection – Conservative Portfolio, World Selection – Dividend Distribution Portfolio, World Selection – Dynamic Portfolio, World Selection – Interest Income Portfolio, Global Strategy Cautious Portfolio, Global Strategy Balanced Portfolio, Global Strategy Dynamic Portfolio, Global Strategy Adventurous Portfolio, Global Strategy Conservative Portfolio, Global Strategy Sustainable Adventurous Portfolio*, Global Strategy Sustainable Balanced Portfolio*, Global Strategy Sustainable Cautious Portfolio*, Global Strategy Sustainable Conservative Portfolio*, Global Strategy Sustainable Dynamic Portfolio*, Global Responsible Multi-Asset Adventurous Portfolio** Global Responsible Multi-Asset Balanced Portfolio**, Global Responsible Multi-Asset Cautious Portfolio**, Global Responsible Multi-Asset Conservative Portfolio** and Global Responsible Multi-Asset Dynamic Portfolio** no more than 5% of the Net Asset Value of the property of the Fund may consist of warrants.**

* This Fund is currently being wound up and is no longer available for investment.

** Notice has been issued to Shareholders in the Global Responsible Multi-Asset Adventurous Portfolio, Global Responsible Multi-Asset Balanced Portfolio, Global Responsible Multi-Asset Cautious Portfolio, Global Responsible Multi-Asset Conservative Portfolio and the Global Responsible Multi-Asset Dynamic Portfolio of an increase to the annual management charges, the introduction of discounts to the annual management charges and the potential to invest in a wider range of alternative asset classes for these Funds, which take effect from 6 May 2025. For further information please refer to the Shareholder notice available on the HSBC Asset Management website www.assetmanagement.hsbc.co.uk or you can contact us.

10. Transferable securities or approved money market instruments on which any sum is unpaid may be held only if it is reasonably foreseeable that the amount of any existing and potential call for any sum unpaid could be paid by the relevant Fund at the time when the payment is required without contravening the rules in Chapter 5 of the FCA Collective Investment Schemes rules.

11. Each Fund may invest in units or shares in regulated collective investment schemes provided that the second scheme meets the requirements at each of (a) – (e) below:

    (a) the second scheme:

        (i) is a UCITS scheme or satisfies the conditions necessary for it to enjoy the rights conferred by the UCITS Directive as implemented in the EEA; or

        (ii) is a Non-UCITS Retail Scheme; or

        (iii) is a recognised scheme; or

        (iv) is constituted outside the United Kingdom and the investment and borrowing powers of which are the same or more restrictive than a Non-UCITS Retail Scheme; or

        (v) is a scheme not falling within (i) to (iv) and in respect of which no more than 20% in value of the scheme property (including any transferable securities which are not approved securities) is invested;

    (b) the second scheme operates on the principle of the prudent spread of risk;

    (c) the second scheme is prohibited from having more than 15% in value of the property of that scheme consisting of units or shares in collective investment schemes;

    (d) the participants in the second scheme must be entitled to have their units redeemed in accordance with the scheme at a price:

        (i) related to the net value of the property to which the units or shares relate; and

        (ii) determined in accordance with the scheme; and

    (e) where the second scheme is an umbrella, the provisions in (b) – (d) apply to each sub-fund as if it were a separate scheme.

Additionally, a Fund may invest in or dispose of Shares in another Fund provided that the second Fund does not hold Shares in any other Fund of the Company. Where investment is made in another Fund or another collective investment scheme managed or operated by the ACD or an associate of the ACD such investment can only be made provided that the FCA Rules relating to investment in other group schemes are complied with.

**However, for the Global Listed Real Assets Fund, no more than 10% of the value of such Fund may consist of units or shares in other collective investment schemes**. All other Funds can invest up to 100% in other collective investment schemes.

12. Each Fund may invest in transferable securities and money market instruments which are:

    (a) admitted to or dealt in on an eligible securities market or an eligible derivatives market; or

    (b) be recently issued transferable securities provided that:

        (i) the terms of issue include an undertaking that application will be made to an eligible market; and

        (ii) such admission is secured within a year of issue; or

    (c) in the case of approved money market instruments not admitted to or dealt in on an eligible market provided that such instrument fulfils certain criteria as specified in the FCA Rules; and

    (d) provided such transferable securities also satisfy the criteria in COLL 5.2.7A R, COLL 5.2.7C R and COLL 5.2.7E R.

13. No more than 20% of the value of the Fund may be invested in transferable securities which do not fall within 12 above, or money market instruments which are liquid with a value that can be determined accurately at any time.

14. Each of the Funds may invest in the units or shares of other collective investments schemes which are managed or operated by the ACD or an associate of the ACD. Where investment or disposal is made in a collective investment scheme which is managed or operated by the ACD or an associate of the ACD then such investment will comply, where relevant, with the FCA Rules for investments in other group schemes, which means that:

    (a) it must not invest in or dispose of units or shares in another collective investment scheme (the second scheme), which is managed or operated by (or in the case of an ICVC, whose ACD is), the authorised fund manager of such authorised fund, or an associate of that authorised fund manager, where there is a charge in respect of such investment or disposal, unless the fund manager of the authorised fund is under a duty to pay the authorised fund by the close of business on the fourth Business Day next after the agreement to buy or sell the amount referred to in (b) and (c) below.

    (b) on investment, either:

        (i) any amount by which the consideration paid by the authorised fund for the units in the second scheme exceeds the price that would have been paid for the benefit of the second scheme had the units been newly issued or sold by it; or

        (ii) if such price cannot be ascertained by the authorised fund manager of the authorised fund, the maximum amount of any charge permitted to be made by the seller of units in the second scheme.

    (c) on disposal, the amount of any charge is any charge made for the account of the authorised fund manager or operator of the second scheme or an associate of any of them in respect of the disposal.

    (d) in (a), (b) and (c):

        (i) any addition to or deduction from the consideration paid on the acquisition or disposal of units in the second scheme, which is applied for the benefit of the second scheme and is, or is like, a dilution adjustment or SDRT provision, in each case being properly applied in accordance with the FCA Rules is to be treated as part of the price of the units or shares and not as part of any charge; and

        (ii) any charge made in respect of an exchange of units or shares in one sub-fund or separate part of the second scheme for units or shares in another sub-fund or separate part of that scheme is to be included as part of the consideration paid for the units or shares.

For the purposes of the maximum limits specified in this Section each sub-fund of an umbrella scheme is to be treated as if it were a separate scheme.

The investment policy of a Fund may mean that, at times, it is not appropriate to be fully invested but to hold cash or 'near cash'. This will only be the case where the ACD reasonably regards it as necessary to enable the pursuit of the Fund's objectives, Shares to be redeemed or for the efficient management of the Fund in accordance with its investment objectives or for other purposes which may reasonably be regarded as ancillary to the investment objectives of the Fund.

## Part B

As well as the limits outlined in Part A, the Funds, as set out below, are subject to additional restrictions:

**(a) Global Listed Real Assets Fund, World Selection – Adventurous Portfolio, World Selection – Balanced Portfolio, World Selection – Cautious Portfolio, World Selection – Conservative Portfolio, World Selection – Dividend Distribution Portfolio, World Selection – Dynamic Portfolio, World Selection – Interest Income Portfolio, Global Strategy Sustainable Adventurous Portfolio*, Global Strategy Sustainable Balanced Portfolio*, Global Strategy Sustainable Cautious Portfolio*, Global Strategy Sustainable Conservative Portfolio*, Global Strategy Sustainable Dynamic Portfolio*, Global Responsible Multi-Asset Adventurous Portfolio**, Global Responsible Multi-Asset Balanced Portfolio**, Global Responsible Multi-Asset Cautious Portfolio**, Global Responsible Multi-Asset Conservative Portfolio** and Global Responsible Multi-Asset Dynamic Portfolio**:**

Not more than 35% of the value of the Fund may be invested in transferable securities or approved money-market instruments issued or guaranteed by or on behalf of any one single state, local authority or public international body.

**(b) Global Strategy Cautious Portfolio, Global Strategy Balanced Portfolio, Global Strategy Dynamic Portfolio, Global Strategy Adventurous Portfolio and Global Strategy Conservative Portfolio:**

More than 35% in value of the Fund may be invested in transferable securities or approved money-market instruments issued or guaranteed by or on behalf of a single state, local authority or public international body. Such securities shall be guaranteed by the Government of the United Kingdom and the Government of the United States of America, provided that if more than 35% of the value of the Fund is so invested, the securities of at least six different issues shall be held and no holding of a single issue shall represent more than 30% in value of the Fund.

**(c)** The ACD has determined that the Fund will not invest in securities issued by companies that the ACD considers, after reasonable enquiries, to be involved in the use, development, manufacturing, stockpiling, transfer or trade of controversial weapons (i.e. those banned by international convention), including but not limited to cluster munitions and/or anti-personnel mines and/or biological weapons and/or blinding laser weapons, and/or chemical weapons and/or non-detectable fragments. The ACD's Annual Report and Accounts for the Fund will provide further information. A full specification of the ACD's Banned Weapons Policy is available from the ACD upon request.

* This Fund is currently being wound up and is no longer available for investment.

****** Notice has been issued to Shareholders in the Global Responsible Multi-Asset Adventurous Portfolio, Global Responsible Multi-Asset Balanced Portfolio, Global Responsible Multi-Asset Cautious Portfolio, Global Responsible Multi-Asset Conservative Portfolio and the Global Responsible Multi-Asset Dynamic Portfolio of an increase to the annual management charges, the introduction of discounts to the annual management charges and the potential to invest in a wider range of alternative asset classes for these Funds, which take effect from 6 May 2025. For further information please refer to the Shareholder notice available on the HSBC Asset Management website www.assetmanagement.hsbc.co.uk or you can contact us.

## Part C

### Derivatives

Each Fund can invest in certain types of derivatives and forward transactions as set out in this Part.

In the case of the Global Listed Real Assets Fund, while the Fund has the ability to use derivatives under this Part, the ACD currently only intends to use such instruments for the purposes of hedging and tactical asset allocation on a short or long term basis. However, on giving 60 days' notice to all investors in the Global Listed Real Assets Fund, the ACD may elect to use derivatives under this Part for investment purposes and/or meeting the investment objective. If the ACD elects to use derivatives in this way it will not affect the overall risk profile of the Global Listed Real Assets Fund.

**The use of derivatives will be for the purposes of hedging and/or meeting the investment objectives of the Fund(s). However, it is envisaged that the use of such instruments will not affect the overall risk profile of the Funds.**

The use of derivatives under this Part is as follows:

(a) transactions in approved derivatives (that is effected on or under the rules of an eligible derivatives market); and

(b) permitted over the counter transactions in derivatives.

A transaction in an approved derivative must be effected on or under the rules of an Eligible Derivatives Market. The Eligible Derivatives Markets are set out in Section 4 of the Prospectus and the addition of new Eligible Derivatives Markets for a Fund will be carried out in accordance with the FCA Rules.

The underlying of a transaction in derivatives must consist of any one or more of the following (to which the relevant Fund is dedicated):

- transferable securities;
- money market instruments;
- units or shares in permitted collective investment schemes;
- permitted derivatives and forward transactions;
- permitted deposits;
- permitted immovables;
- gold up to a limit of 10% of the value of the Fund;
- financial indices;
- interest rates;
- foreign exchange rates; and
- currencies.

Any transaction in a derivative must not cause a Fund to diverge from its investment objectives and a transaction must not be entered into if the intended effect is to create the potential for an uncovered sale of one or more of: transferable securities, money market instruments, collective investment scheme shares or units and derivatives provided that a sale is not to be considered as uncovered if the conditions of the FCA Rules (Requirement to cover sales) are satisfied.

Any forward transaction must be made with an Eligible Institution or an approved bank.

Where a Fund invests in derivatives, the exposure to the underlying assets must not exceed the limits set out in Part A or Part B above although, where a Fund invests in an index based derivative, provided the index is a relevant index in accordance with the FCA Rules and the ACD takes account of the rules relating to a prudent spread of risk, then the underlying constituents of the index do not have to be taken into account for such purposes. Where a transferable security or money market instrument embeds a derivative, this must be taken into account for the purposes of calculating any limit in the relevant part of Chapter 5 of the FCA's Collective Investment Scheme rules.

The global exposures relating to derivatives for the Funds may not exceed the Net Asset Value of the scheme property.

A transaction in a derivative or forward transaction which will or could lead to a delivery of property for the account of the Fund may only be entered into if the property can be held by the Fund and the ACD has taken reasonable care to ensure that delivery of the property under the transaction will not result in a breach of the FCA Rules.

Except in relation to deposits, no agreement by or on behalf of a Fund to dispose of scheme property or rights may be made, unless the obligation to make the disposal and any other similar obligation could immediately be honoured by the Fund, by delivery of property or the assignment of rights and the property and rights are owned by the Fund at the time of the agreement. This does not apply where:

(a) the risks of the underlying financial instrument of a derivative can be appropriately represented by another financial instrument and the underlying financial instrument is highly liquid; or

(b) the ACD or the Depositary has the right to settle the derivative in cash and cover exists within the scheme property which is cash, liquid debt instruments with appropriate safeguards or other highly liquid assets having regard to the correlations with the underlying financial derivative instruments subject to appropriate safeguards. An asset may be considered as liquid when the instrument can be converted into cash in no more than seven Business Days at a price corresponding to the current valuation of the financial instrument on its own market.

Any transaction in an over the counter derivative must be:

(a) with an approved counterparty (that is an Eligible Institution, an approved bank or a person whose FCA permission or Home State authorisation permits it to enter into the transaction as a principal off-exchange) which may be an associate of the ACD;

(b) on approved terms (that is the authorised Fund Manager carries out, at least daily, a reliable and verifiable valuation in respect of that transaction corresponding to its fair value and which does not rely only on market quotations by the counterparty and the ACD can enter into one or more further transactions to sell, liquidate or close out that transaction at any time, at its fair value arrived at under the pricing model or other agreed reliable basis;

(c) capable of reliable valuation (that is the ACD having taken reasonable care determines that, throughout the life of the derivative (if the transaction is entered into), it will be able to value the investment concerned with reasonable accuracy on the basis of an up to date market value which the ACD and the depositary have agreed is reliable or, if such value is not available, on the basis of a pricing model agreed between the ACD and the Depositary using an adequate recognised methodology); and

(d) subject to verifiable valuation (that is if throughout the life of the derivative, verification of the valuation is carried out by an appropriate third party, which is independent from the counterparty of the derivative, at an adequate frequency and in such a way that the ACD is able to check it or a department within the ACD which is independent from the department in charge of managing the property of the Fund and which is adequately equipped for such purpose).

### Risk Management Process

The ACD uses a risk management process enabling it to monitor and measure as frequently as appropriate the risk of a Fund's derivatives and forward positions and their contribution to the overall risk profile of the Fund.

## Part D

### Efficient Portfolio Management (EPM)
### Use of derivatives for the efficient portfolio management of the Funds

Each of the Funds may use financial derivative instruments for the purposes of EPM, including hedging.

For the purposes of financial derivative instruments, hedging refers to:

(a) hedging the portfolio from foreign exchange risks; and

(b) hedging portfolios against falls in asset prices.

For the purposes of financial derivative instruments, EPM refers to techniques and instruments which relate to transferable securities and which fulfil the following criteria:

(a) they are economically appropriate in that they are realised in a cost effective way;

(b) they are entered into for one or more of the following specific aims:

(i) reduction of risk;

(ii) reduction of cost;

(iii) generation of additional capital or income, with a level of risk that is consistent with the risk profile of the Fund.

Permitted transactions for those purposes (excluding stocklending transactions) are forward currency transactions with approved counterparties and transactions in:

(a) approved derivatives (that is options, futures or contracts for differences which are dealt in or traded on an Eligible Derivatives Market);

(b) off-exchange derivatives (that is futures, options or contract for differences resembling options with a counterparty falling within certain specified categories and meeting certain other criteria); or

(c) synthetic futures (that is derivatives transactions in the nature of composite derivatives created out of two options bought and written on the same Eligible Derivatives Market and having certain characteristics in common).

The initial Eligible Derivatives Markets for each Fund are listed in Appendix 4 and new Eligible Derivatives Markets may be added in accordance with the FCA Rules.

A derivative or forward transaction which would or could lead to the delivery of property to the Depositary or to the Company may be entered into only if such property can be held by the Company and the ACD has taken reasonable care to determine that delivery of the property pursuant to the transaction will not lead to a breach of the FCA Rules.

There is no limit on the amount of the scheme property of any Fund which may be used for transactions for the purposes of EPM.

The global exposure of each Fund relating to derivative instruments may not exceed the assets of the relevant Fund.

The exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, foreseeable market movements and the time available to liquidate the positions.
The use of these EPM instruments/techniques does not change the objective of the Funds or add substantial risks in comparison to the original risk policy of the Fund.

## Part E

### Leverage

Leverage may occur as a result of transactions carried out for the purposes of EPM, borrowing and where derivatives are used for investment purposes. Leverage will also occur where money is borrowed on behalf of the Funds as set out under the heading of ‘Borrowing Powers’ below. The only types and sources of leverage permitted are derivatives and bank borrowings.

At all times when the Fund is leveraged, a leverage calculation will be performed daily. The calculation will make an allowance for any borrowings as well as net short positions in either currency forward contracts or futures positions that arise in the context of EPM and/or derivatives used for investment purposes carried out for the Fund. All underlying instrument asset classes are grouped together and valued in the base currency of the Fund. When calculated using the gross method (which does not allow for netting and hedging arrangements) the maximum leverage is not expected to exceed 200% of the net assets of the Global Listed Real Assets Fund and 250% of the net assets of each of the other Funds. When calculated using the commitment method (which does allow for netting and hedging arrangements) the maximum leverage is not expected to exceed 100% of the net assets of the Global Listed Real Assets Fund and 150% of the net assets of each of the other Funds. All relevant limits are calculated on the basis of the position valuation provided by the Administrator and the notional value of the derivatives. This includes a check that all derivative positions are appropriately margined and that the total derivatives exposure does not exceed base currency values of the net assets held.

The total leveraging that has occurred for each Fund in an accounting period will be published in the Report and Accounts.

## Part F

### Stocklending and Underwriting

With effect from 1 January 2015, the Company has ceased undertaking any stocklending transactions in respect of the Funds. However, it may recommence its stocklending programme at any time subject to this prospectus being updated accordingly.

Where stocklending is carried out, the Company, or the Depositary at the request of the Company, may enter into stocklending transactions in respect of a Fund for the generation of additional income for the Fund with an acceptable degree of risk. Stocklending transactions are transactions where the Company or the Depositary delivers securities which are the subject of the transaction in return for which it is agreed that securities of the same kind and amount be redelivered to the Company or the Depositary at a later date. The Company or the Depositary at the time of the delivery receives collateral to cover against the risk of the future redelivery not being completed.

The ACD does not charge for stocklending and receives no income for stocklending transactions. However, the Custodian (HSBC Bank plc) is entitled to retain a percentage of gross revenue in respect of its fees for the provision of its lending services as detailed below:

Applicable Fees when Borrower is not HSBC Bank plc:

80% retained by the Fund; 20% retained by the Custodian.

Applicable Fees when HSBC Bank plc is Borrower:
90% retained by the Fund; 10% retained by the Custodian.

There is no limit on the value of the property of a Fund which may be the subject of stocklending transactions. Any such transaction must comply with the requirements of the Taxation of Chargeable Gains Act 1992 and the FCA Rules as amended or replaced from time to time.

The Funds may enter into agreements and understandings with regard to the underwriting and sub-underwriting of securities or the acceptance of placing commitments subject to the provisions set out in the FCA Rules.

### Borrowing Powers

The Company may borrow money from an Eligible Institution or an approved bank for the use of any Fund on terms that the borrowing is to be repayable out of the Fund property. The ACD must ensure that any such borrowings comply with the FCA Rules.

The ACD must ensure that borrowing is of a temporary nature and it must not exceed a period of three months without the prior consent of the Depositary. The Depositary's consent may only be given on conditions which appear appropriate to the Depositary to ensure that the borrowing remains on a temporary basis.

### Borrowing Limits

The ACD must ensure that borrowing does not exceed 10% of the value of the property of the Fund on any one Business Day.

These restrictions do not apply to "back to back" borrowing for currency hedging purposes (that is borrowing permitted so as to reduce or eliminate risk arising by reason of fluctuations in exchange rates).

### Cover for transactions in derivatives and forward transactions

The maximum exposure (in terms of principal or notional principal created by the transaction to which the scheme is or may be committed by another person) created by each transaction must be covered globally. This means that there must be adequate cover from within the scheme property available to meet the Fund's total exposure taking into account the value of the underlying assets, any reasonably foreseeable market movement, counterparty risk and the time available to liquidate any positions. Cash not yet received into the scheme property but due to be received within one month is available for cover as is scheme property which is subject to stocklending transaction where the ACD has taken reasonable care to determine that such property is obtainable in time to meet the obligation for which cover is required.

## Cover and Borrowing

Cash obtained from borrowing, and borrowing which the ACD reasonably regards as an Eligible Institution or an approved bank to be committed to provide, is not available for cover except where the Company borrows an amount of currency from an Eligible Institution or an approved bank and keeps an amount in another currency, at least equal to the borrowing, on deposit with the lender (or his agent or nominee) in which case Chapter 5.3.5 of the FCA's Collective Investment Scheme rules applies as if the borrowed currency, and not the deposited currency, were part of the scheme property.

The ACD must as frequently as is necessary, recalculate the amount of cover required in respect of derivatives and forward positions already in existence and derivative and rights under forward transactions may be retained in the scheme property provided they remain covered globally.

# Appendix 4

Eligible Securities Markets and Eligible Derivatives Markets

To protect the assets of the Funds, the market upon which securities and derivatives are traded must meet the criteria of Eligible Markets, at time of acquisition and until it is sold or expires/matures. Those criteria are laid down in Chapter 5 of the FCA's Collective Investment Schemes rules:

(i) Eligible Markets include a regulated market as defined in the FCA rules and any regulated market or exchange established in a member state of the European Union or the European Economic Area on which transferable securities admitted to official listing in the member state are dealt in or traded.

(ii) An oversea market not falling within the above definition is eligible if the ACD, after consultation with the Depositary, is satisfied that it is regulated, operates regularly, is recognised by its relevant home state regulatory authority and is open to the public. Furthermore the Depositary should take reasonable care to determine that adequate custody arrangements can be provided for the investment dealt in on that market, and all reasonable steps have been taken by the ACD in deciding whether that market is eligible.

Pursuant of the above, the ACD has decided that, in accordance with the respective investment policies of the Funds, the following securities markets established outside the UK in non-Member-States are Eligible Markets:

1. Securities Markets

| *Country* | *Exhanges/Markets* |
|---|---|
| Argentina | Buenos Aires Stock Exchange |
| Australia | The Australian Securities Exchange (ASX) |
| Brazil | B3 - Brasil Bolsa Balcão S.A. |
| Canada | Montreal Exchange |
| | Toronto Stock Exchange |
| | TSX Venture Exchange |
| Channel Islands | Channel Islands Stock Exchange (CISX) |
| Chile | Santiago Stock Exchange |
| China | Shanghai Stock Exchange |
| | Shenzhen Stock Exchange |
| Colombia | Bolsa de Valores de Colombia (BVC) |
| Egypt | Egyptian Stock Exchange |
| Hong-Kong | Stock Exchange of Hong Kong including GEM (Growth Enterprise Market) |
| India | Bombay Stock Exchange |
| | National Stock Exchange of India |
| Indonesia | Indonesia Stock Exchange |
| Israel | Tel Aviv Stock Exchange |
| Japan | JSE Limited |
| | Fukuoka Stock Exchange (FSE) |
| | Osaka Securities Exchange |
| | Tokyo Stock Exchange (TSE) |
| | Nagoya Stock Exchange |
| | Sapparo Securities Exchange |
| | JASDAQ Securities Exchange |
| Kenya | Nairobi Securities Exchange |

| | |
|---|---|
| Malaysia | Bursa Malaysia Securities Berhad |
| | The Labuan International Financial Exchange (LFX) |
| Mexico | Bolsa Mexicana de Valores (Mexico Stock Exchange) |
| New-Zealand | New Zealand Exchange (NZX) |
| Pakistan | Karachi Stock Exchange |
| Peru | Lima Stock Exchange |
| Philippines | Philippine Stock Exchange |
| Qatar | Qatar Stock Exchange |
| Russia | Moscow Exchange |
| Saudi Arabia | Saudi Stock Exchange (Tadawul) |
| Singapore | Singapore Exchange |
| South Africa | Johannesburg Stock Exchange |
| South Korea | Korea Exchange (KRX) |
| | KOSDAQ |
| Sri Lanka | Colombo Stock Exchange |
| Switzerland | SIX Swiss Exchange |
| Taiwan | Taiwan Stock Exchange |
| | Taipei Exchange |
| Thailand | Stock Exchange of Thailand (SET) |
| Turkey | Istanbul Stock Exchange |
| UAE - Abu Dhabi | Abu Dhabi Stock Exchange |
| UAE - Dubai | Dubai Financial Market |
| | NASDAQ Dubai Limited |
| USA | NASDAQ Stock Market |
| | New York Stock Exchange (NYSE) |
| | US OTC Fixed Income Securities Market (linked to TRACE) |

2. Derivatives Markets

| |
|---|
| Borsa Italiana S.p.A |
| Bursa Malaysia Derivatives Berhad |
| Chicago Board Options Exchange (CBOE) |
| EUREX Exchange |
| Euronext Amsterdam |
| Euronext Paris (Formerly Marche a Terme des International de France (MATIF) and MONEP) |
| Hong Kong Futures Exchange (HKEX) |
| ICE Futures Europe |
| ICE Futures US |
| IDEM (Italian Derivatives Exchange Market owned by Borsa Italiana) |
| International Capital Market Association |
| Kansas City Board of Trade |
| Korea Exchange (KRX) |
| London Stock Exchange Derivatives Market |
| Mercado Español de Futuros Financieros (MEFF) |
| Mexican Derivatives Exchange (MexDer) (subsid of Bolsa Mexicana de Valores) |
| Montreal Exchange |
| NASDAQ |

| |
|---|
| Nasdaq Futures |
| Nasdaq Copenhagen |
| Nasdaq Helsinki |
| Nasdaq Stockholm |
| Nasdaq PHLX |
| New York Stock Exchange |
| New Zealand Futures and Options Exchange (NZX) |
| NYSE American |
| NYSE Arca |
| NYSE Chicago |
| Osaka Securities Exchange (OSE) |
| Singapore Exchange |
| South African Futures Exchange (SAFEX) |
| Sydney Futures Exchange |
| The Designated Contract Markets (DCM) of the Chicago Mercantile Exchange Group (including CBOT, CME, NYMEX, COMEX, and NEX Group) |
| The Taipei Exchange (TPEx) |
| Tokyo Stock Exchange (TSE) |
| Toronto Stock Exchange and TSX Venture Exchange (TMX Group) |
| Vienna Stock Exchange (Wiener Borse) |

Where a market ceases to be eligible, investments on that market cease to be approved securities. A 10% restriction on investing in non-approved securities applies.

Eligible Collective Investment Schemes

The Fund may invest in Collective Investment Schemes that are established in the following countries:

| Fund | Global Listed Real Assets Fund | Global Strategy Adventurous Portfolio | Global Strategy Balanced Portfolio | Global Strategy Cautious Portfolio | Global Strategy Conservative Portfolio | Global Strategy Dynamic Portfolio | Global Strategy Sustainable Adventurous Portfolio* | Global Strategy Sustainable Balanced Portfolio* | Global Strategy Sustainable Cautious Portfolio* | Global Strategy Sustainable Conservative Portfolio* | Global Strategy Sustainable Dynamic Portfolio* | Global Responsible Multi-Asset Adventurous Portfolio** | Global Responsible Multi-Asset Balanced Portfolio** | Global Responsible Multi-Asset Cautious Portfolio** | Global Responsible Multi-Asset Conservative | Global Responsible Multi-Asset Dynamic Portfolio** | World Selection – Adventurous Portfolio | World Selection – Balanced Portfolio | World Selection – Cautious Portfolio | World Selection – Conservative Portfolio | World Selection – Dividend Distribution Portfolio | World Selection – Dynamic Portfolio | World Selection – Interest Income Portfolio |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| United Kingdom | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Luxembourg | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Channel Islands | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Cayman Islands | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Ireland | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Bermuda | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| France | | | | | | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | | | | | | |

* This Fund is currently being wound up and is no longer available for investment.

** Notice has been issued to Shareholders in the Global Responsible Multi-Asset Adventurous Portfolio, Global Responsible Multi-Asset Balanced Portfolio, Global Responsible Multi-Asset Cautious Portfolio, Global Responsible Multi-Asset Conservative Portfolio and the Global Responsible Multi-Asset Dynamic Portfolio of an increase to the annual management charges, the introduction of discounts to the annual management charges and the potential to invest in a wider range of alternative asset classes for these Funds, which take effect from 6 May 2025. For further information please refer to the Shareholder notice available on the HSBC Asset Management website www.assetmanagement.hsbc.co.uk or you can contact us.

# Appendix 5

HSBC Asset Management (Fund Services UK) Limited acts as the manager for the following authorised Collective Investment Schemes:

## Open-Ended Investment Companies

HSBC Investment Funds
HSBC Index Tracker Investment Funds
HSBC Universal Investment Funds