

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852).

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The EU Taxonomy is a classification system laid down in Regulation (EU) 2020/852, establishing a list of environmentally sustainable economic activities. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☒ ☒ ☐ Yes

☒ ☐ ☒ No

☐ It will make a minimum of sustainable investments with an environmental objective:_%

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of sustainable investments with a social objective:_%

☒ It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 21.70% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy☐ with a social objective

☐ It promotes E/S characteristics, but will not make any sustainable investments



What environmental and/or social characteristics are promoted by this financial product?

In replicating the performance of the MSCI Japan Islamic Universal Screened Select Index (the “Index”), the Fund promotes the following environmental and/or social characteristics:

- Better management of a broad range of environmental and social risks, and where applicable, positioning to meet demand for provision of goods and services that have a positive environmental or social contribution, collectively measured by MSCI ESG ratings. MSCI ESG ratings provide an opinion of companies’ management of financially relevant ESG risks and opportunities. Each company is assessed on relevant environmental, social and governance themes, and where applicable, positioning to meet market demand for the provision of products and services that have a positive environmental or social contribution. The themes determined by MSCI are climate change, natural capital, pollution and waste, environmental opportunities, human capital, product liability, stakeholder opposition, social opportunities, corporate governance and corporate behaviour. The Fund will target this through an improvement of the MSCI ESG rating against that of the MSCI Japan Islamic Index (the “Parent Index”).

The Fund promotes this characteristic by replicating the performance of the Index which removes companies based on sustainability exclusionary criteria and based on United Nations Global Compact exclusionary criteria and which weights companies in order to improve the exposure to companies with favourable MSCI ESG ratings, further detailed in the section relating to binding elements below.

The Index has been designated as a reference benchmark for the purpose of attaining the environmental and/or social characteristics promoted by the Fund.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

- **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

The below sustainability indicator is used to measure the attainment of the environmental and social characteristics promoted by the Fund, specifically measuring:

- MSCI ESG score of the Fund, relative to the Parent Index, whereby the MSCI ESG score of the Fund is expected to be higher than that of the Parent Index

- **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The sustainable investments made by the Fund contribute to environmental and social objectives, which include, amongst others:

1. the reduction of greenhouse gas (GHG) emissions and carbon footprint; and
2. the promotion of human rights.

The Fund replicates the performance of the Index, the focus of which is to achieve an improvement of the MSCI ESG rating against that of the Parent Index through the removal of companies based on sustainability exclusionary criteria and weighting of companies to improve the exposure to companies with favourable MSCI ESG ratings. By replicating the performance of the Index, the investments of the Fund contribute to these sustainable objectives.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti- corruption and anti- bribery matters.

- **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

No significant harm analysis is completed by the Index Provider as part of the Index construction process, as further detailed in the next section of this annex.

The Index is re-balanced periodically; prior to the re-balance of the Index the indicators referred to below are incorporated in the assessment of the business activities.

By replicating the performance of the Index, the investments of the Fund that are sustainable investments do not cause significant harm to the environmental and/or social investment sustainable objective.

The Investment Manager overlays an investment restrictions monitoring process that screens for any investments that would cause significant harm to sustainable objectives and which could result in divestment by the Investment Manager ahead of the index re-balancing.

How have the indicators for adverse impacts on sustainability factors been taken into account?

The mandatory principal adverse impacts (“PAI”) indicators have been used [by the Index Provider] in the assessment of business activities of the initial universe of securities, i.e. the Parent Index. Revenue data, business involvement and other data sources have been considered when assessing each security using minimum thresholds or blanket exclusions on activities identified in relation to these indicators.

As per the Index methodology, securities involved in Thermal coal mining and generation, Oil & Gas, are screened at a minimum threshold level and controversial weapons (PAI 14) are removed before the Index is calculated. In addition, a separate controversy screen is applied to the starting universe to remove any security in violation of UN Global Compact (“UNGC”) Principles, (PAI 10). The methodology also considers the aggregate ESG score (as calculated by MSCI ESG Research) which is applied to all eligible securities post business activity screen and weighted accordingly.

The Index increases the weightings of companies with robust ESG characteristics, including those that show improvement in the direction of their rating over the most recent 12 months, while reducing the weight of those companies who lag behind their industry peers in terms of ESG quality.

No optional indicators are taken into account.

Furthermore active ownership, through engagement and global proxy voting, is a key pillar of the Investment Manager's approach to responsible investments. Stewardship activity is focused on protecting and enhancing clients' investments. The Investment Manager engages with companies on a range of ESG issues and has the following clear set of engagement objectives:

- Improve understanding of company business and strategy;
- Monitor company performance;
- Signal support or raise concerns about company management, performance or direction; and
- Promote good practice.

Engagement issues range from corporate governance concerns such as the protection of minority shareholder rights, director elections and board structure to environmental issues, including climate change adaptation and mitigation and the low- carbon energy transition, to social issues including human capital management, inequality and data privacy.

The Investment Manager has a dedicated stewardship team with engagement specialists. Engagement is also integral to the fundamental research process. Analysts and portfolio managers engage with issuers as part of the investment process and cover relevant ESG issues in their research and discussions.

The Investment Manager is fully transparent in the reporting of engagement and voting activity, publishing voting on a quarterly basis and summary information about engagement activity annually.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

The Index methodology incorporates the MSCI ESG Controversies. The evaluation framework used in MSCI ESG Controversies is designed to be consistent with international norms represented by the UN Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the UNGC Principles. Specifically, the MSCI ESG Controversies approach covers the following pillars: Environment, Human Rights & Community, Labor rights & Supply chain, Customers and Governance. These pillars include indicators such as Human rights concerns, Collective bargaining & unions, Child labor and Anticompetitive practices, which are also issues that the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights cover. Further information on MSCI ESG Controversies is available on the Index provider's website.

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

☒ Yes, the Index is constructed using MSCI proprietary data on each security business involvement. As per the Index methodology, securities involved in Thermal coal mining and generation, Oil & Gas, are screened at a minimum threshold level and controversial weapons (PAI 14) are removed before the Index is calculated. In addition, a separate controversy screen is applied to the starting universe to remove any security in violation of UNGC principles, (PAI 10). The methodology also considers the aggregate ESG score (as calculated by MSCI ESG Research) which is applied to all eligible securities post business activity screen and weighted accordingly. The Index increases the weightings of companies with robust ESG characteristics, including those that show improvement in the direction of their rating over the most recent 12 months, while reducing the weight of those companies who lag behind their industry peers in terms of ESG quality.

Furthermore, active ownership, through engagement and global proxy voting, is a key pillar of the Investment Manager’s approach to responsible investments, as further detailed in the above section of this annex.

How PAI indicators were considered will be included in the Fund's year-end report and accounts.

Further information is available on request.

☐ No



What investment strategy does this financial product follow?

The Fund is passively managed and will aim to replicate the net total return performance of the Index.

The Index seeks to achieve an improvement of the MSCI ESG rating against that of the Parent Index.

The Index achieves this in the following ways:

1. Excluding securities of companies with exposure (as defined by the Index provider in the Index methodology) to any of the certain characteristics.
2. The Index applies the MSCI Universal Indexes Methodology in the construction of the Index in order to increase exposure to those companies demonstrating both a robust ESG profile as well as a positive trend in improving that profile, while seeking to minimise exclusions from the Parent Index.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

- **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

The binding elements of the investment strategy are as follows:

The Index is constructed from the Parent Index by applying the following values- and climate-based exclusionary criteria:

- Controversial weapons;
- Nuclear weapons;
- Civilian firearms;
- Tobacco
- Thermal Coal power;
- Thermal Coal mining;
- Oil Sands extraction;
- Oil Sands Reserves Ownership; and
- All companies that fail to comply with the United Nations Global Compact principles

Each of the exclusionary criteria may apply thresholds which are defined by the Index Provider and set out in the Index methodology and which may be amended from time to time.

In addition to the application of the exclusionary criteria, the Index applies the MSCI Universal Indexes methodology to achieve its ESG objective.

To achieve this, the Index Provider applies the following steps to the Parent Index: (i) the Index Provider excludes the securities with the weakest ESG profile from the Parent Index; (ii) the Index Provider defines an ESG re-weighting factor that reflects an assessment of both the current ESG profile, based on the current MSCI ESG Rating, as well as the trend in that profile; and (iii) the Index Provider re-weights securities from the free-float market cap weights of their Parent Index using this combined ESG score to construct the Index. Further information on the Index Provider's ESG re-weighting factors and the MSCI ESG Rating system can be found on the Index Provider's website.

The Index is constructed by excluding securities based on the following criteria:

- Unrated Companies – Companies not assessed by MSCI ESG Research on MSCI ESG controversies;
- Missing ESG Rating – Companies not rated by MSCI ESG Research for an ESG assessment;
- Severe ESG controversies - Companies having faced very severe controversies pertaining to ESG issues in the last three years; and
- Companies Involved in controversial weapons businesses companies involved in controversial weapons (i.e. cluster munitions, landmines, depleted uranium weapons, biological/chemical weapons, blinding lasers, non-detectable fragments and incendiary weapons), as defined by the methodology of the MSCI Ex-Controversial Weapons Indexes.

Further information on the Index methodology is available from the Index Provider's website detailed in the "Where can the methodology used for the calculation of the designated index be found?" section of this document.

Good governance

practices include sound management structures, employee relations, remuneration of staff and tax compliance

- **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

The Fund does not have a committed minimum rate to reduce the scope of investments.

- **What is the policy to assess good governance practices of the investee companies?**

MSCI captures good governance practices through its MSCI ESG Controversies and MSCI ESG Ratings models, both of which are incorporated into the Index's methodology. MSCI ESG Controversies covers "Labor Rights & supply chain" and "Governance", among others, and MSCI ESG Ratings incorporates Corporate Governance, Corporate Behavior and Human Capital.

Governance is assessed against criteria specified in the investment process which includes, among other things, business ethics, culture and values, corporate governance and bribery and corruption. Controversies and reputational risks are assessed through enhanced due diligence as well as screening which are used to identify companies that are considered to have low governance scores. Those companies will then be subjected to further review, action and/or engagement by the Investment Manager.

Good corporate governance has long been incorporated in the Investment Manager's proprietary fundamental company research. The Investment Manager's Stewardship team meets with companies regularly to improve its understanding of their business and strategy, signal support or concerns the Investment Manager has with management actions and promote best practice. The Investment Manager believes that good corporate governance ensures that companies are managed in line with the long-term interests of their investors.



Asset allocation

describes the share of investments in specific assets.

What is the asset allocation planned for this financial product?

In seeking to achieve its investment objective, the Fund will aim to invest in the constituents of the Index in generally the same proportions in which they are included in the Index. Cash and other Shariah-compliant instruments may be used for liquidity and hedging purposes.

The Fund promotes environmental and/or social characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 21.7% of sustainable investments.

Taxonomy-aligned activities are expressed as a share of:

- **turnover**

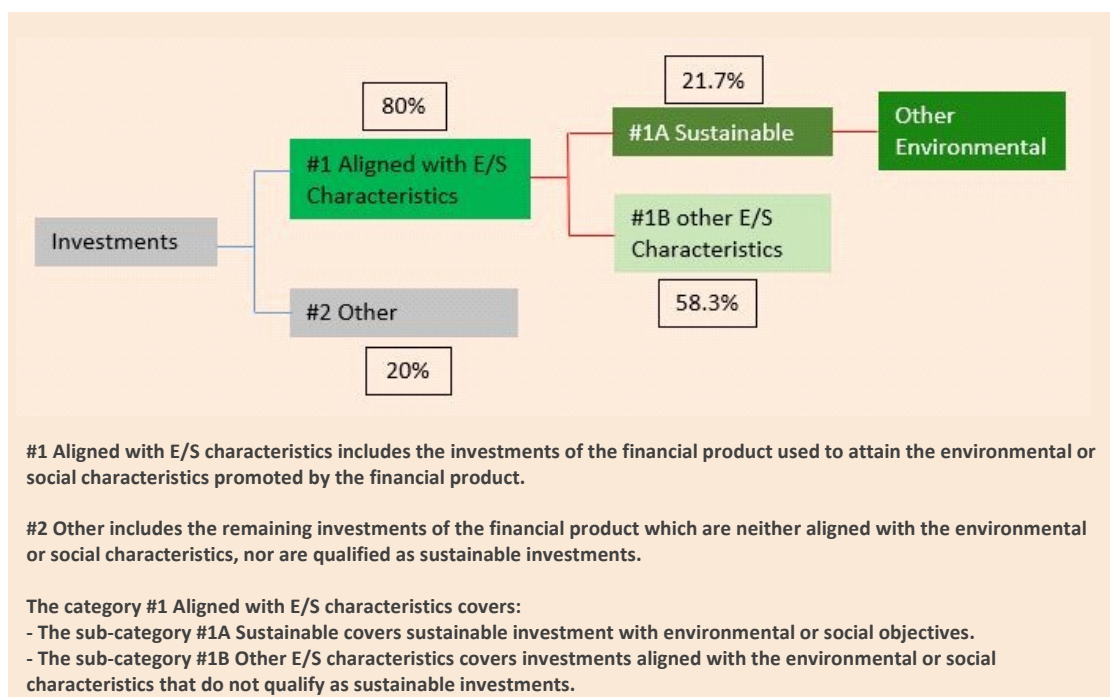
reflecting the share of revenue from green activities of investee companies

- **capital expenditure**

(CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.

- **operational expenditure**

(OpEx) reflecting green operational activities of investee companies.



- **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

The Fund will not use derivatives to attain the environmental and/or social characteristics of the Fund.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

N/A. The Fund does not intend to commit to a minimum share of sustainable investments with an environmental objective that are aligned with the EU Taxonomy.

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy ?¹**

☐ yes

☐ in fossil gas

☐ In nuclear energy

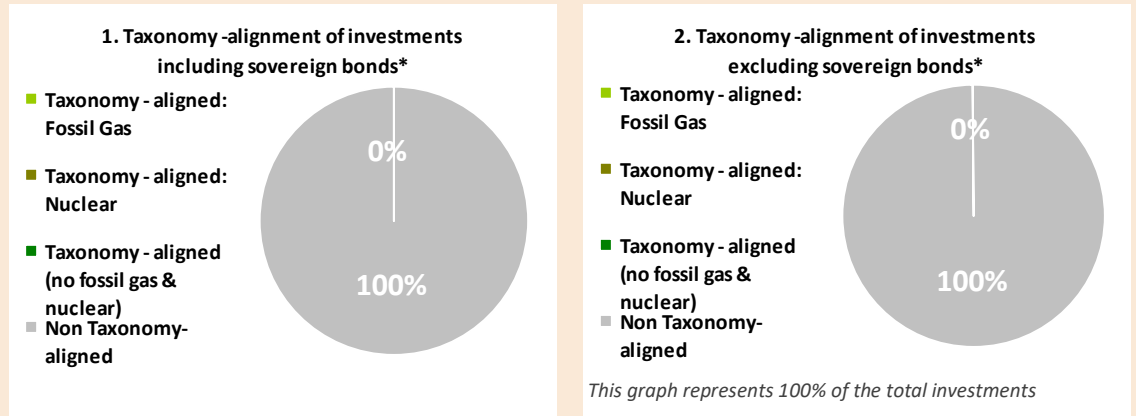
☒ No

1 Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective –see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Enabling activities

directly enable other activities to make a substantial contribution to an environmental objective.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

N/A. The Fund does not have a specific minimum share of transitioning and enabling activities.

are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

N/A. The Fund does not intend to commit to a minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.



What is the minimum share of socially sustainable investments?

N/A. The Fund does not intend to commit to a minimum share of socially sustainable investments.



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

Cash and other Shariah-compliant instruments such as financial derivative instruments may be used for liquidity and hedging purposes in respect of which there are no minimum environmental and/or social safeguards.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Yes.

The investment objective of the Fund is to replicate the performance of the Index which is

aligned with the environmental and/or social characteristics promoted by the Fund.

Reference benchmarks

are indexes to measure whether the financial product attains the environmental or social characteristics that they promote

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

The Index is constructed from the Parent Index by applying values- and climate-based exclusionary criteria (as defined by the Index Provider in the Index methodology):

In addition to the application of the exclusionary criteria, the Index applies the MSCI Universal Indexes methodology to achieve its ESG objective.

The composition of the Index is rebalanced on a semi-annual basis and carried out according to the published rules governing the management of the Index as set out by MSCI Inc.

- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

In seeking to achieve its investment objective, the Fund will aim to invest in the constituents of the Index in generally the same proportions in which they are included in the Index.

The composition of the Index is rebalanced on a semi-annual basis and carried out according to the published rules governing the management of the Index as set out by MSCI Inc.

- **How does the designated index differ from a relevant broad market index?**

The Index is an equity index based on the MSCI Japan Islamic Index and which reflects Shariah investment principles and includes large and mid-cap securities of the Japanese equity markets as determined by the Index provider.

The Index is constructed from the Parent Index by applying the following values- and climate-based exclusionary criteria (as defined by the Index provider in the Index methodology):

Each of the exclusionary criteria may apply thresholds which are defined by the Index provider and set out in the Index methodology and which may be amended from time to time.

In addition to the application of the exclusionary criteria, the Index applies the MSCI Universal Indexes methodology to achieve its ESG objective.

To achieve this, the Index Provider applies the following steps to the Parent Index: (i) the Index Provider excludes the securities with the weakest ESG profile from the Parent Index; (ii) the Index Provider defines an ESG re-weighting factor that reflects an assessment of both the current ESG profile, based on the current MSCI ESG Rating, as well as the trend in that profile; and (iii) the Index Provider re-weights securities from the free-float market cap weights of their parent index using this combined ESG score to construct the Index. Further information on the Index Provider's ESG re-weighting factors and the MSCI ESG Rating system can be found on the Index provider's website.

- **Where can the methodology used for the calculation of the designated index be found?**

<https://www.msci.com/index-methodology> (for fact sheets, Index methodology and other information).

The Index methodology may be amended from time to time by the Index Provider.

Information on the Index methodology is available on the website above.



Where can I find more product specific information online?

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