ANNEX IV

Periodic 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

Product name: HSBC US Dollar ESG Liquidity Fund **Legal entity identifier:** 213800S5REYW7FIC3O90

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.

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It made **sustainable investments with an environmental objective:** ___%	☐ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It made **sustainable investments with a social objective:** ___%	☒ It promoted E/S characteristics, but **did not make any sustainable investments**

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.

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

To what extent were the environmental and/or social characteristics promoted by this financial product met?

During the financial year ended 30 April 2024 (the Reference Period) the Fund promoted the following environmental and/or social characteristics:

1. The Investment Manager used a combination of sector specific screens and relative ESG scores to screen the Fund's investable universe of issuers (as defined below) to create the ‘best in class’ investable universe of issuers eligible for the Fund. The lowest 25% of issuers relative to the investable universe, based on their ESG score, were removed and the lowest 10% of issuers, based on each individual E, S and G pillar scores were also removed.

2. The Fund considered responsible business practices in accordance with United Nations Global Compact (UNGC) Principles. Where instances of potential violations of UNGC principles were identified, issuers were subject to proprietary ESG due diligence checks to determine their suitability for inclusion in the Fund's portfolio and, if deemed unsuitable, were excluded.

3. The Investment Manager actively considered environmental and/or social issues by engagement with a defined set of issuers completed by HSBC's Credit Research and Engagement and Stewardship teams. Engagement focused on the specific factors contributing to the issuers' exclusion from the Investment Manager's ESG constrained approved issuer list. In addition, the Investment Manager considered climate change-oriented issues; an issuer's membership of the Net Zero Banking Alliance, publication of reliable and consistent Scope 3 greenhouse gas emissions data and an issuer's Climate Alignment score.

4. The Fund excluded activities covered by HSBC Asset Management's (HSBC) responsible investing policies (Excluded Activities). The Fund's Excluded Activities during the Reference Period included:

Excluded Activity	Details
Banned Weapons	The Fund did not invest in issuers HSBC considered to be involved in the development, production, use, maintenance, offering for sale, distribution, import or export, storage or transportation of Banned Weapons.
Controversial Weapons	The Fund did not invest in issuers HSBC considered to be involved in the production of controversial weapons or their key components. Controversial weapons include but are not limited to anti-personnel mines, depleted uranium weapons and white phosphorous when used for military purposes.
Thermal Coal 1 (Expanders)	The Fund did not participate in initial public offerings (**IPOs**) or primary fixed income financing by issuers HSBC considered to be engaged in the expansion of thermal coal production.

Thermal Coal 2 (Revenue threshold)	The Fund did not invest in issuers HSBC considered to have more than 10% revenue generated from thermal coal power generation or extraction and which, in the opinion of HSBC, did not have a credible transition plan.
Arctic Oil & Gas	The Fund did not invest in issuers HSBC considered to have more than 10% of their revenues generated from oil & gas extraction in the Arctic region and which, in the opinion of HSBC, did not have a credible transition plan.
Oil Sands	The Fund did not invest in issuers HSBC considered to have more than 10% of their revenues generated from oil sands extraction and which, in the opinion of HSBC, did not have a credible transition plan.
Shale Oil	The Fund did not invest in issuers HSBC considered to have more than 35% of their revenues generated from the extraction of Shale Oil and which, in the opinion of HSBC, did not have a credible transition plan.
Tobacco	The Fund did not invest in issuers HSBC considered to be directly involved in the production of tobacco.
UNGC	The Fund did not invest in issuers that HSBC considered to be non-compliant with UNGC Principles.

The above Excluded Activities were effective from 24 April 2024. Prior to this date, the Fund excluded issuers who (1) were responsible for the production of tobacco and controversial weapons and (2) derived material revenue (generally greater than 10%) from certain sectors such as thermal coal extraction. In addition, the Fund screened out issuers responsible for the production of nuclear armaments.

How did the sustainability indicators perform?

The performance of the sustainability indicators the Fund used to measure the attainment of the environmental or social characteristics that it promoted can be seen in the table below. The Fund's ESG score and individual E, S and G Pillar scores, were targeted (as an overall score), to be greater than the Investable Universe HSBC score (with a higher score representing stronger ESG credentials). The ESG score is a measure of the Fund's risk exposure to issues arising from environmental, social and governance factors (range of 0-10) and is shown compared to the scores of the A1/P1/F1 rated investable universe of Short-term Money Market Funds (the Investable Universe). The comparators for ESG scores are:

- The average HSBC ESG score for the Investable Universe is the aggregate of the individual E, S and G scores which are weighted based on a proprietary model.
- Consideration of individual Principal Adverse Impacts (PAIs) (indicated in the table below by their preceding number) can be identified from the Fund having a lower percentage weight than the Investable Universe score. The data used in the calculation of PAI values are sourced from data vendors. They can be based on issuer disclosures or estimated by the data vendors in the absence of issuer reports. Please note that it is not always possible to guarantee the accuracy, timeliness or completeness of data provided by third-party vendors.

All issuers demonstrated good governance practices, which can be identified by the PAI 10 score below.

Indicator	Fund	Investable Universe
ESG Score	6.35	5.68
HSBC E Pillar Score	7.81	6.36
HSBC S Pillar Score	5.08	5.26
HSBC G Pillar Score	6.83	5.74
PAI 10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	0.00%	1.67%
PAI 14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	0.00%	1.37%

The data in this SFDR Periodic Report are as at 30 April 2024, based on a four-quarter average of holdings during the Reference Period.

…and compared to previous periods?

Indicator	Period ending	Fund	Investable Universe
ESG Score	30 April 2024 30 April 2023	6.35 6.15	5.68 5.72
HSBC E Pillar Score	30 April 2024 30 April 2023	7.81 7.70	6.36 6.30
HSBC S Pillar Score	30 April 2024 30 April 2023	5.08 5.00	5.26 5.10
HSBC G Pillar Score	30 April 2024 30 April 2023	6.83 6.50	5.74 5.90
PAI 10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	30 April 2024 30 April 2023	0.00% 0.00%	1.60% 1.70%
PAI 14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	30 April 2024 30 April 2023	0.00% 0.00%	1.37% 0.60%

This is only the second SFDR Periodic report and as such there is no comparison required prior to then.

What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?

The Fund did not commit to make sustainable investments as defined under SFDR. However, as a result of the investment process, the Fund may have invested in sustainable investments, which were aligned to the environmental and social characteristics promoted by the Fund.

The Investment Manager promoted among other characteristics, environmental and social characteristics and invested in issuers following good governance practices.

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 did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?

This question is not applicable for this particular Fund, however the do no significant harm analysis was completed as part of HSBC's standard investment process for sustainable assets, which included the consideration of Principal Adverse Impacts.

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

This question is not applicable, however the Investment Manager followed HSBC's Responsible Investment Policy which set out the approach taken to identify and respond to principal adverse sustainability impacts and how HSBC considered ESG sustainability risks as these can adversely impact the securities the Fund invested in. HSBC used third party data providers, such as Sustainalytics, ISS, MSCI and Trucost to identify issuers and governments with a poor track record in managing ESG risks and, where potential material risks were identified, HSBC also carried out further ESG due diligence. Sustainability impacts identified by screening were a key consideration in the investment decision-making process.

The approach taken, as set out above, meant that among other things the following points were scrutinised:

- issuers' commitment to lower carbon transition, adoption of sound human rights principles and employees' fair treatment, implementation of rigorous supply chain management practices aiming, among other things, at alleviating child and forced labour. HSBC also paid great attention to the robustness of corporate governance and political structures which include the level of board independence, respect of shareholders’ rights, existence and implementation of rigorous anti-corruption and bribery policies as well as audit trails; and

- governments’ commitment to availability and management of resources (including population trends, human capital, education and health), emerging technologies, government regulations and policies (including climate change, anti¬corruption and bribery), political stability and governance.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

This question is not applicable as the Fund did not commit to make sustainable investments as defined under SFDR. However, HSBC was committed to the application and promotion of global standards, focusing on HSBC's Responsible Investment Policy which includes the ten principles of the UNGC. These principles include non-financial risks such as human rights, labour, environment and anti-corruption. HSBC was also a signatory of the UN Principles of Responsible Investment. This provided the framework used in HSBC's approach to investment by identifying and managing sustainability risks. Issuers in which the Fund invested were expected to comply with the UNGC and related standards. Issuers having clearly violated one of the ten principles of the UNGC were systematically excluded, unless they had gone through an ESG due diligence assessment to determine their suitability for inclusion in the Fund’s portfolio.

How did this financial product consider principal adverse impacts on sustainability factors?

The Fund considered the following PAIs by monitoring them as sustainability indicators:

PAI 10 - Violation of UNGC and OECD principles

PAI 14 - Share of investment involved in controversial weapons

The approach taken to consider Principal Adverse Impacts meant that, among other things, HSBC scrutinised issuers’ commitment to lower-carbon transition, adoption of sound human rights principles and employees’ fair treatment, and implementation of rigorous supply chain management practices such as those aiming to alleviate child and forced labour. HSBC also paid attention to the robustness of corporate governance and political structures which included the level of board independence, respect of shareholders’ rights, existence and implementation of rigorous anti-corruption and bribery policies, as well as audit trails. Governments’ commitment to availability and management of resources (including population trends, human capital, education and health), emerging technologies, government regulations and policies (including climate change, anti-corruption and bribery, political change, political stability and governance) were also taken into account.

What were the top investments of this financial product?

Largest investments	Sector	% Assets	Country
STATE STREET BANK & TR	Financials	5.52%	United States
Bank of New York	Cash	4.95%	United States
CANADIAN IMPERIAL BANK	Financials	3.68%	Canada
MIZUHO BANK LTD/NY	Financials	3.68%	Japan
TORONTO DOMINION BANK LTD	Financials	3.68%	Canada
FMS WERTMANAGEMENT	Agency	3.68%	Germany
AUST & NZ BANK CAYMAN	Financials	2.58%	Australia
BANCO SANTANDER SA/NY	Financials	2.58%	Spain
DZ BANK AG NY	Financials	2.58%	Germany
ERSTE FINANCE LLC	Financials	2.58%	Austria
TORONTO DOMINION BANK	Financials	2.21%	Canada
BARCLAYS BANK UK PLC	Financials	2.21%	Great Britain
COOPERATIEVE RABOBANK UA	Financials	1.84%	Netherlands
QUEBEC PROVINCE	Agency	1.47%	Canada
MIZUHO BANK LTD/NY	Financials	1.11%	Japan

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is:

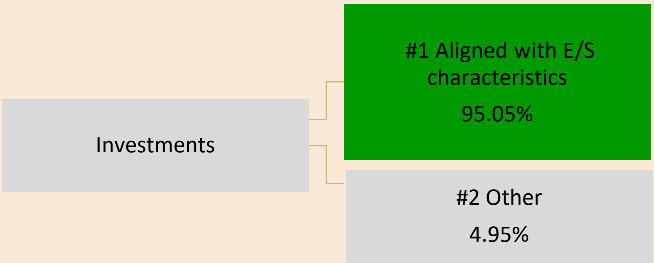
as at 30 April 2024

What was the proportion of sustainability-related investments?

The Fund did not commit to making any sustainable investments.

What was the asset allocation?

Asset allocation describes the share of investments in specific assets.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

A minimum of 80% of the Fund's investments consisted of short-term securities, instruments and obligations which were of high quality at the time of purchase and were eligible for investment under the Money Market Fund Regulation which were used to meet the promoted environmental and social characteristics of the investment strategy (#1 Aligned with E/S characteristics). (#2 Other) included cash for liquidity management purposes.

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 Union 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.

In which economic sectors were the investments made?

	% assets
Agency	*11.4%*
Bank	*85.6%*
Bank – Asset-Backed Commercial Paper	*1.5%*
Government	*1.5%*
	100%

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

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

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.

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

Not applicable. While the Fund promoted environmental characteristics, the Fund did not target a minimum proportion of sustainable investments that qualified as environmentally sustainable under the Taxonomy Regulation. Therefore, the proportion of environmentally sustainable investments in accordance with the Taxonomy Regulation that were evidenced during the Reference Period was 0% of the net assets of the Fund.

Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[1]?

☐ Yes:

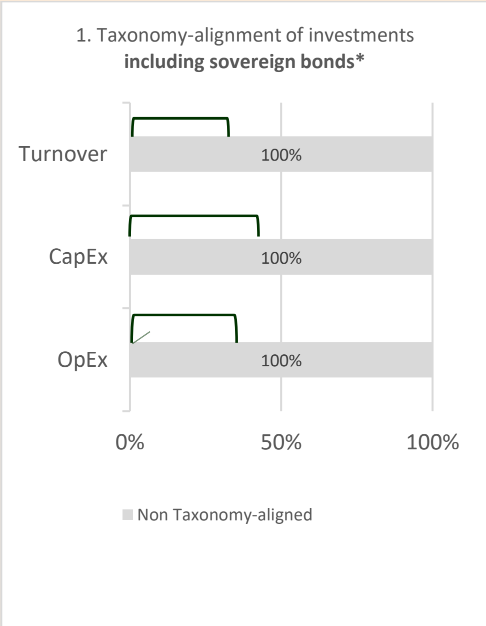
☐ In fossil gas ☐ In nuclear energy

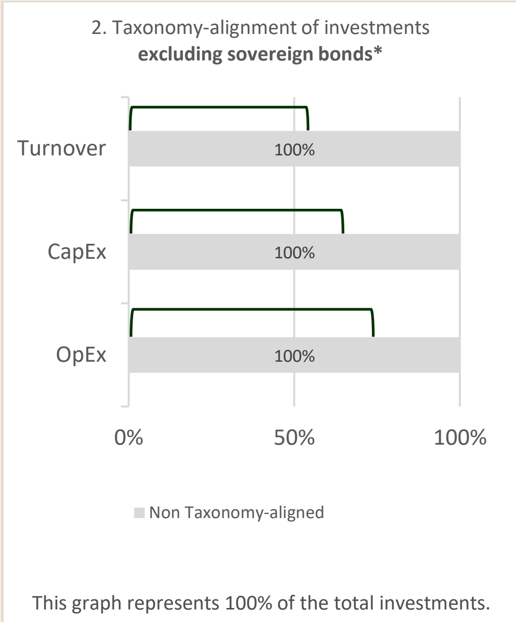
☒ No

[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.

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.

The graphs below show in green the percentage of investments that were 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.*

What was the share of investments made in transitional and enabling activities?

Not applicable as the Fund did not invest in transitional or enabling activities.

How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?

Not applicable as the Fund did not commit to making any EU Taxonomy aligned investments in this Reference Period or any past Reference Period.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

Not applicable. The Fund did not target a minimum proportion of sustainable investments. that qualified as environmentally sustainable under the Taxonomy Regulation. Therefore, the proportion of environmentally sustainable investments in accordance with the Taxonomy Regulation that were evidenced during the Reference Period was 0% of the net assets of the Fund.

What was the share of socially sustainable investments?

0%. The Fund did not commit to having a minimum share of socially sustainable investments, however, the Investment Manager did look at the social characteristics, human and workforce rights, management behaviour and corporate social responsibility when assessing an issuer.

What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?

#2 Other includes those financial instruments which are not aligned with the environmental or social characteristics of the Fund and do not qualify as sustainable investments. In some instances, this is due to the non-availability of data and corporate actions. These holdings were still subject to HSBC’s full set of exclusions screening and were considered for responsible business practices in accordance with UNGC and OECD principles.

The Fund held 4.95% cash/cash equivalents for the purposes of liquidity management and the redemption and subscription of shares as well as financial derivative instruments for the purposes of efficient portfolio management. Cash/cash equivalents and financial derivatives instruments do not have minimum environmental or social safeguards applied due to the nature of these instruments.

What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The investment objective of the Fund was to provide investors with security of capital and daily liquidity together with an investment return which was comparable to normal US Dollar denominated money market interest rates while considering select environmental, social and governance criteria.

To meet the environmental and/or social characteristics during the Reference Period, the Investment Manager sought to identify issuers that were considered by the Investment Manager to be better at addressing ESG risks than other issuers in the Investable Universe, an approach often referred to as "best in class". Using data from a range of external vendors the Investment Manager determined an ESG score for each issuer in the investible universe of the Fund, consisting of E, S and G scores and weighted based on a proprietary model. The Investment Manager then invested in the top 75% of that investible universe.

The Fund also excluded investment in issuers carrying out business activities that were deemed harmful to the environment. This meant it did not invest in issuers with specified involvement in the Excluded Activities referenced above.

HSBC used corporate engagement and shareholder action to further meet the environmental and social characteristics of the Fund.

How did this financial product perform compared to the reference benchmark?

The Fund was not constrained in reference to the benchmark, and therefore it was not relevant for the purposes of the Fund's ESG characteristics.

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

- ***How does the reference benchmark differ from a broad market index?***

  Not applicable.

- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?***

  Not applicable.

- ***How did this financial product perform compared with the reference benchmark?***

  Not applicable.

- ***How did this financial product perform compared with the broad market index?`***

  Not applicable.