

The Directors of HSBC Global Funds ICAV (the “**Directors**”) listed in the Prospectus in the “**Management and Administration**” section, accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

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## **HSBC Global Funds ICAV – Global Sukuk UCITS ETF**

**(A sub-fund of HSBC Global Funds ICAV, an umbrella fund with segregated liability between sub-funds authorised by the Central Bank of Ireland pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011) (as amended)**

**30 October 2024**

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This Supplement forms part of the Prospectus dated 17 November 2023 (the “**Prospectus**”) in relation to HSBC Global Funds ICAV (the “**ICAV**”) for the purposes of the UCITS Regulations. Unless otherwise provided for in this Supplement, all capitalised terms shall have the same meaning herein as in the Prospectus. This Supplement should be read in the context of, and together with, the Prospectus and contains information relating to the HSBC Global Funds ICAV – Global Sukuk UCITS ETF (the “**Sub-Fund**”) which is a separate sub-fund of the ICAV, represented by the HSBC Global Funds ICAV – Global Sukuk UCITS ETF series of shares in the ICAV (the “**Shares**”). Please see the List of Sub-Funds Supplement for a list of the other Sub-Funds of the ICAV.

Prospective investors should review this Supplement and the Prospectus carefully and in their entirety. Prospective investors should consult a stockbroker, bank manager, solicitor, accountant or other financial adviser for independent advice in relation to: (a) the legal requirements within their own countries for the purchase, holding, exchanging, redeeming or disposing of Shares; (b) any foreign exchange restrictions to which they are subject in their own countries in relation to the purchase, holding, exchanging, redeeming or disposing of Shares; (c) the legal, tax, financial or other consequences of subscribing for, purchasing, holding, exchanging, redeeming or disposing of Shares; and (d) the provisions of this Supplement and the Prospectus.

Potential investors should consider the risk factors set out in the Prospectus and in this Supplement before investing in this Sub-Fund.

Investors should note that, where cash is the method of payment, a Direct Dealing (Cash Transaction) Fee of up to 3% of subscription and redemption monies may be applicable when dealing in ETF Shares directly with the Sub-Fund.

The Sub-Fund is not in any way sponsored, endorsed, sold or promoted by FTSE Fixed Income LLC (“**FTSE FI**”) or the London Stock Exchange Group companies (“**LSEG Companies**”) (together the “**Licensors Parties**”) and none of the Licensors Parties make any claim, prediction, warranty or representation whatsoever, expressly or impliedly, either as to (i) the results to be obtained from the use of the Index (upon which the Sub-Fund is based), (ii) the figure at which the Index is said to stand at any particular time on any particular day or otherwise, or (iii) the suitability of the Index for the purpose to which it is being put in connection with the Sub-Fund. None of the Licensors Parties have provided or will provide any financial or investment advice or recommendation in relation to the Index to HSBC Global Asset Management Limited or to its clients. The Index is calculated by FTSE FI or its agent. None of the Licensors Parties shall be (a) liable (whether in negligence or otherwise) to any person for any error in the Index or (b) under any obligation to advise any person of any error therein. All rights in the Index vest in FTSE FI and/or its licensors. “**FTSE®**” is a trade mark of LSEG Companies and is used by FTSE FI under license.

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**CONTENTS**

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	<b>Page No</b>
GENERAL .....	3
INVESTMENT OBJECTIVE AND POLICY .....	4
INVESTMENT RISKS .....	6
SHARE CLASSES .....	7
FEEES AND EXPENSES.....	7
INDEX DESCRIPTION.....	8

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**GENERAL**

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The following provisions shall be applicable to the Sub-Fund:

<b>Base Currency</b>	US Dollar
<b>Index</b>	FTSE IdealRatings Sukuk Index (total return)
<b>Profile of a Typical Investor</b>	The Sub-Fund is designed for investors with a focus on income and planning to invest for at least 3 years. The Sub-Fund may appeal to investors who: <ul style="list-style-type: none"> <li>(i) are looking for a core Shariah compliant Sukuk investment; and</li> <li>(ii) are interested in low cost exposure to the USD denominated Sukuk market.</li> </ul>
<b>Risk Management Method</b>	Commitment approach. Detail on the commitment approach, including the leverage limits that apply, is set out in the Prospectus under Section "Risk Management Process".
<b>Dealing Deadline</b>	10.00 am (Irish time) on the relevant Dealing Day.
<b>Portfolio Transparency</b>	The portfolio holdings file, being the statement illustrating the breakdown of the securities held by the Sub-Fund, shall be published on a daily basis on <a href="http://www.assetmanagement.hsbc.com">www.assetmanagement.hsbc.com</a> .
<b>Settlement Date for Subscriptions</b>	Within two Business Days after the Dealing Day or such other day as the Management Company may determine and notify to Shareholders.
<b>Settlement Date for Redemptions</b>	Within two Business Days after the Dealing Day or such other day as the Management Company may determine and notify to Shareholders.
<b>Valuation Point</b>	11.00 p.m. Irish time on each Dealing Day
<b>Initial Offer Price</b>	The initial offer price for Shares in the Sub-Fund is 10.00 (or in the case of Japanese Yen, 100.00) in the Reference Currency of the relevant Share Class. After the Initial Offer Period, Shares will be issued at the Subscription Price.
<b>Initial Offer Period</b>	From 9.00 a.m. (Irish time) on 20 November 2023 to 5.00 p.m. (Irish time) on 17 May 2024 or such later or earlier date and time as the Directors may determine. Any extension or shortening of the initial offer period will be in accordance with the Central Bank's requirements.

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## INVESTMENT OBJECTIVE AND POLICY

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**Investment Objective:** To achieve regular income and capital growth.

**Investment Policy:** To track the performance of the Index, after cash holdings and fees while: (i) minimising as far as possible the Tracking Error between the Sub-Fund performance and that of the Index; and (ii) maintaining adherence to Shariah Principles interpreted by the Shariah Committee and advised to the Investment Manager and the Management Company.

The Index measures the performance of global Islamic fixed income securities, also known as Sukuk. The Index covers US Dollar-denominated, Investment-Grade Sukuk that are Shariah-compliant and issued in the global markets.

The Sub-Fund in achieving its investment objective will invest in fixed income securities, which are Index constituents (as described under the Index section below). If the overall portfolio of the Sub-Fund matches the characteristics of the Index, the Sub-Fund may also invest in the following assets which are not Index constituents for the purpose of assisting in tracking the performance of the Index provided such assets are in line with Shariah principles interpreted by the Shariah Committee and advised to the Investment Manager: 1) securities which are no longer or not yet part of the Index, or other securities that provide similar performance and risk profile to securities in the Index or assist in tracking the performance of the Index; 2) units or shares of CIS for EPM, liquidity, Shariah-compliant hedging and cash management purposes; 3) Sukuk with a Credit Rating of Ba1 / BB+ / BB+ and below, which may be callable, may be held for EPM in order to prevent forced selling of Index constituents in the event of a credit downgrade below Investment Grade; and 4) cash and Sukuk with up to 1 year to maturity, for liquidity and cash management purposes. When making investment decisions, the Investment Manager will only proceed with the investment where it complies with Shariah Principles.

Cash balances held by the Sub-Fund from time to time may be deposited on terms which shall either grant no return on the sum deposited, or shall grant such a return on a Shariah-compliant basis. The Sub-Fund may hold up to 10% of its NAV in cash deposits.

In addition to compliance with the UCITS Regulations and the applicable Central Bank requirements, the investments of the Sub-Fund shall be made in accordance with the Shariah investment guidelines used by the Shariah Committee. The Shariah investment guidelines used by the Shariah Committee are the Shariah standards issued by the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI), specifically the AAOIFI Financial Accounting Standards which can be found at: [www.aaofii.com/e-standards/?lang=en](http://www.aaofii.com/e-standards/?lang=en) in addition to the independent views of the Shariah Committee.

Credit Ratings of the investments may vary from time to time and will typically be Investment Grade.

The average Credit Rating of the investments comprising the Sub-Fund's portfolio is expected to be approximate to the average Credit Rating of those comprising the Index. Where the Credit Rating of any fixed income investments forming part of the Index is downgraded by any Recognised Rating Agency, the Investment Manager will determine whether, after any such downgrading, the security should reasonably continue to be held by the Sub-Fund.

With the exception of permitted investments in unlisted securities or over-the-counter derivative instruments, the investments in which the Sub-Fund invests will be listed or traded on Recognised Markets worldwide. Further details on permitted investments and Recognised Markets are given in Section "Appendix 1 - UCITS Investment Restrictions" and Section "Appendix 3 - List of Recognised Markets" in the Prospectus.

In alignment with HSBC Asset Management's Responsible Investment Policies, the Sub-Fund will not invest in issuers the Investment Manager considers to have more than 2.5% revenue generated from thermal coal power generation or extraction and which, in the opinion of the Investment Manager, do not have a credible transition plan. This is expected to have no material impact on the Sub-Fund's tracking error due to the constituents of the Index and the nature of their underlying exposure. Shariah Committee

HSBC Bank Middle East Limited and the Shariah Committee will provide advice on the Shariah Principles to the Management Company and the Investment Manager in relation to the Sub-Fund and an agreement is in place which governs the terms of these services.

The Shariah Committee comprises Islamic scholars with expertise in Islamic investment principles who will advise and guide the Investment Manager and Management Company on the Sub-Fund's compliance with Shariah.

The Shariah Committee's main duties and responsibilities include: reviewing the investment objectives and policies of the Sub-Fund and advising the Sub-Fund on compliance with the Shariah principles with which the Sub-Fund must comply when selecting investments and when calculating an appropriate percentage of "impure" income derived from any of the Sub-Fund's investments; and issuing the compliance certificates and/or reports based on Shariah reviews of the Sub-Fund as requested, including any annual confirmations of Shariah compliance by the Sub-Fund.

The Shariah Team will: facilitate communication between the Shariah Committee and the Investment Manager and Management Company; periodically assess and review the Sub-Fund's activities and investments to assess compliance with Shariah principles; assist the Sub-Fund in reviewing and calculating impure income; and provide any reports or assistance to the Sub-Fund, the Investment Manager and the Management Company on an ad-hoc basis.

The Investment Manager and the Management Company will ensure that any provisions or references to investment methods or techniques in the Prospectus which would otherwise be available to the Sub-Fund in pursuing its investment policy are not availed of to the extent they are not Shariah compliant. The Shariah Team will advise on alternative investments for the Sub-Fund which comply with the Sub-Fund's investment policy and are Shariah compliant.

The Shariah Team will also review and screen the details of the Sub-Fund's portfolio on a periodic basis and as requested to ensure compliance with the constituents of the Index and Shariah investment guidelines used by the Shariah Committee. Subject to the Sub-Fund's compliance with Shariah, as determined by the Shariah Committee, the Shariah Committee will issue an annual Shariah compliance certificate for the Sub-Fund.

Neither the Depository nor the Administrator accepts any liability of any kind for ensuring that the Sub-Fund complies with the Shariah requirements.

Remuneration of HSBC Bank Middle East Limited and any reasonable and properly vouched out of pocket expenses will be paid by the Management Company out of the assets of the Sub-Fund, which will come within the ongoing charge set out in the section of this Supplement titled "Fees and Expenses". HSBC Bank Middle East Limited will remunerate the Shariah Committee and the Shariah Team for their services to the Investment Manager and Management Company in respect of the Sub-Fund.

**Investment Approach:** In seeking to achieve its investment objective, the Sub-Fund will use Optimisation techniques which take into account tracking error, trading costs and availability of Index constituents when constructing the portfolio. Further detail on Optimisation is set out under Section "Investment Techniques" of this Supplement.

The investments underlying this Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.

**Derivatives:** The usage of FDIs and EPM techniques applicable to the Sub-Fund are set out under Section "Use of Financial Derivative Instruments" of the Prospectus.

The FDIs which the Sub-Fund may use will be Shariah compliant such as Shariah compliant foreign exchange contracts (including spot and forward contracts). Additional information on these FDIs is included in Appendix 2 ("How the Sub-Funds Use Instruments and Techniques") of the Prospectus and the reasons for their use are set out below. These instruments may only be used for genuine efficient

portfolio management and/or investment purposes. The primary policy of the Sub-Fund is to acquire securities included in the Index, as described above, but FDI may be used where the direct holdings of securities may not be possible or where tracking error can be better minimised by using FDI. FDI will be used within the limits stipulated by the Central Bank and as described in the Prospectus.

**Investment in Funds:** The Sub-Fund will not invest more than 10% of its net assets in aggregate in Shariah-compliant CIS which themselves mainly invest in securities included in the Index in order to gain indirect exposure to such securities and also in money market funds that are endorsed by the Shariah Committee for cash management and liquidity purposes. Investment in CIS may include units or shares of CIS that are managed directly or indirectly by the Investment Manager. The Sub-Fund will not invest in other Sub-Funds of the ICAV. Further information is provided in the Prospectus under the Section "Fees, Charges and Expenses", "Costs of Investing in Units in Other Collective Investment Schemes".

**Tracking Error:** The tracking error is the annualised standard deviation of the difference between the monthly (or daily) returns of the Sub-Fund and the Index. A series of factors may give rise to tracking error, as disclosed in the Prospectus in the Section "Tracking Error". As at the date of this Supplement, the Anticipated Tracking Error for the Sub-Fund is expected to be up to 0.65% per annum in normal market conditions.

**Volatility:** The Sub-Fund is expected to have medium levels of volatility.

The Sub-Fund is passively managed. There is no guarantee that the investment objective of the Sub-Fund will be achieved. In particular, no financial instrument enables the returns of the Index to be reproduced exactly.

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## INVESTMENT RISKS

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Investment in the Fund carries with it a degree of risk including the risks described in Section "Risks and Risk Management" in the Prospectus.

Risks mainly associated with ordinary market conditions are as follows:

Index Tracking Risk
Investment Techniques
The Index
Tracking Error
Hedged Share Classes
Investment Fund Risk
Reliance on the Investment Manager
Market Risk
Fixed Income Securities Risk
Particular Risks of Financial Derivative Instruments
Stock Risk

Risks mainly associated with unusual market conditions and the investment objective and policy of this Sub-Fund are as follows:

Settlement Risk of Assets Within a Sub-Fund
Investment in Shariah Funds
Shariah certification
Charitable donations
Sukuk Investment Risk
Counterparty Risk
Liquidity Risk
Legal Risks

Securities Handling Risk
Correlation Risk
Currency Risk
Emerging Markets Risk
Sovereign Risk
Political Risk
Risks Associated with Government or Central Bank's Intervention
Operational Risk

Risks associated with Class ETF Shares of the Sub-Fund are as follows:

International Central Securities Depository – ETF Shares
Failure to Settle – ETF Shares
Secondary Market Trading Risk – ETF Shares
Directed Trading Risk – ETF Shares

**Investors should refer to the section of the Prospectus titled “Differences between ETF Shares and Non-ETF Shares” for further information on the different nature of ETF and Non-ETF Shares.**

As the markets in which some of the issuers are based are considered to be emerging markets, an investment in the Sub-Fund should only be made by those persons who could sustain a loss on their investment. It should not constitute a substantial portion of an investment portfolio and may not be appropriate for all investors.

These investment risks are not purported to be exhaustive and potential investors should review the Prospectus and this Supplement carefully and consult with their professional advisors before making an application for Shares. Investment in the Sub-Fund is not for investors who cannot afford to lose all or a significant part of their investment.

An investor should consider his/her personal tolerance for the daily fluctuations of the market before investing in the Sub-Fund.

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## SHARE CLASSES

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The Sub-Fund has different Share Classes which are described in the Section “**Description of Share Classes**” in the Prospectus. Only certain Share Classes may be available for subscription as at the date of this Supplement. Additional Share Classes may be added in the future in accordance with the requirements of the Central Bank.

### Investment Minima

Please refer to the Section “**How to Buy Non-ETF Shares**” and/or “**How to Buy ETF Shares – Primary Market Subscriptions**” in the Prospectus, as applicable, for details of the minimum initial subscription amounts and minimum holding amounts for Shares.

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## FEES AND EXPENSES

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### Share Class Ongoing Charge\*

A	B	H	IT	S	S1
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Up to 0.70%	Up to 0.50%	Up to 1.00%	Up to 0.50%	Up to 0.50%	Up to 0.50%
S2	S3	S4	S5	S6	S7
Up to 0.50%	Up to 0.50%	Up to 0.50%	Up to 0.50%	Up to 0.50%	Up to 0.50%
S8	S9	S10	W	X	Z
Up to 0.50%	Up to 0.50%	Up to 0.50%	0.00%	Up to 0.50%	Up to 0.50%
<b>ETF</b>					
Up to 0.70%					

For the avoidance of doubt, no payments of fees, costs and expenses paid from the TER shall include interest and late payment charges.

\* Ongoing charges are fixed and include the Management Fee, Operating, Administrative and Servicing Expenses and any fees payable to the Shariah Committee. An additional fee of up to 0.03% may apply to Hedged Share Classes using a Shariah-compliant hedging arrangement. To preserve shareholders from fluctuations in the Sub-Fund's Operating, Administrative and Servicing expenses, the Company has agreed with the Management Company that the fee charged to cover Operating, Administrative and Servicing expenses shall not exceed, for each Share Class (with the exception of W), 0.15% of the net asset value of the relevant Share Class. The fee cap will be reviewed on an annual basis by the Management Company. The excess of such expenses above such annual percentage will be borne by the Management Company or its affiliates, and equally the Management Company or its affiliates may retain any surplus.

For further information, please refer to the "Fees, Charges and Expenses" Section of the Prospectus.

## INDEX DESCRIPTION

*This section is a summary of the principal features of the Index and is not a complete description of the Index.*

### General

The Index is designed to measure the performance of global Islamic fixed income securities, also known as Sukuk. The Index covers US Dollar denominated, Investment Grade Sukuk that are Shariah-compliant and issued in the global markets. Screening of the Shariah compliance of global Sukuk is based on the methodology of IdealRatings. Private placements and fixed-rate perpetual bonds are excluded from the Index. Only Sukuk with a maturity of 1 year and above are eligible for investment. The currency of the Index is USD and returns are unhedged.

The fixed income securities included in the Index are deemed to be compliant with Shariah principles by IdealRatings. IdealRatings' Shariah compliance screening service has been reviewed and approved by Shariah scholars and advisors globally. Compliance with Shariah principles is reviewed on a monthly basis. For any changes as a result of market changes or other events (e.g., de-listing, bankruptcy, corporate actions), the Investment Manager is responsible for ensuring the Sub-Fund undertakes the required changes to its Investments in line with the Index.

The Index is based on the FTSE IdealRatings Broad US Dollar Sukuk Index Series that provides a broad measure of the performance of US Dollar denominated Sukuk issued in the global markets with at least 1 year to maturity. Classification of an instrument as a Sukuk for purposes of index inclusion is



based on the research methodology of IdealRatings. The IdealRatings methodology incorporates more than 150 Shariah standards to assign a pass / fail score based on a pre-determined threshold and mandatory standards set by IdealRatings.

The Index is priced daily, except on market holidays, using Refinitiv pricing service. The Index is measured by total return, is market capitalisation weighted and is rebalanced monthly.

### **Publication of the Index**

Further information about the Index, its composition, calculation and rules for periodical review and about the general methodology behind the FTSE indices can be found on <https://www.ftserussell.com/products/indices/thematic-and-alternatively-weighted-fixed-income-indexes>.

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.