



HSBC Global Funds ICAV – Sustainable Development Bank Bonds UCITS ETF

The sub-fund will promote the following environmental and social characteristics:

In tracking the performance of the the FTSE World Broad Investment-Grade USD Multilateral Development Bank Bond Capped Index (the "Index"), the Fund promotes environmental and/or social characteristics by seeking to seeking to seeking to invest in bonds issued by select multilateral development banks the proceeds of which financially support sustainable economic development in developing countries.

The Fund seeks to achieve its sustainable investment objective by tracking the FTSE World Broad Investment-Grade USD Multilateral Development Bank Bond Capped Index (the "Index") which measures the performance of US Dollar denominated debt issued by select multilateral development banks that are supranational institutions with mission statements that state the intention to promote sustainable economic development in developing countries by: (i) financially supporting their sustainable development goals; or (ii) providing non-financial support for infrastructure development, such as policy advice or technical assistance.

The Index applies controversial conduct exclusions based on United Nations Global Compact (UNGC) Principles to the issuers. In addition, each issuer in the Index needs to publicly disclose that they have safeguarding policies in place to mitigate and reduce environmental and social risks in the public domain arising from the projects they finance. Issuers that are non-compliant for UNGC violations or do not have safeguard policies are removed from the Index at the next monthly rebalance.

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

Do no significant harm analysis is completed by the Index provider as part of the Index construction.

Investment Strategy and Proportion of Investments:

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

In seeking to achieve its investment objective, the Fund will use optimisation techniques which take account of tracking error and trading costs and availability of index constituents when constructing a portfolio. Consequently, the Fund may not hold each of the underlying Index constituents or hold Index constituents close to their Index weights. Furthermore, the Fund may hold securities which are not Index constituents but which are expected to provide similar performance and risk characteristics to certain Index constituents. Cash and other instruments may be used for liquidity, hedging and efficient portfolio management.

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 90% of social investments.

Methodologies:

HSBC Asset Management's ESG data team leverages its proprietary data to run internal ESG reports to ensure sustainable objectives and targets, and the indicators used to measure these, as embedded in the product's methodology, are met. Using this data HSBC Asset Management conducts regular reviews with the relevant index partner to ensure accuracy of the data being provided.

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

For our full Stewardship Policy, please go to www.assetmanagement.hsbc.com/about-us/responsible-investing/policies.

More information is available on request.