

HSBC UCITS ADVANTEDGE PLC

An open-ended umbrella investment company with segregated liability between sub-funds.

The Company is incorporated with limited liability as an open-ended umbrella investment company with variable capital under the laws of Ireland with registered number 474507 and authorised under the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended).

ADDENDUM TO THE PROSPECTUS DATED 2 MARCH 2020

The Directors of the Company, whose names appear in the Prospectus, accept responsibility for the information contained in this Addendum. To the best of the knowledge and belief of the Directors (who have all taken reasonable care to ensure such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

Words and expressions defined in the Prospectus, shall, unless the context otherwise requires, have the same meaning when used in this Addendum. For the purposes of interpretation, in the event of any conflict between this Addendum and the Prospectus, any such conflict shall be resolved in favour of this Addendum.

IMPORTANT: If you are in any doubt about the content of this Addendum, you should consult your stockbroker, bank manager, solicitor, accountant or other financial advisor.

DATED: 2 MARCH 2021

The purpose of this Addendum is to update the Prospectus to address Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (as amended) ("**SFDR**").

AMENDMENTS TO THE PROSPECTUS

1 DEFINITIONS

1.1 The following definitions shall be inserted in the Prospectus in the section entitled "Definitions":

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| "SFDR | Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (as amended); |
| Sustainability Factors | environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters; |
| Sustainability Risk | an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investments made by a Fund;" |

2 PART ONE

1.1. The following disclosure shall be inserted in the Prospectus as a new sub-section in Part One after sub-section 1.14 entitled "European Benchmarks Regulation":

"1.15 Compliance with SFDR

Pursuant to SFDR, the Management Company is required to disclose in the prospectus of the Company the manner in which Sustainability Risks are integrated into the investment process and the results of the assessment of the likely impacts of Sustainability Risks on the investment returns.

The Investment Manager believes that Sustainability Risks can materialise in various forms for companies or governments including (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.

As the Fund does not generally invest directly into company and government issued securities, and instead holds a diversified portfolio of shares and units in collective investment schemes, these Sustainability Risks may be harder to factor. As a result, at the time of writing, no readily available environmental, social or governance (**ESG**) risk integration methodology can apply.

The Investment Manager is committed to responsible investing and the protection of Shareholders' interests, along with the Company and the Management Company, and is therefore developing a proprietary ESG risk framework to be used when investing in and managing such a portfolio of shares and units in collective investment schemes. ESG risk considerations will be factored into alternative investment decisions once this process has been finalized. It is expected that the resultant ESG risk framework will, to the extent possible, mitigate the potential impacts of Sustainability Risks on the returns of the Fund.

At the date of this Prospectus, the Investment Manager continues to review and consider its obligations with respect to whether it considers principal adverse impacts of investment decisions on Sustainability Factors as set out in Article 4 of SFDR. In particular, the Investment Manager awaits further consultation and/or guidance on the Level 2 regulatory technical standards (the **RTS**), and the finalisation of the RTS, which are expected to enter into force during 2022. The decisions and disclosures in relation to Articles 4 and 7 of SFDR will be made taking into account the deadlines of SFDR and similarly any disclosures will be included in a future version of the Prospectus and/or published on the website of HSBC Global Asset Management, as required."