

Prospective investors should review this Prospectus carefully and in its entirety and 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 Prospectus.

The Company and the Directors whose names appear in the section entitled “**Management and Administration**” accept responsibility for the information contained in this document. To the best of the knowledge and belief of Company and the Directors (who have taken all reasonable care to ensure that 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 importance of such information. The Company and the Directors accept responsibility accordingly.

HSBC ETFs PLC

(An umbrella fund, with segregated liability between sub-funds, incorporated as a variable capital investment company in Ireland with registration number 467896 on 27 February 2009)

PROSPECTUS

24 October 2025

This Prospectus describes HSBC ETFs PLC (the “**Company**”), an investment company with variable capital incorporated in Ireland as a public limited company. The Company is constituted as an umbrella fund, with segregated liability between sub-funds, insofar as the share capital of the Company will be divided into different series of Shares with each series of Shares representing a portfolio of assets, which will comprise a separate fund. Shares of any particular series may be divided into different Classes to accommodate different dividend and/or charges and/or fee arrangements and/or currencies including different total expense ratios. The portfolio of assets maintained for each series of Shares and comprising a Fund will be invested in accordance with the investment objectives and policies applicable to such Fund as specified in the relevant Fund Supplement.

The Company is authorised by the Central Bank of Ireland as an Undertaking for Collective Investment in Transferable Securities under the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended). **The authorisation of the Company by the Central Bank shall not constitute a warranty as to the performance of the Company and the Central Bank shall not be liable for the performance or default of the Company. Authorisation of the Company by the Central Bank is not an endorsement or guarantee of the Company by the Central Bank nor is the Central Bank responsible for the contents of this Prospectus.**

Appendix A lists the current Funds of the Company and the primary stock exchanges on which the ETF Shares of each Fund are listed or in respect of which it is proposed that an application will be made for listing.

Investors should be aware that investment in the Company carries with it the potential for above average risk and is only suitable for people who are in a position to take such risks. The price of Shares may fall as well as rise, and investors may not get back any of the amount invested. The difference at any one time between the issue and repurchase price of Shares due to applicable sales charges (if any) means that an investment in the Company should be viewed as medium- to long-term. Investment in the Company should not constitute a substantial proportion of an investor’s portfolio and may not be appropriate for all investors. Risk factors for an investor to consider are set out in the section entitled “Risk Factors” below.

UK-based investors are advised that they may not be protected by the Financial Services Compensation Scheme (the “FSCS”), which covers business conducted by firms authorised by the Financial Conduct Authority. Further details of the FSCS can be obtained from <https://www.fscs.org.uk/>.

Information regarding the environmental and / or social characteristics of Funds which are subject to Article 8 of SFDR or the sustainable investment objective subject to Article 9 of SFDR is available in the relevant Annex for the Fund.

This Prospectus does not constitute, and may not be used for, a solicitation of an offer to purchase Shares by any “US Person”. The Directors will decline to register a subscription request or transfer of Shares if the offer is made on behalf of or by a “US Person”. Prospective investors should read the section “Transfer of Shares”, “Subscriptions by and Transfers to US Persons” for more information. When the Company becomes aware that a Shareholder is (a) US Person or is holding Shares for the account or benefit a US Person, the Directors will direct the Shareholder to dispose of the Shares, Prospective investors should read the section “Mandatory Redemption of Shares” for more information.

The PRIIPs KID or, if applicable, the UCITS KIID, the latest annual and any semi-annual reports of the Company are available at the registered office of the Company and will be sent to investors upon request. Such reports shall be deemed to form part of this Prospectus.

The PRIIPs KID(s)/UCITS KIID(s), as applicable, are available on <http://www.etf.hsbc.com>. Before subscribing to any Class and to the extent required by local laws and regulations each investor shall consult the PRIIPs KID or, if applicable, UCITS KIID. Investors may download the PRIIPs KID(s)/UCITS KIIDs(s), as applicable, on the website mentioned above or obtain them in paper form or on any other durable medium agreed between the Company or the intermediary and the investor.

HSBC Holding Plc ("**HSBC**") is regulated by the Federal Reserve in the United States as a Financial Holding Company ("**FHC**") under the Bank Holding Company Act (including the rules and regulations promulgated thereunder) ("**BHCA**"). As an FHC, the activities of HSBC and its affiliates are subject to certain restrictions imposed by the BHCA. Although it does not own a majority of the outstanding shares of the Company (the "**Board**" or the "**Directors**"), given, among other factors, the composition of the Board of Directors of the Company, HSBC may be deemed to "control" the Company within the meaning of the BHCA.

Accordingly, the BHCA may restrict the transactions and relationships between the Management Company, the Investment Manager, the Directors, HSBC and their affiliates, on the one hand, and the Company, on the other hand, and may restrict the investments and transactions by, and the operations of, the Company. For example, the BHCA may, among other things (i) restrict a Fund's ability to make certain investments or the size of certain investments and (ii) impose a maximum holding period on some or all of the investments of a Fund. In addition, the BHCA may require aggregation of the positions owned, held or controlled by related entities for the determination of the control concept.

Therefore, in certain circumstances positions held by HSBC and its affiliates (including the Investment Manager) for client and proprietary accounts may need to be aggregated with positions held by each Fund. In this case, where BHCA imposes a cap on the amount of a position that may be held, HSBC may utilize available capacity to make investments for its proprietary accounts or for the accounts of other clients, which may require a Fund to limit and/or liquidate certain investments, provided that any such liquidation would be executed in compliance with applicable law and in a manner consistent with the best interests of the shareholders of each Fund. Investors should also refer to the Section: "Statutory and General Information: Conflicts of Interest".

These restrictions may materially adversely affect a Fund by, among other things, affecting the Investment Manager's ability to trade in certain securities if such securities are subject to the BHCA trading limitations discussed above or imposing additional restrictions on the Fund. Moreover, there can be no assurance that the bank regulatory requirements applicable to HSBC and the Company as the case may be, will not change, or that any such change will not have a material adverse effect on the investments and/or investment performance of a Fund. Subject to applicable law, HSBC and the Company may in the future, undertake such actions as they deem reasonably necessary (consistent with the best interests of the shareholders of a Fund) in order to reduce or eliminate the impact or applicability of any bank regulatory restrictions on (i) HSBC or (ii) the Company and a Fund.

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SUMMARY

This summary should be read as an introduction to this Prospectus and any decision to invest in the Shares should be based upon consideration of the Prospectus as a whole.

Appendix A lists the current Funds of the Company and the primary stock exchanges on which the ETF Shares of each Fund are listed or in respect of which it is proposed that an application will be made for listing. Other stock exchanges may be selected by the Directors as they may determine from time to time. Appendix B lists the current Paying Agents appointed by the Management Company on behalf of the Company and to disclose the name, address and jurisdiction of each Paying Agent so appointed. Appendix C lists the current sub-custodians appointed by the Depositary.

Investors should be aware that investment in the Company carries with it the potential for above average risk and is only suitable for people who are in a position to take such risks. The price of Shares may fall as well as rise, and investors may not get back any of the amount invested. The difference at any one time between the issue and repurchase price of Shares due to applicable sales charges (if any) means that an investment in the Company should be viewed as medium to long-term. Investment in the Company should not constitute a substantial proportion of an investor's portfolio and may not be appropriate for all investors.

UK-based investors are therefore advised that they may not be protected by the FSCS, which covers business conducted by firms authorised by the Financial Conduct Authority. Further details of the FSCS can be obtained from www.fscs.org.uk

Civil liability will attach to the persons who are responsible for this summary, including any translation thereof, in such member state but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this document. Where a claim relating to the information contained in this document is brought before a court in a member state of the European Economic Area, the claimant may, under the national legislation of that member state where the claim is brought, be required to bear the costs of translating this document before the legal proceedings are initiated.

Introduction

The Company is an investment company with variable capital incorporated in Ireland as a public limited company. The Company is constituted as an umbrella fund, with segregated liability between sub-funds, insofar as the share capital of the Company will be divided into different series of Shares with each series of Shares representing a portfolio of assets, which will comprise a separate fund. Shares of any particular series may be divided into different Classes to accommodate different dividend and/or charges and/or fee arrangements and/or currencies including different total expense ratios. The portfolio of assets maintained for each series of Shares and comprising a Fund will be invested in accordance with the investment objectives and policies applicable to such Fund as specified in the relevant Fund Supplement.

The Company

HSBC ETFs PLC is an open-ended investment company with variable capital which was incorporated in Ireland on 27 February 2009 under registration number 467896 and authorised by the Central Bank as a UCITS pursuant to the UCITS Regulations on 15 June 2009.

The object of the Company is the collective investment in transferable securities and/or other liquid financial assets of capital raised from the public, operating on the principle of risk spreading in accordance with the UCITS Regulations.

The Company has been structured as an umbrella fund with segregated liability between sub-funds, in that the Directors may from time to time, with the prior approval of the Central Bank, issue different series of Shares representing separate portfolios of assets. **While the Directors may issue ETF Shares and Non-ETF Shares in the same Fund, Non-ETF Shares will not be issued in any Fund with exposure to US equity securities regardless of the level of that Fund's exposure to such securities.** The assets of each Fund will be invested in accordance with the investment objective and

policies applicable to such Fund as disclosed in this Prospectus and the relevant Fund Supplement.

Summary of Funds' Investment Objective, Policy and Restrictions

The Company has been established for the purpose of investing in transferable securities in accordance with the UCITS Regulations. The investment objectives and policies for each Fund will be set out in the relevant Fund Supplement.

The assets of each Fund will be invested in accordance with the investment restrictions contained in the UCITS Regulations which are summarised in “**Investment Restrictions**” below and such additional investment restrictions, if any, as may be adopted by the Directors for any Fund and specified in the relevant Fund Supplement.

Unless otherwise stated in the Fund Supplement, each Fund will seek to replicate the performance of an Index while minimising as far as possible the tracking error between the Fund's performance and that of the Index. Each Fund that seeks to track an index will seek to achieve this objective by holding a portfolio of Index Securities. Any change in the investment objectives and any material change in the investment policies of a Fund will require approval by ordinary resolution of the Shareholders in that Fund.

Changes to the composition and/or weighting of the securities constituting the Index which is tracked by a Fund will ordinarily require that Fund to make corresponding adjustments or rebalancings to its investments in order to seek to track the Index.

The Investment Manager will rely solely on each Index Provider for information as to the composition and/or weighting of the Index Securities within each Index. If the Investment Manager is unable to obtain or process such information in relation to any Index on any Business Day, then the most recently published composition and/or weighting of that Index will be used for the purpose of all adjustments.

Notwithstanding the foregoing provisions, the Directors may establish Funds that will seek to track an Index by investing in financial derivative instruments or by investing in a combination of Index Securities, transferable securities other than Index Securities and financial derivative instruments. The Directors may also establish Funds that will not seek to track an Index. In each case, information in relation to the proposed investment strategy will be set out in the relevant Fund Supplement.

Where set out in the relevant Fund Supplement, a Fund (the “Investing Fund”) may invest in the Shares of another Fund (the “Target Fund”) provided that the Target Fund does not hold Shares in other Funds in the Company. Where such an investment is made, the Target Fund may not charge subscription, conversion or redemption fees to the Investing Fund. The annual management fee levied on the shares held by the Investing Fund in the Targeted Fund cannot be greater than the annual management fee of the Investing Fund in itself.

Subscriptions Valuation and Redemption of Shares

The Directors may issue Shares of any Class in the Company, and create new Classes of Shares in the Company, on such terms as they may from time to time determine. Shares of any particular Fund may be divided into different Classes to accommodate different dividend provisions and/or charges and/or fee arrangements and/or currencies including different total expense ratios. The price at which Shares in any Fund are initially issued will be specified in the relevant Fund Supplement and, thereafter, Shares will be issued at the Net Asset Value per Share.

Shareholders may request the Company to redeem their Shares on any Dealing Day at their Net Asset Value per Share on such Dealing Day in accordance with the redemption procedures set out in this document and the relevant Fund Supplement.

The Net Asset Value of a Fund shall be calculated by ascertaining the value of the assets of the relevant Fund and deducting from such amount the liabilities of the Fund. The Net Asset Value per Share in a Fund shall be calculated by dividing the Net Asset Value of the relevant Fund by the total number of Shares issued in respect of that Fund or deemed to be in issue as of the relevant Dealing Day.

Directed Trading

Institutional investors in ETF Shares on the primary markets may request the execution of a transaction, including, without limitation, the sale or purchase of securities on their behalf, either as part of a subscription or a redemption, in accordance with specific terms. These terms may include, without limitation, the use of a particular broker or market or other terms which are not in accordance with the standard terms on which the Investment Manager executes transactions for the Company generally, having regard to its obligation to provide best execution to the Company. Any investor wishing to instruct a transaction on such specific terms should contact the Investment Manager in good time in advance of any proposed trade date to propose the terms of such transaction, provided that neither the Company nor the Investment Manager shall be under any obligation to consent to any such proposal. Investors should note that none of the Company, the Management Company, the Investment Manager or their agents accepts any liability for any loss, damage or delay caused by compliance with any such terms agreed with an investor. Investors should also read the risk warning headed “**Directed Trading Risk**” in the section “**Risk Factors**” below.

Directors

The Directors are responsible for the determination of the Funds’ investment objectives and policies and have overall responsibility for the activities of the Company. At the date of the Prospectus, the Directors are Ms. Suzanne Williams, Ms. Eimear Cowhey, Mr. Feargal Dempsey, Mr. Peter Blessing, Mr. Anthony Jeffs and Mr. Simon Fryatt.

Management Company

The Directors have appointed HSBC Investment Funds (Luxembourg) S.A. as the management company and global distributor under the Management Agreement to be responsible on a day-to-day basis, and subject to the supervision of the Directors, for providing administration, marketing, global distribution and investment management services in respect of the Funds.

Investment Manager

The Management Company has appointed HSBC Global Asset Management (UK) Limited as the Investment Manager, with responsibility for all of the investment decisions relating to the Company’s investment portfolio.

Registrar, Transfer Agent and Administrator

The Management Company has appointed HSBC Securities Services (Ireland) DAC to act as registrar and transfer agent in respect of the Authorised Participants and administrator of the Company responsible for performing the day to day administration of the Company; for providing fund accounting for the Company, including the calculation of the Net Asset Value of the Company and the Shares.

Depository

The Company has appointed HSBC Continental Europe as Depository of its assets.

Summary of Risk Factors

Risk Factors Relating to the Company and the Shares

- The Company or, where applicable, the Management Company (out of the assets of the relevant Funds), have agreed to indemnify the Directors, the Management Company, the Investment Manager, any Distributor, the Administrator and the Depository as provided for in the relevant agreements.
- The Management Company will rely on the Investment Manager in implementing the investment strategies of the Company.

- There are certain investment risks which apply in relation to techniques and instruments which the Investment Manager may employ for efficient portfolio management purposes including, but not limited to, the techniques listed in this document.
- As the Company may provisionally allot Shares to proposed investors prior to receipt of the requisite subscription monies for those Shares the Company may suffer losses as a result of the non-payment of such subscription monies.
- There can be no certainty that there will be liquidity in the ETF Shares on any stock exchange or that the market price at which the ETF Shares may be traded on a stock exchange will be the same as or approximately equal to the Net Asset Value per Share.
- The Net Asset Value per Share will fluctuate in accordance with changes in the market value of the investments held by the relevant Fund, and with changes in the exchange rate between the currency(ies) in which the investments held are denominated and the Base Currency(ies).
- The Secondary Market price of the ETF Shares is likely to fluctuate with changes in the Net Asset Value per Share, with changes in the exchange rate between the currency(ies) in which the investments held are denominated and the currency in which the ETF Shares are traded and with supply and demand factors on the stock exchange on which the ETF Shares are traded.
- The Company is structured as an umbrella fund with segregated liability between its Funds. As a matter of Irish law, the assets of one Fund will not be available to meet the liabilities of another (a provision which also applies in insolvency and is also generally binding upon creditors).
- There can be no assurance that an Index will continue to be calculated and published on the basis described in the rules or methodology published by the Index Provider or that the Index will not be amended significantly.

Risk Factors Relating to Investments

- The investments of a Fund are subject to normal market fluctuations and the risks inherent in investment in international securities markets and there can be no assurances that appreciation will occur.
- Equity securities represent ownership interests in a company or corporation, and include common stock, preferred stock and warrants and other rights to acquire such instruments. Investments in equity securities in general are subject to market risks that may cause their prices to fluctuate over time.
- The value of the assets of a Fund may be affected by uncertainties such as international political developments, changes in government policies, taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in applicable laws and regulations.
- As a Fund may invest in markets where custodial and/or settlement systems are not fully developed, including in emerging markets, the assets of a Fund which are traded in such markets which have been entrusted to sub-custodians in circumstances where the use of such sub-custodian is necessary, may be exposed to risk in circumstances where the Depositary may have no liability.
- In certain circumstances, the Company may not be able to recover some of its assets. Such circumstances may include any acts or omissions or the liquidation, bankruptcy or insolvency of the Depositary or a sub-custodian, retroactive application of legislation and fraud or improper registration of title. An insolvency of the Depositary or a sub-custodian could cause severe disruption to a Fund's investment activity. In some circumstances, this could cause the Directors to temporarily suspend the calculation of the Net Asset Value and dealings in Shares with respect to one or more Funds.

- The Base Currency value of the investments of the relevant Fund designated in another currency may rise and fall due to exchange rate fluctuations in respect of the relevant currencies. Adverse movements in currency exchange rates can result in a decrease in return and a loss of capital.
- **Sales, redemption or transaction charges may be payable in respect of a Fund and in the short-term, these charges will have the effect of reducing the value of an investment. Accordingly, an investor should view its investment in a Fund as medium- to long-term.**
- **An investment in a Fund is not in the nature of a deposit in a bank account and is not protected by any government, government agency or other guarantee scheme which may be available to protect the holder of a bank deposit account.**
- The equity markets in different countries will have different clearance and settlement procedures and in certain markets there have been times when settlements have been unable to keep pace with the volume of transactions, thereby making it difficult to conduct such transactions.
- Whether or not a Fund is profitable, it is required to pay fees and expenses.

Particular Risks of Financial Derivative Instruments (“FDI”)

- To increase access to financial markets in which direct investment is difficult, risky or expensive, the Investment Manager may make use of FDI in a Fund’s investment program. Certain swaps, options and other FDI may be subject to various types of risks, including market risk, liquidity risk, counterparty credit risk, legal risk and operations risk. The risks associated with the use of FDI are different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments. Generally, a derivative is a financial contract the value of which depends upon, or is derived from, the value of an underlying asset, reference rate or index, and may relate to equity securities, bonds, interest rates, currencies or currency exchange rates and related indices.
- From time to time, the counterparties with which a Fund effects transactions might cease making markets or quoting prices in certain of the instruments. In such instances, a Fund might be unable to enter into a desired transaction or to enter into any offsetting transaction with respect to an open position, which might adversely affect its performance.
- There can be no assurance that the Company will be able to establish the necessary counterparty business relationships to permit it to effect transactions in the OTC markets. An inability to establish such relationships would limit its activities.
- Although the Investment Manager believes that taking exposure to underlying assets through the use of FDI will benefit Shareholders in certain circumstances there is a risk that the performance of the Fund will be imperfectly correlated with the performance which would be generated by investing directly in the underlying assets.
- Positions in futures contracts and other exchange-traded derivatives may be closed out only on an exchange which provides a Secondary Market for such futures or other exchange-traded derivatives. However, there can be no assurance that a liquid Secondary Market will exist for any particular futures contract or other exchange-traded derivatives at any specific time.

Particular Risks of OTC FDI

- In general, there is less government regulation and supervision of transactions in the over-the-counter markets than of transactions entered into on organised exchanges. In addition, many of the protections afforded to some participants on some organised exchanges, such as the performance guarantee of an exchange clearing house, might not be available in connection with transactions in OTC FDI.
- There may also be a detrimental impact on a Fund in circumstances where there has been a change in the relevant taxation legislation or practice, regarding the OTC FDI in which the Fund has invested, whereby an unforeseen tax liability may have to be borne by the Fund. In some

circumstances a change in laws and regulations and in particular a change in a local tax law could trigger additional costs that may become payable by a Fund and such costs may, in effect, apply retroactively and this could subject the Fund to charges relating to investments in warrants, notes, options and other OTC FDI made several years previously.

- OTC FDI may involve greater legal risk than exchange-traded instruments, as there may be a risk of loss if OTC FDI are deemed not to be legally enforceable or are not documented correctly.
- The Investment Manager may enter into forward contracts and options thereon on behalf of a Fund which are not traded on exchanges and are generally not regulated. There are no limitations on daily price moves of forward contracts.
- There is often no single market value for instruments such as OTC FDI.
- There is no guarantee that the investment objective of any Fund will be achieved.

RISK FACTORS

Potential investors should consider the following risk factors before investing in the Company. Additional risk factors for a Fund (if any) will be set out in the relevant Fund Supplement.

Investment in the Shares carries certain risks, which are described below. Accordingly, prospective investors should carefully consider the specific risk factors set out below in addition to the other information contained in this Prospectus before investing in any Shares. Set out below are the risk factors which the Directors currently consider to be material for potential investors in the Company. There may be additional risks of which the Directors are not currently aware and so the risks described in this Prospectus should not be considered to be an exhaustive list of the risks which potential investors should consider before investing in a Fund.

Risk Factors Relating to the Company and the Shares

Indemnification Obligations

The Company or, where applicable, the Management Company (out of the assets of the relevant Fund), has agreed to indemnify the Directors, the Management Company, the Investment Manager, any Distributor, the Administrator, the Depositary as provided for in the relevant agreements. Consequently the Company is exposed to the risk of unforeseen costs due to losses or damages suffered or incurred by the indemnified parties (including legal fees and expenses) in connection with the performance of their duties and/or the exercise of their powers under the relevant agreements. Further information in respect of such indemnities is set out in “**Management and Administration**”.

Reliance on the Investment Manager

The Management Company will rely on the Investment Manager in implementing the investment strategies of the Company. The bankruptcy or liquidation of the Investment Manager may have an adverse impact on the Net Asset Value of the relevant Fund. Investors must rely on the judgement of the Investment Manager in making investment decisions. The Investment Manager and its principals and affiliates will however devote a substantial degree of their business time to the Company’s business.

Investment Techniques

The Investment Manager may employ techniques and instruments for efficient portfolio management purposes including, but not limited to, the techniques set out in “**Portfolio Investment Techniques**”. To the extent that the Investment Manager’s expectations in employing such techniques and instruments are incorrect, a Fund may suffer a substantial loss having an adverse effect on the Net Asset Value of the Shares.

Provisional Allotments

As the Company may provisionally allot Shares to proposed investors prior to receipt of the requisite subscription monies for those Shares the Company may suffer losses as a result of the non-payment of such subscription monies, including, for example, the administrative costs involved in updating the records of the Company to reflect Shares allotted provisionally which are not subsequently issued.

The Company will attempt to mitigate this risk by obtaining an indemnity from investors, however, there is no guarantee that the Company will be able to recover any relevant losses pursuant to such indemnity.

Secondary Market Trading Risk

It is intended that the ETF Shares will be listed and traded on one or more Listing Stock Exchanges. However, there can be no certainty that there will be liquidity in the ETF Shares on any stock exchange or that the market price at which the ETF Shares may be traded on a stock exchange will be the same as or approximately equal to the Net Asset Value per Share. In addition, there can be no guarantee that the ETF Shares will continue to be listed on a Listing Stock Exchange or that the conditions of listing will not change.

Trading in ETF Shares on a Listing Stock Exchange may be suspended due to market conditions or otherwise in accordance with the rules of the relevant Listing Stock Exchange. If trading on a Listing Stock Exchange is suspended, investors in ETF Shares may not be able to sell their ETF Shares until trading resumes.

ETF Shares purchased on the Secondary Market cannot usually be sold directly back to the Company. Investors must buy and sell ETF Shares on the Secondary Market with the assistance of an intermediary (e.g. a stockbroker) and may incur fees for doing so. In addition, investors may pay more than the current Net Asset Value per ETF Share when buying ETF Shares and may receive less than the current Net Asset Value per Share when selling them.

Risk of Fluctuation of Net Asset Value and Trading Prices on the Secondary Market

The Net Asset Value per Share will fluctuate in accordance with changes in the market value of the investments held by the relevant Fund, and with changes in the exchange rate between the currency(ies) in which the investments which the relevant Fund holds are denominated and the Base Currency(ies). Investors are reminded that, even though the Net Asset Value per Share may be converted and reported in a currency denomination other than the Base Currency, there is no assurance that such converted amount can actually be achieved. Depending on an investor's currency of reference, currency fluctuations may adversely affect the value of an investment in one or more of the Funds. The publication of the Net Asset Value per Share for each Fund is for information purposes only, and is not an invitation to subscribe, redeem or convert Shares at the published Net Asset Value per Share.

The Secondary Market price of the ETF Shares is likely to fluctuate with changes in the Net Asset Value per Share, with changes in the exchange rate between the currency(ies) in which the investments held by the relevant Fund are denominated and the currency in which the ETF Shares are traded and with supply and demand factors on the stock exchange on which the ETF Shares are traded. The Company cannot predict the price at which the ETF Shares will trade and this may differ from the Net Asset Value per Share (when converted to the currency in which the ETF Shares are traded). Price differences may be due, in large part, to the fact that supply and demand forces in the Secondary Market for the ETF Shares of any Fund will be closely related, but not identical, to the same forces influencing the prices of the relevant Index Securities.

The Net Asset Value per Share and the Secondary Market price of ETF Shares are expected to track each other through arbitrage. An Authorised Participant or other professional investor in calculating the price at which it would be willing on the Secondary Market to sell the ETF Shares of a Fund (known as the offer price), or to buy such ETF Shares (known as the bid price), will take account of the notional price at which it could purchase (when selling ETF Shares), or sell (when buying ETF Shares), the requisite amounts of the relevant Index Securities in respect of one or more Creation and Redemption Unit(s) including associated transaction costs and taxes (if applicable). Where the notional price of purchasing the Index Securities corresponding to a subscription for a Creation and Redemption Unit is less, or the notional price of selling Index Securities corresponding to a redemption of a Creation and

Redemption Unit is more, than the Secondary Market price of ETF Shares in a Creation and Redemption Unit, as the case may be, then an Authorised Participant may choose to arbitrage the Fund by subscribing for or redeeming Creation and Redemption Units. The Directors believe such arbitrage will help to ensure that the deviation of the trading bid and offer price per Share from the Net Asset Value per Share (after currency conversion) is generally minimised. However, if the calculation of the Net Asset Value of a Fund is suspended, the right to redeem Shares in that Fund would ordinarily also be suspended. In the event that the Company has to suspend the subscription and/or redemption of Shares of a Fund, or if the Fund cannot trade its underlying investments, it is expected that larger discounts or premiums could arise.

Investors should be aware that on days other than Business Days or Dealing Days of a Fund when one or more Listing Stock Exchanges are trading ETF Shares but the underlying Recognised Market(s) on which the Index Securities are traded are closed, the spread between the quoted bid and offer prices in the ETF Shares may widen and the difference between the market price of an ETF Share and the last calculated Net Asset Value per Share may, after currency conversion, increase. The settlement of trades in ETF Shares on Listing Stock Exchange(s) will be through the facilities of one or more Recognised Clearing and Settlement Systems following applicable procedures which are available from the Listing Stock Exchange(s). Investors should also be aware that on such days the underlying Index value would not necessarily be calculated and available for investors in making their investment decisions because prices of Index Securities in the underlying Recognised Market(s) would not be available on such days. Nonetheless, one or more Listing Stock Exchange(s) may provide a calculation of such Index based upon trading, if any, of such Index Securities on markets other than the underlying Recognised Market(s). Further details of the Listing Stock Exchange(s) for each Fund are set out in each relevant Fund Supplement and are specified in Appendix A.

Directed Trading Risk

Investors transacting in ETF Shares on the primary market only may request the execution of a transaction, including, without limitation, the sale or purchase of securities on their behalf, in accordance with specific terms, which may include, without limitation, the use of a particular broker, counterparty or market or in any way other than in accordance with the standard terms on which the Investment Manager executes transactions for the Company generally, having regard to its obligation to provide best execution to the Company. Where such a request is agreed to, neither the Company, the Management Company nor their agents, including, for the avoidance of doubt, the Investment Manager, shall be liable for any loss, damage or delay, including any delay in effecting or failure to effect a subscription or redemption, caused by any omission, error, failed or delayed trade or settlement on the part of the investor or the designated broker or other counterparty. Should the investor or the designated broker or other counterparty default on, or otherwise fail to complete, any part of the relevant transaction, the investor shall bear all associated risks and costs and the Company shall have the right to amend the terms of the transaction (including the choice of broker) and the investor's subscription or redemption, to take into account such default and/or failure and in order to complete the transaction.

Segregated liability

The Company is structured as an umbrella fund with segregated liability between its Funds. As a matter of Irish law, the assets of one Fund will not be available to meet the liabilities of another (a provision which also applies in insolvency and is also generally binding upon creditors). Furthermore, and by operation of Irish law, any contract entered into by the Company in respect of a Fund (or Funds) will include an implied term to the effect that recourse by the contract counterparty may not be had to assets of Funds other than the Fund or Funds in respect of which the contract was entered into.

The Company is a single legal entity that may operate or have assets held on its behalf or be subject to claims in other jurisdictions that may not necessarily recognise such segregation and so, in the event an action to enforce a debt or liability of a Fund was brought against the Company in a jurisdiction other than Ireland, there remains a risk that a creditor may seek to seize or attach assets of one Fund in satisfaction of a debt or liability owed by another Fund in a jurisdiction which may not recognise the principle of segregated liability between Funds.

Cross-Class Liability Risk

Multiple Classes may be issued in relation to a Fund. These Classes may be denominated in various currencies introducing currency risk. Given that there is no legal segregation of liabilities between Classes, there may be a remote risk that, under certain circumstances, currency hedging transactions in relation to a currency hedged Class could result in liabilities which might affect the Net Asset Value of the other Classes of the same Fund.

Where the liabilities of a particular Class exceed the assets pertaining to that Class, creditors pertaining to one Class may have recourse to the assets attributable to other Classes. Although for the purposes of internal accounting, a separate account will be established for each Class, in the event of an insolvency or termination of a Fund (i.e., when the assets of a Fund are insufficient to meet its liabilities), all assets will be used to meet a Fund's liabilities, not just the amount standing to the credit of any individual Class. However, the assets of a Fund may not be used to satisfy the liabilities of another Fund.

Risk relating to Indices

An Index is generally constituted by an Index Provider pursuant to the Index Provider's own criteria or methodologies. Certain methodologies are designed to obtain an optimum return from an Index at a specific point in time and this may result in a limited increase in value of the Index.

An Index Provider normally retains discretion in relation to the methodology underlying an Index and an Index may or may not take account of fees, and, accordingly, there can be no assurance that an Index will continue to be calculated and published on the basis described in the rules or methodology published by the Index Provider or that the Index will not be amended significantly.

To meet its stated investment objective, each Fund seeks to achieve a return which corresponds generally to the price and yield performance, before fees and expenses, of the relevant Index as published by the relevant index provider. While the purpose of the Benchmarks Regulations is to ensure the integrity and accuracy of financial indices, including an Index used by a Fund, there is no assurance that the index provider will compile the Index accurately, or that the Index will be determined, composed or calculated accurately. While the index provider provides descriptions of what the Index is designed to achieve, the index provider does not provide any warranty or accept any liability in relation to the quality, accuracy or completeness of data in respect of the Index, and does not guarantee that the Index will be in line with the described index methodology.

The Investment Manager intends to manage the Funds consistently with the relevant Index and cannot provide any warranty or guarantee for index provider errors. Where errors in respect of the quality, accuracy and completeness of the data occur there is a risk that these may not be identified and corrected for a period of time, particularly where the indices are less commonly used. This means that any gains, losses or costs associated with index provider errors will be borne by the Funds and their investors. By way of an example, since the assets of the Fund are determined with regard to the relevant Index composition, there is a risk that where the Index includes securities that are not in line with the Index methodology, the Fund could hold assets which do not reflect the correct 'theoretic' index composition. This means that if there is a period where the Index composition is determined incorrectly, a Fund tracking the published Index will have market exposure to assets that should not have been included in the Index composition and the Fund may not be exposed to assets that should have been included in the Index. Where this occurs, these errors may result in a negative or positive performance impact, as well as resulting in potential additional costs resulting from the purchase/sale of the underlying assets comprising the Index, to the Funds and their investors. Investors should understand that any gains from index provider errors will be kept by the Funds and their investors and any losses resulting from index provider errors will be borne by the Funds and their investors.

In the event that an index provider error occurs meaning that the composition of the Index is incorrect, the index provider may need to carry out additional ad hoc rebalances to an Index in addition to its scheduled rebalances. Where the Index of a Fund is rebalanced and the Fund in turn rebalances its portfolio to bring it in line with the relevant Index, any transaction costs (including any capital gains tax and/or transaction taxes) and market exposure arising from such portfolio rebalancing will be borne directly by the Fund and its investors.

Reliance on Third Party Data Providers

To meet the stated investment objective and policy each Fund, the Company, the Management Company and/or the Investment Manager (together “the Parties”) may rely on financial, economic and other data made available by companies, index providers, governmental agencies, rating agencies, exchanges, professional services firms, central banks or other third party providers (the “external data providers”). This data can have a material effect on the investments held by the relevant Fund. While the Parties carry out due diligence prior to engaging any such external data providers, the Parties do not generally have the ability to independently verify any such financial, economic and/or other data and are therefore dependent on the integrity of both the external data providers and the processes by which any such data is generated. The Fund could incur unexpected costs as a result of external data provider failures of, or substantial inaccuracy in, the generation of such data, for which losses the Parties, acting in good faith, will not be held liable.

International Central Securities Depository

Investors that settle or clear through an International Central Securities Depository (“ICSD”) will not be a registered shareholders in the Company, they will hold an indirect beneficial interest in such ETF Shares. The rights of such investors, where such person is a Participant (as defined in the section “**Subscriptions, Valuations and Redemptions – Registration and Settlement of ETF Shares – International Central Securities Depository**”) in the ICSD, shall be governed by the terms and conditions applicable to the arrangement between such Participant and their ICSD and where the holder of the indirect beneficial interests in the ETF Shares is not a Participant, shall be governed by their arrangement with their respective nominee, broker or Central Securities Depository (as defined in the section “**Subscriptions, Valuations and Redemptions – Registration and Settlement of ETF Shares – International Central Securities Depository**”), as appropriate, which may be a Participant or have an arrangement with a Participant. The Company will issue any notices and associated documentation to the global paying agent (the “**Global Paying Agent**”) for onward transmission to the ICSD, with such notice as is given by the Company in the ordinary course when convening general meetings. The Global Paying Agent has a contractual obligation to relay any such notices received by it to the applicable ICSD, pursuant to the terms of its appointment by the Management Company. The applicable ICSD will in turn relay notices received from the Global Paying Agent to its Participants in accordance with its rules and procedures. The Common Depository is contractually bound to collate all votes received from the applicable ICSDs (which reflects votes received by the applicable ICSD from Participants) and the Common Depository’s Nominee is obligated to vote in accordance with such instructions. The Company has no power to ensure the applicable ICSD or the Common Depository relays notices of votes in accordance with their instructions. The Company cannot accept voting instructions from any persons other than the Common Depository’s Nominee.

Any dividends declared and any liquidation and mandatory redemption proceeds are paid by the Company to the Global Paying Agent for onward transmission to the applicable ICSD. Investors, where they are Participants, must look solely to the applicable ICSD for their share of each dividend payment or any liquidation or mandatory redemption proceeds paid by the Company or, where they are not Participants, they must look to their respective nominee, broker or Central Securities Depository (as appropriate, which may be a Participant or have an arrangement with a Participant of the applicable ICSD) for any portion of each dividend payment or any liquidation or mandatory redemption proceeds paid by the Company that relates to their investment. Investors shall have no claim directly against the Company in respect of dividend payments and any liquidation and mandatory redemption proceeds due on ETF Shares represented by the global share certificate (i.e. the certificate issued in the name of the Company or relevant clearing agent as appropriate, the “**Global Share Certificate**”), and the obligations of the Company will be discharged by payment to the applicable ICSD.

Cyber Security Risk

Security breaches of computer systems used by the Company and its service providers (such as the Management Company, Investment Manager, Administrator, Depository, sub-custodians or Authorised Participants) have the potential to cause financial losses and costs for the Company, for example disrupting or preventing trading or interfering with the administration systems used by the Company. While the Company and its service providers have established business continuity plans and other systems and procedures to minimize the impact of attempted security breaches, investors must be

aware that the risk of losses to the Company or the Funds cannot be eliminated.

Risks Associated with Umbrella Cash Accounts

The Umbrella Cash Accounts will operate in respect of the Company rather than a relevant Fund and the segregation of subscription, redemption and dividend monies from the liabilities of Funds other than the relevant Fund to which the subscription, redemption and dividend monies relate is dependent upon, among other things, the correct recording of the assets and liabilities attributable to individual Funds by or on behalf of the Company.

In the event of an insolvency of a Fund, there is no guarantee that the Fund will have sufficient monies to pay unsecured creditors (including the investors entitled to subscription, redemption and dividend monies) in full.

Monies attributable to other Funds within the Company will also be held in an Umbrella Cash Account. In the event of the insolvency of a Fund (an “**Insolvent Fund**”), the recovery of any amounts to which another Fund (the “**Beneficiary Fund**”) is entitled, but which may have transferred in error to the Insolvent Fund as a result of the operation of an Umbrella Cash Account, will be subject to applicable law and the operational procedures for the Umbrella Cash Account. There may be delays in effecting, and/or disputes as to, the recovery of such amounts, and the Insolvent Fund may have insufficient funds to repay amounts due to the Beneficiary Fund.

It is not expected that any interest will be paid on the amounts held in an Umbrella Cash Account. Any interest earned on the monies in an Umbrella Cash Account will be for the benefit of the relevant Fund to which it relates and will be allocated to the Fund on a periodic basis for the benefit of the Shareholders at the time of the allocation.

The Central Bank’s guidance on umbrella cash accounts may be subject to change and further clarification.

Risk Factors Relating to Investments

Market Risk

The investments of a Fund are subject to normal market fluctuations and the risks inherent in investment in international securities markets such as political and economic risk. There can be no assurances that appreciation in value of investments in a Fund will occur or that the objectives of any Fund will actually be achieved. Stock markets can be volatile and stock prices can change substantially. Debt securities are interest rate sensitive and may be subject to price volatility due to various factors including, but not limited to, changes in interest rates, market perception of the creditworthiness of the issuer and general market liquidity. The magnitude of these price fluctuations will be greater when the maturity of the outstanding securities is longer. Since investment in securities may involve currencies other than the Base Currency, the value of a Fund’s assets may also be affected by changes in currency rates and exchange control regulations, including currency blockage. The performance of a Fund will therefore depend in part on the ability of the Investment Manager to anticipate and respond to such fluctuations in stock prices, market interest rates and currency rates and to utilise appropriate strategies to maximise returns, while attempting to reduce the associated risks to investment capital.

Equity Securities

Equity securities represent ownership interests in a company or corporation, and include common stock, preferred stock and warrants and other rights to acquire such instruments. Investments in equity securities in general are subject to a number of factors which may include political, geographic or economic events that may cause their prices to fluctuate over time. The value of convertible equity securities is also affected by prevailing interest rates, the credit quality of the issuer and any call provisions. Fluctuations in the value of equity securities comprised in any Index, the performance of which is replicated by a Fund, would cause the Net Asset Value of the relevant Fund to fluctuate.

Political and/or Regulatory Risks

The value of the assets of a Fund may be affected by uncertainties such as international political developments, changes in government policies, taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in applicable laws and regulations.

Custodial Risk

As a Fund may invest in markets where custodial and/or settlement systems are not fully developed, including in emerging markets, the assets of a Fund which are traded in such markets which have been entrusted to sub-custodians in circumstances where the use of such sub-custodian is necessary, may be exposed to risk in circumstances where the Depositary may have no liability. Such risks include (but are not limited to): a non-true delivery versus payment settlement, poor information in relation to corporate actions, poor registration procedures that impact upon the availability of securities, lack of appropriate legal/fiscal regulation, lack of safeguards in respect of central depositories, a physical market and the circulation of poor securities. In certain circumstances, the Company may not be able to recover some of its assets. Such circumstances may include any acts or omissions or the liquidation, bankruptcy or insolvency of a sub-custodian, retroactive application of legislation and fraud or improper registration of title.

In order to provide custody and settlement facilities in all jurisdictions in which the Company may invest from time to time, the Depositary or its appointed global sub-custodian may delegate custodial functions to third parties located in jurisdictions where custodial or settlement systems do not offer the standards of protection which would normally be required by a reasonably prudent Depositary and in particular where standards and procedures prevailing among provider of postal, telecommunications, legal, custody or banking services are not in accordance with those generally accepted internationally.

The Company is subject to a number of risks relating to the insolvency, administration, liquidation or other formal protection from creditors (“Insolvency”) of its depositary and sub-custodians. These risks include without limitation: the loss of all cash held which is not recorded as belonging to the Funds; the loss of some or all of any securities held on trust which have not been properly segregated and so identified at the level of a depositary and sub-custodians (“trust assets”) or cash held by or with a depositary and sub-custodians in connection with a reduction to pay for administrative costs of an Insolvency and/or the process of identifying and transferring the relevant trust assets and/or cash for other reasons according to the particular circumstances of the Insolvency; losses of some or all assets due to the incorrect operation of the accounts by a depositary and sub-custodians; and losses caused by prolonged delays in receiving transfers of balances and regaining control over the relevant assets. An insolvency could cause severe disruption to a Fund’s investment activity. In some circumstances, this could cause the Directors to temporarily suspend the calculation of the Net Asset Value and dealings in Shares with respect to one or more Funds.

Currency Risk

The Net Asset Value per Share of a Fund will be computed in the Base Currency, whereas the investments held for the account of such Fund may be acquired in other currencies. The Base Currency value of the investments of the relevant Fund designated in another currency may rise and fall due to exchange rate fluctuations in respect of the relevant currencies. Adverse movements in currency exchange rates can result in a decrease in return and a loss of capital. The investments of each Fund may be fully hedged into its Base Currency or in the case of a Class hedged to the Class currency. Currency hedging transactions, while potentially reducing the currency risks to which a Fund or Class would otherwise be exposed, involve certain other risks, including the risk of a default by a counterparty.

Where a Fund engages in foreign exchange transactions which alter the currency exposure characteristics of its investments the performance of a Fund may be strongly influenced by movements in exchange rates as currency positions held by that Fund may not correspond with the securities positions held.

Where a Fund enters into “**cross hedging**” transactions (e.g., utilising currency different than the currency in which the security being hedged is denominated), such Fund will be exposed to the risk that changes in the value of the currency used to hedge may not correlate with changes in the value of the currency in which the securities are denominated, which could result in loss on both the hedging

transaction and the securities.

In respect of unhedged Classes of Shares, the value of a Share expressed in a class currency will be subject to exchange rate risk in relation to the underlying portfolio currencies. The hedging strategy applied to hedged Classes of Shares may vary from one Fund to another. Each Fund with currency hedged Classes of Shares will apply a hedging strategy which aims to reduce currency risk but may not totally eliminate currency exposure. Countries' currency rates may fluctuate significantly for a number of reasons, including the forces of supply and demand in the foreign exchange markets, actual or perceived changes in interest rates, and intervention (or the failure to intervene) by governments or central banks, or by currency controls or political developments in such countries.

Shareholders should also note that in respect of unhedged Classes of Shares a currency conversion will take place on subscriptions, redemptions, conversions and distributions at prevailing exchange rates.

Euro Currency Risk

Member States and European businesses and financial institutions and counterparties are currently being affected, some adversely, by severe political and economic difficulties and concerns, including in relation to sovereign and non-sovereign funding and debt. European, the International Monetary Fund and bilateral emergency funding arrangements have already been extended and/or are contemplated in respect of certain Member States and European based financial institutions.

These developments have had a negative effect in political terms and also in economic terms. Financial markets, investor sentiment and credit ratings of institutions and Member States have already been adversely affected and may continue to be so. In addition, investment activity has been affected, as has the willingness of financial institutions to extend credit.

Member States within the Euro area, and certain other Member States, are in ongoing discussions with a view to agreeing stricter financial disciplines. However, it remains unclear whether agreement on these matters will be reached, and even if reached, whether adequate measures will be adopted.

There are increasing concerns that one or more Member States within the Euro area may not be able to meet their debt obligations or funding requirements. The depressed economic environment and cost of funding may cause short and medium term budget deficits to expand in these economies, further increasing the risk of default. A sovereign default is likely to have adverse consequences for the economy of the relevant Member State and that of Europe and the wider world economy. The effect on creditors of a sovereign default is likely to be adverse.

The possibility of Member States that have adopted the Euro abandoning or being forced to withdraw from the Euro remains. It is not possible to predict accurately the precise nature of the consequences of a Member State leaving the Euro as there has been no legal framework put in place in preparation for such an event. However, it is likely that any Euro-denominated assets or obligations that the Company acquired that are converted into a new national currency would suffer a significant reduction in value if the new national currency falls in value against the Euro or other currencies. In the event of the collapse of the Euro as a currency, any Fund whose Base Currency is Euro and any Class designated in Euro would need to be re-designated into an alternative currency, as determined by the Directors, which could result in significant losses to Shareholders in the relevant Fund and/or Class.

These economic developments and their consequences both in Europe and the wider world economy, have significantly increased the risk of market disruption and governmental intervention in markets. Such disruption and intervention may result in unfavourable currency exchange rate fluctuations, restrictions on foreign investment, imposition of exchange control regulation by governments, trade balances and imbalances and social, economic or political instability.

Predicting accurately the consequences of developments of this kind is difficult. Events affecting the Euro could result in either separate new national currencies, or a new single European currency, and consequently the redenomination of assets and liabilities currently denominated in Euro. In such circumstances, there would be a definite risk of the Company's Euro-denominated investments becoming difficult to value. This could result in negative consequences for the Company including suspension of Net Asset Value valuations and, consequently, redemptions. If the redenomination of

accounts, contracts and obligations becomes litigious, difficult conflict of laws questions are likely to arise.

Adverse developments of this nature may significantly affect the value of the Company's investments. They may also affect the ability of the Company to transact business including with financial counterparties, to manage investment risk and to hedge currency and other risks affecting the portfolio and individual Classes of any Fund. Fluctuations in the exchange rate between the Euro and the US Dollar or other currencies could have a negative effect upon the performance of investments.

Investments in Other Eligible Collective Investment Schemes Risk

Where a Fund invests in one or more Eligible Collective Investment Schemes (including other Funds or schemes managed by the Investment Manager or its affiliates), it will be subject to the risks associated with the underlying collective investment schemes. The relevant Fund will not have control of the underlying investments of the collective investment schemes and there is no assurance that the investment objective and strategy of the underlying collective investment schemes will be successfully achieved which may have a negative impact on the Net Asset Value of the Fund.

As a shareholder of a collective investment scheme, a Fund would bear, along with other shareholders, its pro rata portion of the expenses of the other collective investment scheme, including management and/or other fees. These fees would be in addition to the management fees and other expenses which a Fund bears directly in connection with its own operations. The relevant Fund will be responsible for paying its fees and expenses regardless of the level of its profitability.

There is also no guarantee that underlying collective investment schemes will have sufficient liquidity to meet a Fund's redemption requests as and when made.

Transaction Charges

Sales, redemption or transaction charges may be payable in respect of a Fund if specified in the section entitled "**Fees and Expenses**". In the short-term, these charges will have the effect of reducing the value of an investment. Accordingly, an investor should view its investment in a Fund as medium- to long-term.

No Investment Guarantee equivalent to Deposit Protection

An investment in a Fund is not in the nature of a deposit in a bank account and is not protected by any government, government agency or other guarantee scheme which may be available to protect the holder of a bank deposit account.

Settlement Risk of Assets Within a Fund

The equity markets in different countries will have different clearance and settlement procedures and in certain markets there have been times when settlements have been unable to keep pace with the volume of transactions, thereby making it difficult to conduct such transactions. Delays in settlement could result in temporary periods when assets of a Fund are uninvested and no return is earned thereon. The inability of a Fund to make intended purchases due to settlement problems could cause it to miss attractive investment opportunities. Inability to dispose of portfolio securities due to settlement problems could result either in losses to a Fund due to subsequent declines in value of the portfolio security or, if it has entered into a contract to sell the security it could result in a possible liability of it to the purchaser.

Where cleared funds are not received in a timely fashion in respect of a subscription, overdraft interest may be incurred. Losses could be incurred where the Investment Manager has entered into a contract to purchase securities in anticipation of subscription monies which subsequently do not settle, due to subsequent declines in the value of the portfolio security upon disposal.

Fees and Expenses

Whether or not a Fund is profitable, it is required to pay fees and expenses including organisation and offering expenses, brokerage commissions, management, administrative and operating expenses and

depository fees. A portion of these expenses may be offset by interest income.

Debt Securities Risk

Debt securities and other income-producing securities are obligations of their issuers to make payments of principal and/or interest on future dates. As interest rates rise, the values of debt securities or other income-producing investments are likely to fall. This risk is generally greater for obligations with longer maturities. Debt securities and other income-producing securities also carry the risk that the issuer or the guarantor of a security will be unable or unwilling to make timely principal and/or interest payments or otherwise to honour its obligations. This risk is particularly pronounced for lower-quality, high-yielding debt securities.

Additional general risks that may be part of debt securities include the following:

Credit Risk

The ability, or perceived ability, of the issuer of a debt security to make timely payments of interest and principal on the security will affect the value of the security. It is possible that the ability of an issuer to meet its obligations will decline substantially during the period when a Fund owns securities of that issuer or that the issuer will default on its obligations. An actual or perceived deterioration of the ability of an issuer to meet its obligations will likely have an adverse effect on the value of the issuer's securities. With certain exceptions, credit risk is generally greater for investments issued at less than their face values and that require the payment of interest only at maturity rather than at intervals during the life of the investment. Credit rating agencies base their ratings largely on the issuer's historical financial condition and the rating agencies' investment analysis at the time of rating. The rating assigned to any particular investment does not necessarily reflect the issuer's current financial condition and does not reflect an assessment of an investment's volatility or liquidity. Although investment-grade securities generally have lower credit risk than securities rated below investment grade, they may share some of the risks of lower-rated investments, including the possibility that the issuers may be unable to make timely payments of interest and principal and thus default. Consequently, there can be no assurance that investment grade securities will not be subject to credit difficulties leading to the loss of some or all of the sums invested in such securities.

Extension Risk

During periods of rising interest rates, the average life of certain types of securities may be extended because of slower-than-expected principal payments. This may lock in a below-market interest rate, increase the security's duration, and reduce the value of the security. Extension risk may be heightened during periods of adverse economic conditions generally, as payment rates decline due to higher unemployment levels and other factors.

Income Risk

To the extent a Fund's income is based on short-term interest rates, which may fluctuate over short periods of time, income received by the Fund may decrease as a result of a decline in interest rates.

Interest Rate Risk

The values of bonds and other debt instruments usually rise and fall in response to changes in interest rates. Declining interest rates generally increase the values of existing debt instruments, and rising interest rates generally reduce the values of existing debt instruments. Interest rate risk is generally greater for investments with longer durations or maturities and may also be greater for certain types of debt securities such as zero coupon and deferred interest bonds. Interest rate risk also is relevant in situations where an issuer calls or redeems an investment before its maturity date. See also "**Prepayment Risk**" below. Adjustable rate instruments also generally react to interest rate changes in a similar manner although generally to a lesser degree (depending, however, on the characteristics of the reset terms, including the index chosen, frequency of reset and reset caps or floors, among other factors).

Lower-Rated Securities Risk

Securities rated below investment grade (i.e., high-yield bonds or junk bonds) typically lack outstanding investment characteristics and have speculative characteristics and are subject to greater credit and market risks than higher-rated securities. The lower ratings of junk bonds reflect a greater possibility that adverse changes in the financial condition of the issuer or in general economic conditions, or an unanticipated rise in interest rates, may impair the ability of the issuer to make payments of interest and

principal. If this were to occur, the values of such securities held by a Fund may become more volatile and the Fund could lose some or all of its investment.

Prepayment Risk

A debt security held by a Fund could be repaid or “called” before the money is due, and the Fund may be required to reinvest the proceeds of the prepayment at lower interest rates and therefore might not benefit from any increase in value as a result of declining interest rates. Intermediate-term and long-term bonds commonly provide protection against this possibility, but mortgage-backed securities do not. Mortgage-backed securities are more sensitive to the risks of prepayment because they can be prepaid whenever their underlying collateral is prepaid.

Variable and Floating Rate Securities

In addition to traditional fixed-rate securities, a Fund may invest in debt securities with variable or floating interest rates or dividend payments. Variable or floating rate securities bear rates of interest that are adjusted periodically according to formulae intended to reflect market rates of interest. These securities allow the Fund to participate in increases in interest rates through upward adjustments of the coupon rates on such securities. However, during periods of increasing interest rates, changes in the coupon rates may lag the change in market rates or may have limits on the maximum increase in coupon rates. Alternatively, during periods of declining interest rates, the coupon rates on such securities readjust downward and this may result in a lower yield.

Taxation

The taxation risks associated with investment in the Shares of the Company are described in the section headed “**Taxation**” of this Prospectus.

Changes in taxation legislation

The tax information provided in the “**Taxation**” section is based, to the best knowledge of the Company, upon tax law and practice as at the date of this Prospectus and is subject to change from time to time.

Any change in taxation legislation or interpretation thereof, affecting Ireland or any jurisdiction where a Fund is registered, cross-listed, marketed or invested could affect the tax status of the Company and the relevant Fund, affect the value of the relevant Fund’s investments in the affected jurisdiction, affect the relevant Fund’s ability to achieve its investment objective, and/or alter the post tax returns to Shareholders.

Where a Fund invests in FDIs the preceding sentence may also extend to the jurisdiction of the governing law of the FDI contract and/or the FDI counterparty and/or to the market(s) comprising the underlying exposure(s) of the FDI.

The availability and value of any tax reliefs available to Shareholders depend on the individual circumstances of each Shareholder. The information in the “**Taxation**” section is not exhaustive and does not constitute legal or tax advice. Prospective Shareholders are urged to consult their tax advisors with respect to their particular tax situations and the tax effects of an investment in the Funds.

Foreign Taxes

The Company may be liable to taxes (including withholding taxes) in countries other than Ireland on income earned and capital gains arising on its investments. The Company may not be able to benefit from a reduction in the rate of such foreign tax by virtue of the double taxation treaties between Ireland and other countries. The Company may not, therefore, be able to reclaim any foreign withholding tax suffered by it in particular countries. If this position changes and the Company obtains a repayment of foreign tax, the Net Asset Value of a Fund will not be restated and the benefit will be allocated to the then-existing Shareholders rateably at the time of repayment.

Tax liability in new jurisdictions

Where a Fund invests in a jurisdiction where the tax regime is not fully developed or is not sufficiently

certain, for example the Middle East, the Company, the relevant Fund, the Investment Manager, the Depository and the Administrator shall not be liable to account to any Shareholder for any payment made or suffered by the Company or the relevant Fund in good faith to a fiscal authority for taxes or other charges of the Company or the relevant Fund notwithstanding that it is later found that such payments need not or ought not have been made or suffered.

Treatment of tax by index providers

Shareholders should be aware that the performance of Funds, as compared to an Index, may be adversely affected in circumstances where the assumptions about tax made by the relevant index provider in their index calculation methodology, differ to the actual tax treatment of the underlying securities in the Index held within Funds.

European Benchmarks Regulation

The Benchmarks Regulation ('BMR') was published in the Official Journal of the EU on 29 June 2016 and entered into force on 30 June 2016. It is directly applicable law across the EU. The majority of its provisions applied from 1 January 2018.

The BMR applies principally to benchmark administrators and also, in some respects, to contributors and certain users of benchmarks which in certain circumstances can include investment funds such as the Funds.

A benchmark will be in scope of the BMR if it is used by the Funds for tracking the return of the benchmark, or defining the asset allocation of the Fund or for computing performance fees. Any other mention of a benchmark in the Prospectus, PRIIPs KID/UCITS KIID, as applicable, and any other fund documentation, for the sole purpose of comparing past performances does not fall within the remit of the BMR.

For a benchmark to be used by an EU/EEA supervised entity including the Funds, the BMR will among other things:

- (i) require benchmark administrators domiciled in a Member State to be authorised or registered by the Member State's relevant competent authority;
- (ii) require benchmark administrators not located in a Member State, to be approved via recognition or endorsement by a Member State competent authority, unless an equivalence decision has been made by the European Commission on the jurisdictions where the benchmark administrators are located; and
- (iii) require benchmark administrators domiciled in a Member State and administering "critical benchmarks" to be authorised or registered by the Member State's relevant competent authority.

The BMR makes significant changes to the way in which benchmarks falling within its scope are governed (including reforms of governance and control arrangements, obligations in relation to input data, certain transparency and record-keeping requirements and detailed codes of conduct for contributors); and (ii) prevent certain uses of benchmarks provided by unauthorised benchmark administrators by supervised entities in the EU/EEA.

Potential effects of BMR include (among other things): an index which is a benchmark could not be used by a Fund in certain ways if such index's administrator does not obtain relevant authorisation or, the administrator is not otherwise recognised as equivalent; and the methodology or other terms of the benchmark could be changed in order to comply with the terms of the BMR, and such changes could (among other things) have the effect of reducing or increasing the rate or level, or affecting the volatility, of the published rate or level of the benchmark.

If any proposed changes change the way in which the benchmarks are calculated or a benchmark is discontinued or is not otherwise permitted to be used by the Funds, this could adversely affect a Fund and its Net Asset Value.

The European Securities and Markets Authority (ESMA) maintains two official registers of approved

benchmark administrators and approved third country benchmarks under BMR, however benchmark administrators may be taking advantage of transitional arrangements.

Status of the Benchmarks used by the Funds

At the date of this Prospectus, benchmark administrators used by the Funds that are domiciled in a Member State are authorised by their home Member State competent authority and appear on the ESMA register. Benchmark administrators used by the Funds that are not domiciled in a Member State have not yet been approved by endorsement or recognition by a Member State competent authority, are not on the ESMA register of approved benchmark administrators and their benchmarks do not appear on the ESMA register of approved third country benchmarks.

A robust written plan has been adopted by the Company to address the contingency of a benchmark changing materially or ceasing to be provided in accordance with the BMR.

Withdrawal of the UK from the EU

Following the UK Government's notification to the EU of its intention to leave the Union (i.e. "Brexit"), on 23 January 2020, the UK Government enacted the European Union (Withdrawal Agreement) Act 2020 ("WAA"). The WAA implemented the withdrawal agreement into UK law. The EU also ratified the withdrawal agreement in accordance with its procedures, with the European Parliament consenting to the withdrawal agreement on 29 January 2020.

As part of the withdrawal agreement, the UK and the EU agreed a transition period (the "**Transition Period**") in order to provide continuity and certainty.

Following the end of the Transition Period on 31 December 2020 all cross-border passporting rights to the UK for EU funds ceased; however, the UK's introduction of a Temporary Permissions Regime enables all funds that have registered into the regime to continue to be distributed in the UK and purchased by UK domiciled investors. The UK Government has brought forward domestic legislation to streamline the process to allow overseas (including EU) investment funds to be sold in the UK post-Brexit.

It is possible that ultimately there will be more divergence between UK and EU regulations which may limit the cross-border activities that can take place. As at the date of this Prospectus, the Funds continue to be recognised by the FCA and can be marketed to UK investors. The UK Government is continuing to consider regulatory changes post-Brexit. The nature and extent of such changes remain uncertain, but may be significant.

Impact of Natural or Man-Made Disasters; Disease Epidemics

Certain regions are at risk of being affected by natural disasters or catastrophic natural events. Considering that the development of infrastructure, disaster management planning agencies, disaster response and relief sources, organised public funding for natural emergencies, and natural disaster early warning technology may be immature and unbalanced in certain countries, the natural disaster toll on an individual portfolio company or the broader local economic market may be significant. Prolonged periods may pass before essential communications, electricity and other power sources are restored and operations of the portfolio company can be resumed. A Fund's investments could also be at risk in the event of such a disaster. The magnitude of future economic repercussions of natural disasters may also be unknown, may delay a Fund's ability to invest in certain companies, and may ultimately prevent any such investment entirely. Investments may also be negatively affected by man-made disasters. Publicity of man-made disasters may have a significant negative impact on overall consumer confidence which in turn may materially and adversely affect the performance of a Fund's investments, whether or not such investments are involved in such man-made disaster.

In addition, certain illnesses spread rapidly and have the potential to significantly adversely affect the global economy. Any outbreak of disease epidemics, such as the severe acute respiratory syndrome, avian influenza, H1N1/09, including most recently, the coronavirus (Covid 19), or other similarly infectious diseases, may result in the closure of a portfolio company's offices or other businesses,

including office buildings, retail stores and other commercial venues and could also result in (a) the lack of availability or price volatility of raw materials or component parts necessary to a portfolio company's business, (b) disruption of regional or global trade markets and/or the availability of capital or leverage, (c) trade or travel restrictions which impact a portfolio company's business and/or (d) a general economic decline and/or decline in the real estate market, which may have an adverse impact on a Fund's value, investments or its ability to source new investments.

Compliance with International Sanctions

The Company is required to comply with all applicable Sanctions Laws (as defined below). In order to ensure such compliance, it has adopted HSBC Group's Global Sanctions Policy. In accordance with that policy, the Administrator shall screen all subscribers of Shares and all known beneficial owners of subscribed Funds against the applicable Sanctions Laws.

In the event of a potential match, the Administrator may request a Shareholder or new applicant to provide further information needed to assess whether that person is the person flagged in the screening. If they are, the Company will not authorise any transactions; the account will be blocked and Shares frozen. In the event of an unreasonable delay in providing or failure to provide such information, the relationship with the Shareholder may be discontinued and Shareholder's holdings may be redeemed and the redemption proceeds blocked and held in an escrow account.

"Sanctions Laws" include:

- any EU regulation adopted under Article 215 of the Treaty on the Functioning of the European Union, and any legal act adopted by a Member State to implement, establish penalties in relation to or otherwise give full effect to such a regulation;
- any sanctions resolution passed pursuant to Chapter VII of the United Nations Charter by the United Nations Security Council, and any trade, financial or economic sanctions law or embargo giving legal effect to such a sanctions resolution; and
- any other trade, financial or economic sanctions law or regulation made by a relevant authority of the United States including the SDN (Specially Designated Nationals) list maintained by the Office of Foreign Asset Control of the US Department of the Treasury, the United Kingdom, the EU, the Hong Kong Monetary Authority or other applicable government, including US secondary sanctions.

Particular Risks of Financial Derivative Instruments ("FDI")

(a) General

To increase access to financial markets in which direct investment is difficult, risky or expensive, the Investment Manager may make use of FDI in a Fund's investment program. Certain swaps, options and other FDI may be subject to various types of risks, including market risk, liquidity risk, counterparty credit risk, legal risk and operations risk. In addition, swaps and other derivatives can involve significant economic leverage (although the global exposure of a Fund through the use of FDI will not exceed the Fund's Net Asset Value at any time) and may, in some cases, involve significant risks of loss.

The risks associated with the use of FDI are different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments. Generally, a derivative is a financial contract the value of which depends upon, or is derived from, the value of an underlying asset, reference rate or index, and may relate to equity securities, bonds, interest rates, currencies or currency exchange rates, commodities, and related indices. There is no assurance that any derivative strategy used by a Fund will succeed.

(b) Liquidity; Requirement to Perform

From time to time, the counterparties with which a Fund effects transactions might cease making markets or quoting prices in certain of the instruments. In such instances, a Fund might be unable to enter into a desired transaction or to enter into any offsetting transaction with respect to an open position, which might adversely affect its performance. Further, in contrast to exchange-traded instruments,

forward foreign exchange contracts do not provide a trader with the right to offset its obligations through an equal and opposite transaction. For this reason, entering into forward foreign exchange contracts, the Company may be required to and must be able to, perform its obligations under the contract.

(c) Necessity for Counterparty Trading Relationships

Participants in the over-the-counter (“OTC”) markets typically enter into transactions only with those counterparties which they believe to be sufficiently creditworthy, unless the counterparty provides margin, collateral, letters of credit or other credit enhancements. While the Investment Manager believes that the Company will be able to establish the necessary counterparty business relationships to permit it to effect transactions in the OTC markets, including the swaps markets, there can be no assurance that it will be able to do so. An inability to establish such relationships would limit its activities and could require it to conduct a more substantial portion of such activities in the futures markets. Moreover, the counterparties with which it expects to establish such relationships will not be obligated to maintain the credit lines extended to it, and such counterparties could decide to reduce or terminate such credit lines at their discretion.

(d) Correlation Risk

Although the Investment Manager believes that taking exposure to underlying assets through the use of FDI will benefit Shareholders in certain circumstances, due to reduced operational costs and other efficiencies which investment through FDI can bring, there is a risk that the performance of the Fund will be imperfectly correlated with the performance which would be generated by investing directly in the underlying assets.

(e) Futures and Other Exchange Traded Derivatives Risks

Positions in futures contracts and other exchange-traded derivatives may be closed out only on an exchange which provides a Secondary Market for such futures and other exchange-traded derivatives. However, there can be no assurance that a liquid Secondary Market will exist for any particular futures contract or other exchange-traded derivatives at any specific time. Thus, it may not be possible to close a futures position or other exchange-traded derivatives. In the event of adverse price movements, a Fund would continue to be required to make daily cash payments to maintain its required margin. In such situations, if a Fund has insufficient cash, it may have to sell portfolio securities short to meet daily margin requirements at a time when it may be disadvantageous to do so. In addition, a Fund may be required to make delivery of the instruments underlying futures contracts or other exchange-traded derivatives it holds.

The inability to close options and futures positions also could have an adverse impact on the ability to effectively hedge a Fund.

The risk of loss in trading futures contracts in some strategies can be substantial, due both to the low margin deposits required, and the extremely high degree of leverage involved in futures pricing. As a result, a relatively small price movement in a futures contract may result in immediate and substantial loss (as well as gain) to the investor. For example, if at the time of purchase, 10% of the value of the futures contract is deposited as margin, a subsequent 10% decrease in the value of the futures contract would result in a total loss of the margin deposit, before any deduction for the transaction costs, if the account were then closed out. A 15% decrease would result in a loss equal to 150% of the original margin deposit if the contract were closed out. Thus, a purchase or sale of a futures contract may result in losses in excess of the amount of investment in the contract. The relevant Fund also assumes the risk that the Investment Manager will incorrectly predict future stock market trends.

It is also possible that a Fund could both lose money on futures contracts and also experience a decline in value of its portfolio securities. There is also a risk of loss by a Fund of margin deposits in the event of bankruptcy of a broker with whom a Fund has an open position in a futures contract or related option.

Futures positions may be illiquid because certain commodity exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as “daily price fluctuation limits” or “daily limits.” Under such daily limits, during a single trading day, no trades may be executed at prices beyond the daily limits. Once the price of a particular futures contract has increased or decreased by

an amount equal to the daily limit, positions in that contract can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. It is also possible that an exchange or futures market may suspend trading in a particular contract, order immediate liquidation and settlement of a particular contract, or order that trading in a particular contract be conducted for liquidation only. This constraint could prevent the Investment Manager from promptly liquidating unfavourable positions and subject a Fund to substantial losses. This could also impair a Fund's ability to withdraw its investments in order to make distributions to a redeeming Shareholder in a timely manner. Therefore, although the Company is open to all classes of investors and while it is anticipated that these investments made by the Company on behalf of a Fund will enable it to satisfy redemption requests for that Fund, such Fund may be more suitable for sophisticated investors that will not be materially impacted by postponements of a Fund's normal redemption dates.

Particular Risks of OTC FDI

(a) Absence of Regulation; Counterparty Default

In general, there is less government regulation and supervision of transactions in the over-the-counter markets than of transactions entered into on organised exchanges. In addition, many of the protections afforded to some participants on some organised exchanges, such as the performance guarantee of an exchange clearing house, might not be available in connection with transactions in OTC FDI. Therefore, although any counterparty with whom a Fund enters into an OTC FDI transaction will be rated at or in excess of the requirements of the Central Bank by a Recognised Rating Agency and the Fund may further reduce its exposure to the counterparty through the use of collateral, the Fund will be subject to the risk that the counterparty will not perform its obligations under the transactions. In the event that the counterparty is unable or unwilling to meet its contractual liabilities, there may be a limited but detrimental impact on the Fund.

(b) Tax

There may also be a detrimental impact on a Fund in circumstances where there has been a change in the relevant taxation legislation or practice, regarding the OTC FDI in which the Fund has invested, whereby an unforeseen tax liability may have to be borne by the Fund. There is also a risk of loss due to the unexpected application of a law or regulation- and in particular a change in a local tax law that triggers additional costs that may become payable by the Fund and such costs may, in effect, apply retroactively and this could subject the Fund to charges relating to investments in warrants, notes, options and other OTC FDI made several years previously.

(c) Legal

Unlike exchange-traded options, which are standardised with respect to the underlying instrument, expiration date, contract size, and strike price, the terms of OTC FDI, are generally established through negotiation with the other party to the instrument. While this type of arrangement allows a Fund greater flexibility to tailor the instrument to its needs, OTC FDI may involve greater legal risk than exchange-traded instruments, as there may be a risk of loss if OTC FDI are deemed not to be legally enforceable or are not documented correctly.

There also may be a legal or documentation risk that the parties to the OTC FDI may disagree as to the proper interpretation of its terms. If such a dispute occurs, the cost and unpredictability of the legal proceedings required for a Fund to enforce its contractual rights may lead the Fund to decide not to pursue its claims under the OTC FDI. The Fund thus assumes the risk that it may be unable to obtain payments owed to it under OTC arrangements, that those payments may be delayed or made only after the Fund has incurred the costs of litigation.

(d) Forward Contracts

The Investment Manager may enter into forward contracts and options thereon on behalf of a Fund which are not traded on exchanges and are generally not regulated. There are no limitations on daily price moves of forward contracts. Banks and other dealers with whom a Fund may maintain accounts may require the relevant Fund to deposit margin with respect to such trading, although margin requirements are often minimal or non-existent. The Funds' counterparties are not required to continue to make markets in such contracts and these contracts can experience periods of illiquidity, sometimes

of significant duration. There have been periods during which certain counterparties have refused to continue to quote prices for forward contracts or have quoted prices with an unusually wide spread (the price at which the counterparty is prepared to buy and that at which it is prepared to sell). Arrangements to trade forward contracts may be made with only one or a few counterparties, and liquidity problems therefore might be greater than if such arrangements were made with numerous counterparties. The imposition of credit controls by governmental authorities might limit such forward trading to less than that which the Investment Manager would otherwise recommend, to the possible detriment of a Fund. Market illiquidity or disruption could result in major losses to a Fund. In addition, a Fund may be exposed to credit risks with regard to counterparties with whom they trade as well as risks relating to settlement default. Such risks could result in substantial losses to a Fund.

(e) Valuation Risk

Derivative instruments and forward exchange contracts which are not dealt on a Recognised Market shall be valued by the counterparty at least daily, provided that the valuation is verified at least weekly either by the Investment Manager or other independent party such person to be independent of the counterparty and approved for that purpose by the Depositary.

Investors should note that there is often no single market value for instruments such as OTC FDI. The discrepancies between bid offer spread on OTC FDI may be partly explained by various estimates on their pricing parameters. The Company has put procedures in place to reconcile any differences in valuation between the counterparties as well as pricing anomalies.

Securities Financing Transactions Risk

The use of securities financing transactions may result in greater returns but may generate greater risk for a Fund. Securities financing transactions create counterparty risk if the counterparty to the securities financing transaction defaults on its obligation to return assets equivalent to the ones provided to it by a Fund and liquidity risk if a Fund is unable to liquidate collateral provided to it to cover a counterparty default. Furthermore, there is a risk that cash collateral received by a Fund and invested in short term money market funds in accordance with the Central Bank UCITS Regulations may be adversely affected by negative yields.

Securities Lending Risk

A Fund may engage in a securities lending programme. In order to mitigate the credit risk exposure to the counterparties to any securities lending contract, the lending of a Fund's securities must be covered by high quality and liquid collateral received by a Fund under a title transfer arrangement with a market value at all times at least equivalent to the market value of a Fund's securities lent plus a premium. The risks of securities lending include the risk that a borrower may not provide additional collateral when required or may not return the securities when due. A default by the counterparty combined with a fall in the value of the collateral below that of the value of the securities lent may result in a reduction in the value of a Fund. To the extent that any securities lending is not fully collateralised (for example, due to timing issues arising from payment lags), a Fund will have a credit risk exposure to the counterparties to the securities lending contracts. Investors should note that a limitation on the maximum level of securities lending arrangements by a Fund, at a time when demand for securities lending exceeds those maximum levels, may reduce potential income that a Fund could achieve.

Tracking Error Risks

The tracking error is the annualised standard deviation of the difference between the returns of a Fund and the Index it is intended to track.

While a Fund, in accordance with its investment objective as set out in the relevant Fund Supplement, may seek to track the performance of its Index, whether through a replication or optimising strategy, there is no guarantee that it will achieve perfect tracking and the Fund may be subject to tracking error risk, which is the risk that its returns may, from time to time, not track exactly those of its Index.

Where a Fund offers multiple Classes of Shares, that Fund's anticipated tracking error will be represented by that of the Base Currency (unhedged) Class of Shares. Shareholders should note that

the tracking error of a Fund's Base Currency (unhedged) Class of Shares may differ to that of other Share Classes offered in the same Fund.

A series of factors may give rise to a tracking error:

- Transaction costs, operating expenses, custody costs, taxes, as a result of changes in the investments of a Fund and re-weightings of the relevant Index, corporate actions, cash flows into and out of a Fund from dividend/reinvestments and any costs and expenses which are not taken into account in the calculation of the Index.
- A Fund's inability to hold the exact constituents of its Index, for example, where there are local market trading restrictions, small illiquid components, a temporary unavailability, suspension or interruption in trading of certain securities comprising a Fund's Index, market disruptions, or in order to meet a Fund's ESG criteria or categorisations and/or where the UCITS Regulations or other legal restrictions limit exposure to the constituents of the Fund's Index.
- For Funds categorised as Article 8 or Article 9 SFDR Funds, not being able to hold a security in its Index due to having to comply with a restriction applicable to the Fund as a result of its ESG categorisation which was not applied by the Index Provider (whether intentionally or by error) to the Index as constituted by the Index Provider.
- For liquidity purposes, a Fund may hold a portion of its assets in cash and such cash holdings will not rise and fall in line with movements in its Index.
- The Company relies on Index licences granted by third party Index Providers to use and track the Index of a Fund. In the event that an Index Provider terminates or varies an Index licence, it will affect the ability of the impacted Fund to continue to use and track its Index and to meet its investment objective. In such circumstances, in order to meet its investment objective, a Fund may also gain exposure to its Index through investment in other financial instruments including FDI in accordance with the Fund's investment policy.
- Internal restrictions, such as the HSBC Global Asset Management Banned Weapons Policy (as detailed in section: INVESTMENT RESTRICTIONS - Other Restrictions)

or other market or regulatory driven trading restrictions that apply to a Fund but not the relevant Index.

Where a Fund's Index is to be rebalanced and the Fund seeks to rebalance its portfolio accordingly, the Fund may experience tracking error where the rebalancing of the Fund's portfolio does not maintain an exact or simultaneous alignment, whether on a replicating or an optimised basis, with the Index. For example, a Fund may require time to complete the implementation of its rebalance after the rebalance of its Index. In addition, a Fund which tracks an Index with ESG objectives or characteristics may experience a deviation from the ESG performance of its Index.

Regardless of market conditions, a Fund aims to track the performance of its Index and does not seek to outperform the Index.

There is no guarantee that the investment objective of a Fund will be achieved. In particular, no financial instrument enables the returns of the relevant Index to be reproduced exactly.

Risks associated with investment in the People's Republic of China

Chinese Markets Risk

Investing in emerging markets such as the PRC subjects a Fund to a higher level of market risk than investments in a developed country. This is due to, among other things, greater market volatility, lower trading volume, political and economic instability, settlement risk, greater risk of market shut down and more governmental limitations on foreign investment than those typically found in developed markets.

Investors should be aware that for more than 50 years, the Chinese government has adopted a planned economic system. Since 1978, the Chinese government has implemented economic reform measures

which emphasise decentralisation and the utilisation of market forces in the development of the Chinese economy. Such reforms have resulted in significant economic growth and social progress.

On 21 July 2005, the PRC government introduced a managed floating exchange rate system to allow the value of RMB to fluctuate within a regulated band based on market supply and demand and by reference to a basket of currencies. There can be no assurance that such exchange rate will not fluctuate widely against the USD, HKD or any other foreign currency in the future. Any appreciation of RMB will increase the value of any dividends that a Fund may receive from its PRC investments and the value of investments, which will be reported in the currency, and vice versa.

Many of the economic reforms in China are unprecedented or experimental and are subject to adjustment and modification, and such adjustment and modification may not always have a positive effect on investment in the companies in China.

The national regulatory and legal framework for capital markets and joint stock companies in China is not well developed when compared with those of developed countries.

The Shanghai and Shenzhen securities markets are in the process of development and change. This may lead to trading volatility, difficulty in the settlement and recording of transactions and difficulty in interpreting and applying the relevant regulations.

Under the prevailing tax policy in China, there are certain tax incentives available to foreign investment. There can be no assurance, however, that the aforesaid tax incentives will not be abolished in the future.

Investments in China will be sensitive to any significant change in political, social or economic policy in China. Such sensitivity may, for the reasons specified above, adversely affect the capital growth and thus the performance of these investments.

The Chinese government's control of currency conversion and future movements in exchange rates may adversely affect the operations and financial results of the companies invested in by the relevant Funds, and the abilities of such companies to make payment of dividends declared in respect of the shares in the China companies.

Accounting and Reporting Standards

PRC companies are required to follow PRC accounting standards and practice which, to a certain extent, follow international accounting standards. However, the accounting, auditing and financial reporting standards and practices applicable to PRC companies may be less rigorous, and there may be significant differences between financial statements prepared by accountants following the PRC accounting standards and practice and those prepared in accordance with international accounting standards. For example, there are differences in the valuation methods of properties and assets and in the requirements for disclosure of information to investors which may result in non-disclosure of certain material information of the investee entities the Investment Manager invest in for the account of a Fund.

As the disclosure and regulatory standards in China are less stringent than in more developed markets, there might be substantially less publicly available information about Chinese issuers. Therefore, disclosure of certain material information may not be made, and less information may be available to the Investment Manager and other investors.

Taxation in the PRC

The Investment Manager may decide to make or not to make any tax provisions in respect of a Fund. Even if tax provisions are made, such provisions may be more than or less than a Fund's actual PRC tax liabilities and it is possible that such tax provisions made by the Investment Manager may be insufficient. In case of a difference between a Fund's provision for taxes and its actual PRC tax liabilities, the relevant amounts shall be credited to or debited from the Fund's assets (as the case may be). As a result, the income from, and/or the performance of, the relevant Fund may/may not be adversely affected and the impact/degree of impact on individual shareholders of the Fund may vary, depending on factors such as the level of the Fund's provision for taxes (if any) and the amount of the difference at the relevant time and when the relevant Shareholders subscribed for and/or redeemed their Shares in the Fund.

Any tax provision, if made by the Investment Manager, will be reflected in the NAV of the relevant Fund at the time of debit or refund and thus will only impact on Shares which remain in such Fund at that time. Shares which are redeemed prior to such time will not be affected by any debit of insufficient tax provisions. Likewise, such Shares will not benefit from any refund of excess tax provisions. Investors should note that no shareholders who have redeemed their Shares in a Fund before the distribution of any excess provision shall be entitled to claim in whatsoever form any part of the withholding amounts distributed to the Fund, which amount would be reflected in the value of Shares in the Fund. In the event the Investment Manager considers it necessary to adopt any tax provision (whether in respect of the PRC Enterprise Income Tax Law or any other applicable tax regulation/laws in the PRC) on a retrospective basis, the prevailing and/or future NAV of the Fund may be negatively impacted. The magnitude of such potential negative impact on the performance of the relevant Fund may not correspond to the gains over an investor's holding period due to the retrospective nature.

The Investment Manager will review and make adjustments to its tax provision policy as and when it considers necessary from time to time and as soon as practicable upon issuance of further notices or clarification issued by the PRC tax authority in respect of the application of the PRC Enterprise Income Tax and/or any other applicable tax regulations/laws and the respective implementation rules.

There is a possibility that the current tax laws, rules, regulations and practice in Mainland China and/or the current interpretation or understanding thereof may change in the future and such change(s) may have retrospective effect. A Fund could become subject to additional taxation that is not anticipated as at the date hereof or when the relevant investments are made, valued or disposed of. Any increased tax liabilities on the relevant Fund may adversely affect the Fund's net assets and may reduce the income from, and/or the value of, the relevant investments in the Fund.

Direct investment in China A-shares via Stock Connects

On 14 November 2014, the PRC Ministry of Finance, State Administration of Taxation (the "SAT") and CSRC jointly published a notice in relation to the taxation rule on the Shanghai Stock Connect under Caishui 2014 No.81 ("Notice No. 81"). Under Notice No.81, Corporate income tax, individual income tax and business tax will be temporarily exempted on gains derived by Hong Kong and overseas investors (such as a Fund) on the trading of China A-shares through Shanghai Stock Connect with effect from 17 November 2014. However, Hong Kong and overseas investors (such as a Fund) are required to pay tax on dividends and/or bonus shares at the rate of 10% which will be withheld and paid to the relevant authority by the listed companies. Where a Hong Kong investor is a tax resident of another country, the income tax rate on dividend and/or bonus shares at 10% may apply for a reduced tax rate according to tax treaty entered between the country and PRC. Pursuant to the notice Caishui [2016] No. 36 ("Notice No. 36") issued jointly by the SAT and the Ministry of Finance in March 2016 effective from 1 May 2016, PRC Value-added Tax ("VAT") replaced PRC Business Tax ("BT") to cover all sectors that used to fall under the PRC BT. Gains derived by Hong Kong Market investors from trading of China A-shares listed on the Shanghai Stock Exchange are exempted from VAT.

In addition, pursuant to the "Circular on the Taxation Policy of the Pilot Programme for the Mutual Stock Market Access between Shenzhen and Hong Kong Stock Markets" notice Caishui 2016 No.127 promulgated by the Ministry of Finance, the SAT and the CSRC on 5 November 2016, under the BT to VAT transformation pilot program, gains derived by Hong Kong Market investors from trading of China A-shares listed on the Shenzhen Stock Exchange will also be exempted from VAT.

Based on notices above and based on professional and independent tax advice, a Fund will not make any tax provision on gross realised or unrealised capital gains derived from trading of China A-shares via Shanghai and Shenzhen Stock Connects. A Fund may further modify their tax provision policies based on new developments and interpretation of the relevant PRC tax regulations/laws in the PRC.

Indirect investment in China A-shares via CAAPs

On 14 November 2014, the PRC Ministry of Finance, the SAT and CSRC jointly published a notice in relation to the taxation rule on RQFII under Caishui 2014 No.79 ("**Notice No. 79**"). Under Notice No.79, (i) Corporate income tax, will be temporarily exempted on gains derived by RQFIIs from the transfer of domestic shares and other equity interest investment in China with effect from 17 November 2014; and

(ii) corporate income tax shall be imposed on such gains earned by RQFIs before 17 November 2014 in accordance with the tax laws. The relevant dividends and/or bonus shares derived by RQFIs are subject to tax at 10% (unless exempt or reduced under specific tax circulars or relevant tax treaty), which will be withheld and paid to the relevant authority by the listed companies.

Notice No. 79 is applicable for RQFIs without any establishment or place in China or the income derived by the RQFIs are not effectively connected with their establishment or place in China.

Also pursuant to Notice No. 36 and No.70, gains derived by RQFII from securities trading carried out domestically are exempted from VAT.

Based on notices above and based on professional and independent tax advice, a Fund will not make any tax provision on gross realised or unrealised capital gains derived from trading of China A-shares via CAAPs issued by RQFII license holders. A Fund may further modify its tax provision policy based on new developments and interpretation of the relevant PRC tax regulations/laws in the PRC.

Direct investment in fixed income securities via Bond Connect

Corporate Income Tax ("CIT") - Currently, in respect of debt securities, except for interests derived from government bonds and local government bonds which are exempt from PRC CIT, a 10% withholding income tax is technically payable on interests derived from fixed income instruments issued and borne by PRC resident corporate entities (including those issued and borne by foreign enterprises but deemed as PRC tax resident) by a foreign investor which is deemed as a non-resident enterprise without permanent establishment in China for PRC CIT purposes. The entity distributing such interests is required to withhold such tax. If the foreign corporate investor is a tax resident of a country that has signed a tax treaty with China with a reduced treaty rate on interest income, it may submit a self-claim form (called record filing form) to enjoy the reduced PRC CIT rate under the tax treaty however, this is subject to post-submission review and discretion by the in-charge PRC tax authority.

Pursuant to Notice No. 36, interest income derived from bonds issued by PRC resident companies should technically be subject to 6% VAT plus surcharges from 1 May 2016, unless specifically exempted. Interest received from PRC government bonds and local government bonds are exempt from VAT.

Before the full transformation of BT to VAT, there was a lack of clarity under BT regulations but the SAT has interpreted that such interest income should be technically subject to 5% BT. However, in practice, the PRC tax authorities did not enforce the collection of BT. Under the VAT regime, Notice No. 36 provides that the PRC payer of such interest shall withhold VAT when paying such interest to non-resident recipients. However, in practice, the PRC payers have not withheld VAT and the PRC tax authorities have not enforced the collection of VAT on such interest. In November 2018, the Ministry of Finance ("**MOF**") and the State Taxation Administration of the People's Republic of China ("**STA**") jointly issued [Caishui [2018] No. 108] ("**Circular 108**") which provides that foreign institutional investors are exempted from Mainland China CIT in respect of bond interest income received from 7 November 2018 to 6 November 2021 from investments in the Mainland China onshore bond market. Then in November 2021 MOF and STA issued Public Notice ("PN") 34 to extend the tax exemption to 31 December 2025.

Capital gains - There are no specific tax rules governing the PRC CIT on capital gains derived by foreign investors from the trading of debt securities in the PRC.

On 8 November 2017, the People's Bank of China ("**PBOC**") released Operational Procedures for "*Overseas Institutional Investors to Enter China's Interbank Bond Market*" under which capital gains realized by overseas institutional investors through CIBM direct scheme is temporarily exempt from CIT.

In relation to trading debt securities via Bond Connect, no specific rule or guidance has currently been issued by the PRC tax authorities on the tax treatment. Consequently, the tax treatment is even less certain and so, in the absence of such specific rules, the expectation is that the PRC CIT treatment (or any other tax treatment) will be governed by the general tax provisions of the existing PRC domestic tax legislation.

Based on the current interpretation of the SAT and professional tax advice, the Company does not

intend to provide for any PRC CIT in respect of the capital gains derived by a Fund from disposal of debt securities in the PRC. In light of the uncertainty on the CIT treatment on capital gains on debt securities trading in the PRC and for the purpose of meeting this potential tax liability of a Fund for capital gains from debt securities in the PRC, the Management Company reserves the right to provide for CIT (or any other tax) on such gains or income and withhold the tax from the account of a Fund based on new developments and interpretation of the relevant regulations (after taking professional tax advice).

Pursuant to Notice No. 36, gains realised from the trading of marketable securities in the PRC would generally be subject to VAT at 6% plus local surcharge, unless specifically exempted. Pursuant to Notice No. 70, which is a supplementary notice to Notice No. 36, gains realised by overseas institutional investors recognised by the PBOC from the trading of CIBM bonds are exempt from VAT. Pursuant to Notice No. 70, which is a supplementary notice to Notice No. 36, gains realised by overseas institutional investors recognised by the PBOC from the trading of CIBM bonds are exempt from VAT.

VAT Surcharges - If VAT is payable on interest income and/or capital gains, there are also surcharges (which include city construction and maintenance tax, education surcharge, local education surcharge) to be charged on top of the 6% VAT payable. There may also be other levies imposed in some locations. Pursuant to the new PRC Urban Maintenance and Construction Tax Law and MOF STA PN [2021] 28, the VAT Surcharges (e.g. Urban Maintenance and Construction Tax, Educational Surcharge and Local Educational Surcharge) is no longer levied on the amount of VAT starting from 1 September 2021. Therefore no VAT surcharges on the debt securities interest/capital gain VAT (if any) paid by overseas investors starting from 1 September 2021.

RMB Currency and Exchange Risk

Investors should be aware of the fact that RMB is subject to a managed floating exchange rate based on market supply and demand with reference to a basket of currencies. Currently, the RMB is traded in two markets: one in Mainland China, and one outside Mainland China (primarily in Hong Kong). The RMB traded in Mainland China is not freely convertible and is subject to exchange controls and certain requirements by the government of Mainland China. The RMB traded outside Mainland China, on the other hand, is freely accessible to any person or entity for any purpose.

Non-RMB based investors are exposed to foreign exchange risk and there is no guarantee that the value of RMB against the investors' Home Currency will not depreciate. Any depreciation of RMB could adversely affect the value of investor's investment in a Fund.

Although offshore RMB (CNH) and onshore RMB (CNY) are the same currency, they trade at different rates. Any divergence between CNH and CNY may adversely impact investors.

In calculating the value of the investments denominated in RMB, the Investment Manager will normally apply as appropriate the exchange rate for RMB traded outside or in Mainland China. The rate of the RMB traded outside Mainland China may be at a premium or discount to the exchange rate for RMB traded in Mainland China and there may be significant bid and offer spreads.

Under exceptional circumstances, payment of redemptions and/or dividend payment in RMB may be delayed due to the exchange controls and restrictions applicable to RMB.

In addition, there may be liquidity risk associated with RMB products, especially if such investments may not have an active secondary market and their prices subject to significant bid and offer spread.

Chinese Equity Risk

Investors should be aware of a number of special risk factors attendant on investment in emerging markets generally and the markets in China in particular.

Emerging markets can be significantly more volatile than developed markets, so that the price of shares may be subject to large fluctuations. The relevant Fund's investments are subject to changes in regulations and tax policies going forward as China has now joined the World Trade Organisation and engages in continuing market liberalisation.

The Chinese currency, the RMB, is not a freely convertible currency. The State Council's securities regulation body, the CSRC, also supervises the two official stock exchanges in China (the Shanghai Stock Exchange and the Shenzhen Securities Exchange) on which shares of Chinese issuers are listed in two categories, of which the "B" shares are quoted and traded in foreign currencies (currently Hong Kong Dollars and US Dollars) and are available to foreign investors.

The China "B" share market is relatively illiquid so that the choice of investments will be limited by comparison with that of major international stock exchanges.

Certain Funds may invest directly in securities quoted on the regulated stock exchanges in China and also in securities of companies listed in other stock exchanges which have substantial business or investment links in China. For this purpose, the Investment Manager will generally only invest in companies listed outside China where those companies are owned or controlled by Chinese interests, or where at least 40% of the earnings, production facilities, turnover, assets or investments of such companies are based in or derived from China.

Certain Funds may invest more than 5% of their net assets in China A-Shares which may be accessed by overseas investors via the Shanghai-Hong Kong Stock Connect and/or the Shenzhen-Hong Kong Stock Connect, as detailed under (3) "Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect" of this section.

China A-Shares Access Products

A Fund may invest in CAAP linked to China A-shares in the PRC. Issuers of CAAP may deduct various charges, expenses or potential liabilities from the prices of the CAAP (including but not limited to any actual or potential tax liabilities determined by the CAAP issuer at its discretion) and such deduction is not normally refundable.

CAAPs may not be listed and are subject to the terms and conditions imposed by its issuer. These terms may lead to delays in implementing the Investment Manager's investment strategy. Investment in CAAPs can be illiquid as there may not be an active market in the CAAPs. In order to liquidate investments, a Fund relies upon the counterparty issuing the CAAPs to quote a price to unwind any part of the CAAPs.

An investment in a CAAP is not an investment directly in the underlying investments (such as shares) themselves. An investment in the CAAP does not entitle the holder of such instrument to the beneficial interest in the shares nor to make any claim against the company issuing the shares.

A Fund will be subject to credit risk of the issuers of the CAAPs invested by the Fund. A Fund may suffer a loss if the issuers of the CAAPs invested by the Fund becomes bankrupt or otherwise fails to perform its obligations due to financial difficulties.

Risks Associated with the Stock Connects

Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect

The aim of Stock Connect is to achieve mutual stock market access between the PRC and Hong Kong.

Shanghai-Hong Kong Stock Connect

The Shanghai-Hong Kong Stock Connect is a securities trading and clearing links program developed by Hong Kong Exchanges and Clearing Limited ("HKEX"), Shanghai Stock Exchange ("SSE") and China Securities Depository and Clearing Corporation Limited ("ChinaClear").

The Shanghai-Hong Kong Stock Connect comprises a Northbound Shanghai Trading Link and a Southbound Hong Kong Trading Link. Under the Northbound Shanghai Trading Link, Hong Kong and overseas investors (including certain Funds which are authorised to), through its Hong Kong broker and a securities trading service company established by the Stock Exchange of Hong Kong ("SEHK"), may be able to trade eligible China A Shares listed on the SSE by routing orders to SSE.

Under the Shanghai-Hong Kong Stock Connect, a Fund, through its Hong Kong broker may trade certain eligible shares listed on the SSE. These include all the constituent stocks from time to time of the SSE 180 Index and SSE 380 Index, and all the SSE-listed China A Shares that are not included as constituent stocks of the relevant indices but which have corresponding H-Shares listed on SEHK, except the following:

- SSE-listed shares which are not traded in RMB; and
- SSE-listed shares which are included in the "risk alert board".

Trading is subject to rules and regulations issued from time to time. Trading under the Shanghai-Hong Kong Stock Connect is subject to a daily quota ("Daily Quota"). Northbound Shanghai Trading Link and Southbound Hong Kong Trading Link under the Shanghai-Hong Kong Stock Connect will be subject to a separate set of Daily Quota. The Daily Quota limits the maximum net buy value of cross-boundary trades under the Shanghai-Hong Kong Stock Connect each day.

Shenzhen-Hong Kong Stock Connect

The Shenzhen-Hong Kong Stock Connect is a securities trading and clearing links program developed by HKEX, Shenzhen Stock Exchange ("SZSE") and ChinaClear.

The Shenzhen-Hong Kong Stock Connect comprises a Northbound Shenzhen Trading Link and a Southbound Hong Kong Trading Link. Under the Northbound Shenzhen Trading Link, Hong Kong and overseas investors (including certain Funds), through their Hong Kong broker and a securities trading service company established by SEHK, may be able to trade eligible China A Shares listed on the SZSE by routing orders to the SZSE.

Under the Shenzhen-Hong Kong Stock Connect, a Fund, through its Hong Kong brokers may trade certain eligible shares listed on the SZSE. These include any constituent stock of the SZSE Component Index and SZSE Small/Mid Cap Innovation Index which has a market capitalisation of RMB6 billion or above and all SZSE-listed shares of companies which have issued both China A Shares and H Shares. At the initial stage of the Northbound Shenzhen Trading Link, investors eligible to trade shares that are listed on the ChiNext Board of SZSE under the Northbound Shenzhen Trading Link will be limited to institutional professional investors as defined in the relevant Hong Kong rules and regulations.

Trading is subject to rules and regulations issued from time to time. Trading under the Shenzhen-Hong Kong Stock Connect will be subject to a Daily Quota (unrelated to the Daily Quota of the Shanghai-Hong Kong Stock Connect). Northbound Shenzhen Trading Link and Southbound Hong Kong Trading Link under the Shenzhen-Hong Kong Stock Connect will be subject to a separate set of Daily Quota. The Daily Quota limits the maximum net buy value of cross-boundary trades under the Shenzhen-Hong Kong Stock Connect each day.

◆ The Stock Connects

It is expected that the list of securities eligible for trading under the Stock Connects will be subject to review.

The Hong Kong Securities Clearing Company Limited ("HKSCC"), a wholly-owned subsidiary of HKEX, and ChinaClear will be responsible for the clearing, settlement and the provision of depository, nominee and other related services of the trades executed by their respective market participants and investors (including certain Funds). The China A Shares traded through Stock Connects are issued in scripless form, and investors will not hold any physical China A Shares.

Although HKSCC does not claim proprietary interests in the SSE and SZSE securities held in its omnibus stock accounts in ChinaClear, ChinaClear as the share registrar for SSE and SZSE listed companies will still treat HKSCC as one of the shareholders when it handles corporate actions in respect of such SSE and SZSE securities.

SSE-/SZSE-listed companies usually announce information regarding their annual general meetings/extraordinary general meetings about two to three weeks before the meeting date. A poll is called on all resolutions for all votes. HKSCC will advise the Hong Kong Central Clearing and Settlement System ("CCASS") participants of all general meeting details such as meeting date, time, venue and the number of resolutions.

Under the Stock Connects, Hong Kong and overseas investors will be subject to the fees and levies imposed by SSE, SZSE, ChinaClear, HKSCC or the relevant Mainland Chinese authority when they trade and settle SSE Securities and SZSE securities.

Further information about the trading fees and levies is available online at the website: www.hkex.com.hk/eng/market/sec_tradinfra/chinaconnect/chinaconnect.htm

In accordance with the UCITS requirements, the Depositary shall provide for the safekeeping of a Fund's assets in the PRC through its global custody network. Such safekeeping is in accordance with the conditions set down by the Central Bank which provides that there must be legal separation of non-cash assets held under custody and that the Depositary through its delegates must maintain appropriate internal control systems to ensure that records clearly identify the nature and amount of assets under custody, the ownership of each asset and where documents of title to each asset are located.

Further information about the Stock Connects is available online at the website:

www.hkex.com.hk/eng/csm/chinaConnect.asp?LangCode=en

In addition to risks regarding the Chinese market and risks related to investments in RMB, investments through the Stock Connects are subject to the following additional risks:

Quota Limitations

The Stock Connects are subject to quota limitations. In particular, the Stock Connects are subject to a daily quota which does not belong to a Fund and can only be utilised on a first-come-first-served basis. Once the daily quota is exceeded, buy orders will be rejected (although investors will be permitted to sell their cross-boundary securities regardless of the quota balance). Therefore, quota limitations may restrict a Fund's ability to invest in China A Shares through the Stock Connects on a timely basis, and a Fund may not be able to effectively pursue its investment strategy.

Legal / Beneficial Ownership

The SSE and SZSE shares in respect of the relevant Funds are held by the Depositary / sub-custodian in accounts in the CCASS maintained by the HKSCC as central securities depositary in Hong Kong. HKSCC in turn holds the SSE and SZSE shares, as the nominee holder, through an omnibus securities account in its name registered with ChinaClear for each of the Stock Connects. The precise nature and rights of a Fund as the beneficial owner of the SSE and SZSE shares through HKSCC as nominee is not well defined under PRC law. There is lack of a clear definition of, and distinction between, "legal ownership" and "beneficial ownership" under PRC law and there have been few cases involving a nominee account structure in the PRC courts. Therefore the exact nature and methods of enforcement of the rights and interests of the relevant Funds under PRC law is uncertain. Because of this uncertainty, in the unlikely event that HKSCC becomes subject to winding up proceedings in Hong Kong it is not clear if the SSE and SZSE shares will be regarded as held for the beneficial ownership of a Fund or as part of the general assets of HKSCC available for general distribution to its creditors.

Suspension Risk

Each of the SEHK, SSE and SZSE reserves the right to suspend trading if necessary for ensuring an orderly and fair market and that risks are managed prudently. Consent from the relevant regulator would be sought before a suspension is triggered. Where a suspension is effected, a Fund's ability to access the PRC market will be adversely affected.

Differences in Trading Day

The Stock Connects only operate on days when both the PRC and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the PRC market but a Fund cannot carry out any China A Shares trading via the Stock Connects. A Fund may be subject to a risk of price fluctuations in China A Shares during the time when any of the Stock Connects is not trading as a result.

Restrictions on Selling Imposed by Front-end Monitoring

PRC regulations require that before an investor sells any share, there should be sufficient shares in the account; otherwise the SSE or SZSE will reject the sell order concerned. SEHK will carry out pre-trade checking on China A Share sell orders of its participants (i.e. the stock brokers) to ensure there is no over-selling.

If a Fund intends to sell certain China A Shares it holds, it must transfer those China A Shares to the respective accounts of its broker(s) before the market opens on the day of selling ("trading day"). If it fails to meet this deadline, it will not be able to sell those shares on the trading day. Because of this requirement, a Fund may not be able to dispose of its holdings of China A Shares in a timely manner.

Operational Risk

The Stock Connects are premised on the functioning of the operational systems of the relevant market participants. Market participants are permitted to participate in this program subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house.

The securities regimes and legal systems of the two markets differ significantly and market participants may need to address issues arising from the differences on an on-going basis.

There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems fail to function properly, trading in both markets through the program could be disrupted. A Fund's ability to access the China A Share market (and hence to pursue its investment strategy) may be adversely affected.

Recalling of Eligible Stocks

When a stock is recalled from the scope of eligible stocks for trading via the Stock Connects, the stock can only be sold but restricted from being bought. This may affect the investment portfolio or strategies of the relevant Funds, for example, if the Investment Manager wishes to purchase a stock which is recalled from the scope of eligible stocks.

Clearing and Settlement Risk

HKSCC and ChinaClear have established the clearing links and each has become a participant of the other to facilitate clearing and settlement of cross-boundary trades. For cross-boundary trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house.

As the national central counterparty of the PRC's securities market, ChinaClear operates a comprehensive network of clearing, settlement and stock holding infrastructure. ChinaClear has established a risk management framework and measures that are approved and supervised by the CSRC. The chances of ChinaClear default are considered to be remote. In the remote event of a ChinaClear default, HKSCC's liabilities in SSE and SZSE shares under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against ChinaClear. HKSCC should in good faith, seek recovery of the outstanding stocks and monies from ChinaClear through available legal channels or through ChinaClear's liquidation. In that event, a Fund may suffer delay in the recovery process or may not fully recover its losses from ChinaClear.

No Protection by investor compensation fund

Investment in SSE and SZSE shares via the Stock Connects is conducted through brokers, and is subject to the risks of default by such brokers in their obligations. Investments of the relevant Funds are

not covered by the Hong Kong's Investor Compensation Fund, which has been established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong. Since default matters in respect of SSE and SZSE shares via Stock Connects do not involve products listed or traded in SEHK or Hong Kong Futures Exchange Limited, they will not be covered by the Investor Compensation Fund. Therefore the Funds are exposed to the risks of default of the broker(s) it engages in its trading in China A Shares through the Stock Connects.

Regulatory Risk

The current regulations relating to Stock Connects are untested and there is no certainty as to how they will be applied. In addition, the current regulations are subject to change which may have potential retrospective effects and there can be no assurance that the Stock Connects will not be abolished. New regulations may be issued from time to time by the regulators / stock exchanges in the PRC and Hong Kong in connection with operations, legal enforcement and cross-border trades under the Stock Connects. The relevant Funds may be adversely affected as a result of such changes.

Risks Associated with the Small and Medium Enterprise Board and/or ChiNext Market

A Fund may invest in the Small and Medium Enterprise ("SME") board and/or the ChiNext market of the Shenzhen Stock Exchange via the Shenzhen-Hong Kong Stock Connect. Investments in the SME board and/or ChiNext market may result in significant losses for a Fund and its investors. The following additional risks apply:

Higher fluctuation on stock prices

Listed companies on the SME board and/or ChiNext market are usually of emerging nature with smaller operating scale. Hence, they are subject to higher fluctuation in stock prices and liquidity and have higher risks and turnover ratios than companies listed on the main board of the Shenzhen Stock Exchange.

Over-valuation risk

Stocks listed on the SME board and/or ChiNext may be overvalued and such exceptionally high valuation may not be sustainable. Stock price may be more susceptible to manipulation due to fewer circulating shares.

Differences in regulations

The rules and regulations regarding companies listed on ChiNext market are less stringent in terms of profitability and share capital than those in the main board and SME board.

Delisting risk

It may be more common and faster for companies listed on the SME board and/or ChiNext to delist. This may have an adverse impact on a Fund if the companies that it invests in are delisted.

Risks associated with Small-Capitalisation / Mid-Capitalisation Companies

The stocks of small-capitalisation / mid-capitalisation companies may have lower liquidity and their prices are more volatile to adverse economic developments than those of larger capitalisation companies in general

Risks associated with the China Interbank Bond Market

The China bond market is made up of the CIBM and the exchange listed bond market. The CIBM is an OTC market, executing the majority of the Chinese onshore bond trading. The main securities traded on the CIBM include government bonds, central bank papers, policy bank bonds and corporate bonds.

A Fund may invest in bonds traded on the CIBM via the Bond Connect (as defined below) and/or the CIBM Initiative (as defined below) as indicated in the relevant Supplement.

Bond Connect

Since July 2017, Bond Connect was established by China Foreign Exchange Trade System & National Interbank Funding Centre ("**CFETS**") and Hong Kong Exchanges and Clearing Limited (amongst others). Bond Connect is governed by rules and regulations as promulgated by the People's Republic of China ("**PRC**") authorities. As at the date of this Prospectus, the rules and regulations that a Fund, intending to trade through Bond Connect, must abide by include:

1. appointing CFETS through Bond Connect Company Limited or other institutions recognised by the PBOC as registration agents to apply for registration with the PBOC; and
2. transacting via an offshore custody agent recognised by the Hong Kong Monetary Authority (currently, the Central Moneymarkets Unit).

There are currently no quota restrictions. Such rules and regulations may be amended from time to time.

There are no specific rules or guidelines issued by the mainland China tax authorities on the treatment of income tax and other tax categories payable in respect of trading in CIBM by eligible foreign institutional investors via Bond Connect. The relevant Fund's tax liabilities for trading in CIBM via Bond Connect is uncertain.

CIBM Initiative

Since February 2016, PBOC has permitted foreign institutional investors to invest in the CIBM (the "**CIBM Initiative**") subject to complying with the applicable rules and regulations as promulgated by the PRC authorities, i.e., PBOC and State Administration of Foreign Exchange ("**SAFE**"). As at the date of the Prospectus, the rules and regulations that a Fund, intending to trade through the CIBM initiative, must abide by include:

1. appointing an onshore settlement agent who will be responsible for making relevant filings and account opening with relevant authorities.
2. generally only repatriating cash out of the PRC in a currency ratio approximately proportionate to the currency ratio of remitted cash into the PRC.

There are currently no quota restrictions. Such rules and regulations may be amended from time to time.

In addition to risks regarding the Chinese market set out in the Prospectus, investments in the CIBM are subject to the following additional risks:

Market and Liquidity Risks

Market volatility and potential lack of liquidity due to low trading volumes of certain debt securities may result in prices of certain debt securities traded on the CIBM to fluctuate significantly. A Fund is therefore subject to liquidity and volatility risks and may suffer losses in trading PRC bonds. The bid and offer spreads of the prices of such PRC bonds may be large, and a Fund may therefore incur significant trading and realisation costs and may even suffer losses when selling such investments.

Chinese Local Credit Rating Risk

A Fund may invest in securities the credit ratings of which are assigned by Chinese local credit rating agencies. However, the rating criteria and methodology used by such agencies may be different from those adopted by most of the established international credit rating agencies. Therefore, such rating system may not provide an equivalent standard for comparison with securities rated by international credit rating agencies. Investors should be cautious when they refer to ratings assigned by Chinese local credit agencies, noting the differences in rating criteria mentioned above. If assessments based on credit ratings do not reflect the credit quality of and the risks inherent in a security, investors may

suffer losses, possibly greater than originally envisaged.

Counterparty and Settlement Risk

To the extent that a Fund invests in the CIBM, that Fund may also be exposed to risks associated with settlement procedures and default of counterparties. There are various transaction settlement methods in the CIBM, such as the delivery of security by the counterparty after receipt of payment by a Fund; payment by a Fund after delivery of security by the counterparty, or simultaneous delivery of security and payment by each party. Although the Investment Manager may endeavour to negotiate terms which are favourable to a Fund (e.g. requiring simultaneous delivery of security and payment), there is no assurance that settlement risks can be eliminated. Where its counterparty does not perform its obligations under a transaction, a Fund will sustain losses. The counterparty which has entered into a transaction with a Fund may default on its obligation to settle the transaction by delivery of the relevant security or by payment for value.

In the event that the relevant Chinese authorities suspend account opening or trading on the CIBM, a Fund's ability to invest in the CIBM will be limited and, after exhausting other trading alternatives, that Fund may suffer substantial losses as a result.

Operational Risk

Trading through Bond Connect is performed through newly developed trading platforms and operational systems. There is no assurance that such systems will function properly or will continue to be adapted to changes and developments in the market. In the event that the relevant systems fails to function properly, trading through Bond Connect may be disrupted. A Fund's ability to trade through Bond Connect (and hence to pursue its investment strategy) may therefore be adversely affected. In addition, where a Fund invests in the CIBM through Bond Connect, it may be subject to risks of delays inherent in the order placing and/or settlement systems.

Quasi-Government / Local Government Bond Risk

A Fund may invest in securities issued by PRC quasi-government organizations. Investors should note that the repayment of debts issued by such organizations is typically not guaranteed by the PRC central government. It should be noted that local governments have also taken on debts in other forms, including issuing urban investment bonds through local government financing vehicles. Worsening financial conditions may lead to a default in the local government's debt obligations. Under the relevant PRC regulations, a local government may conduct debt issuance up to the limit prescribed by the State Council for the current year. Further, a local government is required to arrange for credit rating for the debts by a credit rating agency. Investors should note the limits of credit ratings in general and the relevant risks regarding credit ratings given by PRC local credit rating agencies.

Regulatory Risk

The CIBM is also subject to regulatory risks. The PBOC and the China Central Depository & Clearing Co. may impose additional requirements on account opening or the trading / settlement flows of CIBM and therefore the CIBM account opening may be a prolonged process and also trading / settlement of CIBM may be subject to regulatory changes from time to time. As a result, a Fund's ability to invest in the CIBM could be limited and that Fund may be disadvantaged.

ESG Scoring Risk

The Company and the Investment Manager may rely on third parties to provide ESG scoring data where relevant. Therefore, the Company is subject to certain operational and data quality risks associated with reliance on third party screening providers and data sources. ESG data provided by third parties may not always be reliable, consistent, or available and this may impact a Fund's ability to accurately assess sustainability risks and effectively promote environmental and social characteristics, where relevant.

SFDR categorisation and ESG data

SFDR requires Funds to be categorised into three different categories;

- ◆ Funds which do not have sustainable investment as their objective or promote environmental and/or social characteristics (referred to as Article 6 Funds);
- ◆ Funds which promote environmental and/or social characteristics (referred to as Article 8 SFDR Funds); and
- ◆ Funds with sustainable investment as their investment objective (referred to as Article 9 SFDR Funds).

Article 8 and Article 9 SFDR Funds are subject to particular disclosure requirements, with the purpose of providing transparency to show how the Fund's environmental and/or social characteristics are met or how the sustainable investment objective is achieved.

HSBC Asset Management's investment process will use bespoke sustainability frameworks to assess the investments to be made in line with the relevant Fund's SFDR categorisation as an Article 8 or Article 9 SFDR Fund. The Investment Manager will use all relevant information available to it to manage the Funds in line with the ESG characteristics or the stated sustainable investment objective.

The Investment Manager will aim to disclose as much information about the Fund's portfolio as possible in order to provide as much transparency as it is able to about the alignment between the existing investments and the environmental and/or social characteristics promoted by the Fund or the Fund's sustainable investment objective.

INTEGRATION OF SUSTAINABILITY RISKS INTO INVESTMENT DECISIONS

Integration of sustainability risks into investment decisions

SFDR Regulation

As set out in the SFDR, the Management Company is required to disclose 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 returns of the Funds. A sustainability risk is defined in the SFDR as an ESG event or condition that, if it occurs, could cause an actual or potential material negative impact on the value of an investment.

The Management Company has adopted HSBC Asset Management's responsible investment policy and related Responsible Investment Policy Implementation Procedures (the "Policy") in relation to the integration of sustainability risks into investment decisions for the Funds. The Investment Manager integrates this on behalf of the Management Company and has adopted the Policy and therefore integrates sustainability risks into its investment decisions.

The Policy outlines HSBC Asset Management's approach to sustainable investing, focusing on the ten principles of the United Nations Global Compact ("UNGC"). The UNGC sets out key areas of financial and non-financial risk: human rights, labour, environment and anti-corruption. The Investment Manager uses third party screening providers to identify companies with a poor track record in these areas of risk and, where potential sustainability risks are identified, the Investment Manager will also carry out its own due diligence. Sustainability risks are monitored on an ongoing basis as part of the Investment manager's portfolio management strategy generally.

The Investment Manager has a duty to act in the best long-term interests of Shareholders. The Investment Manager believe that sustainability risks can affect the performance of investment portfolios across companies, sectors, regions and asset classes through time. While each Fund has its own investment objective, the Investment Manager's goal is to provide Shareholders with competitive risk-adjusted returns over the long term. To achieve this, the Investment Manager will conduct thorough financial analysis and comprehensive assessment of sustainability risks as part of a broader risk assessment for each Fund, where relevant.

For more information, please refer to the Policy which can be found on HSBC Asset Management's website.

Article 6 SFDR Funds

All Funds that either do not promote environmental and/or social characteristics within the meaning of Article 8 of SFDR or do not state that they have a sustainable investment objective within the meaning of Article 9 of SFDR are required to comply with the requirements of Article 6 of SFDR and are categorised and referred to as Article 6 SFDR Funds.

Article 8 and 9 SFDR Funds

All Funds that promote environmental and/or social characteristics or which have a sustainable investment objective are required to comply with Article 8 or Article 9 of SFDR respectively.

Additional Funds which promote environmental and/or social characteristics within the meaning of Article 8 of SFDR or Funds which have a sustainable investment objective within the meaning of Article 9 of SFDR may be established from time to time and will be included in this Prospectus.

Further information is available for each Article 8 and Article 9 SFDR Fund within the relevant Fund Supplement and the Annex, as well as on HSBC Asset Management's website.

Likely impact of sustainability risks on returns

Companies that adequately manage sustainability risks should be better placed to anticipate future sustainability risks and opportunities. This makes them more strategically resilient and therefore able to anticipate, and adapt to, the risks and opportunities in relation to sustainability on the horizon. Likewise, if managed inadequately, sustainability risks can adversely impact the value of the underlying company or the competitiveness of the country issuing government bonds. Sustainability risks can materialise in various forms for the issuers or government securities or other investments/assets in which Funds invest, including (but 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. These risks, together or individually, can potentially impact the returns of the Funds.

The likely impacts of sustainability risks on the returns of each Fund will also depend on each Fund's investments and the materiality of sustainability risks. The likelihood of sustainability risks arising in respect of a Fund should be mitigated by the Investment Manager's approach to integrating sustainability risks in its investment decision-making process as outlined in the Policy. However, there is no guarantee that these measures will completely mitigate or prevent sustainability risks materialising in respect of a Fund. The likely impact on the return of a Fund from an actual or potential material decline in the value of an investment due to a sustainability risk will therefore vary and depend on several factors, including, but not limited to the type, extent, complexity, duration of the event or condition, prevailing market conditions and the existence of any mitigating factors.

Passively managed Funds

For Funds that are passively managed and hold securities included in the relevant index which they track, the index is required to represent an adequate benchmark for the market to which it refers. Each index is created by a third-party index provider (the "**Index Provider**"). As the strategy for the passively managed Funds is to track the relevant index, changes to the portfolios of the Funds are driven by changes to the index in accordance with its published methodology rather than by an active selection of securities by the Investment Manager. Accordingly, the Investment Manager does not exercise discretion to actively select/deselect securities. Therefore, for passively managed Funds that do not follow a sustainable Index, the Investment Manager cannot integrate sustainability risks into the investment process. Even where the Fund uses an optimisation strategy to track the relevant index, ESG considerations may not be incorporated into the optimisation approach as the Fund's objective is to replicate the performance of the relevant index and decisions driven by ESG factors could be less effective in achieving this goal.

To the extent that a passively managed Fund promotes ESG characteristics or has sustainable investment as an objective, the relevant Index Provider's methodology will include an assessment of

individual companies/issuers against ESG criteria, including consideration of sustainability risks. Therefore, the Investment Manager cannot directly integrate sustainability risks into the investment process. However, when a passively managed Fund promotes ESG characteristics or has sustainable investment as an objective, the relevant Index Provider's methodology for determining the constituents of the index will be evaluated. This is to ensure that the index is consistent with the promotion of ESG characteristics or the sustainable objective of the Fund.

For further information on how ESG criteria are incorporated into the Index methodology, please refer to the description of the Index Provider's methodology on its website which can be found in the relevant Supplement.

Actively managed Funds

All current actively managed Funds integrate consideration of sustainability risks in the investment decision-making process. The Investment Manager integrates sustainability risks by identifying ESG factors that could have a material financial impact on the performance of an investment. Exposure to sustainability risk does not necessarily mean that the Investment Manager will refrain from taking or maintaining a position in an investment. Rather, the Investment Manager will consider the assessments of sustainability risks together with other material factors in the context of the investee company or issuer and the investment objective and policy of the Fund.

Funds investing in financial derivative instruments and securities lending

Some Funds may invest in financial derivative instruments and therefore sustainability risks are harder to factor in as the Funds are not directly investing in the underlying asset. Currently, no ESG integration methodology can be applied for the financial derivative instruments or in the securities lending arrangements which may be utilised, but the Investment Manager is exploring how such a methodology can be applied.

Consideration of principal adverse impacts

SFDR requires the Management Company to determine whether it considers the principal adverse impacts (PAIs) of its investment decisions on sustainability factors. The Investment Manager implements this consideration on behalf of the Management Company. The Investment Manager is supportive of the aim of this requirement, which is to improve transparency to investors and the market generally as to how the PAIs of investment decisions on sustainability factors are considered.

For actively managed Article 8 and Article 9 Funds, the Investment Manager is able to consider PAIs and evaluates a range of PAI indicators in accordance with the regulatory technical standards underpinning SFDR. In the case of actively managed Article 6 Funds, the Investment Manager does not consider PAIs in the investment strategy, as these Funds do not have an explicit ESG strategy. The individual PAIs which are considered by each Article 8 and Article 9 Fund are detailed in the relevant Annex for the relevant Fund. Information on how PAIs were considered will be included in the Company's annual accounts.

For passively managed Article 8 and Article 9 Funds, the Investment Manager is able to consider PAIs and evaluates a range of PAI indicators where they are an integral part of the index construction. In the case of passively managed Article 6 Funds, the Investment Manager does not consider PAIs as part of the investment strategy, as these Funds do not have an explicit ESG index to track. For passively managed Article 8 and 9 Funds, where the mandatory indicators as set out in Table 1 of the SFDR are considered as an integral part of the index construction, the relevant information will be included in the relevant Annex for the relevant Fund (for more information see the section above on passively managed products). Information on how PAIs were considered by a Fund will be included in the Company's annual accounts.

TAXONOMY REGULATION

The Taxonomy Regulation was established to provide an EU-wide classification system which provides

investors and investee companies with a common language to identify whether certain economic activities can be considered environmentally sustainable.

The Taxonomy Regulation introduces additional disclosure requirements in respect of Article 8 and Article 9 SFDR Funds, which are identified in Appendix A to the Prospectus. For Article 6 SFDR Funds, the Investment Manager does not take into account the EU criteria for environmentally sustainable economic activities and therefore these disclosure requirements do not apply to Article 6 SFDR Funds. However, as disclosed above in the section “Integration of sustainability risks into investment decisions”, the Investment Manager integrates sustainability risk considerations into the management of these Funds.

Under the Taxonomy Regulation, an economic activity will be considered to be environmentally sustainable where it:

1. contributes substantially to one or more defined environmental objectives;
2. does not significantly harm any of the environmental objectives;
3. complies with certain minimum social safeguards; and
4. complies with specified performance thresholds known as technical screening criteria.

For points 1 and 2 above, the Taxonomy Regulation defines the environmental objectives into six areas of sustainable investments:

- ◆ climate change mitigation; and
- ◆ climate change adaptation.
- ◆ sustainable use and protection of water and marine resources;
- ◆ transition to a circular economy;
- ◆ pollution prevention and control; and
- ◆ protection and restoration of biodiversity and ecosystems.

From 1 January 2022, the Taxonomy Regulation is limited in its application to only to the first two environmental objectives – climate change mitigation and climate change adaptation, as defined under the Taxonomy Regulation. The remaining four environmental objectives are anticipated to apply during the second half of 2023.

Some of the Company’s Funds may make investments that the Investment Manager considers contribute to the environmental objectives of the Taxonomy Regulation.

Furthermore, some of the Company’s Funds may also make environmentally sustainable investments that do not qualify as environmentally sustainable under the Taxonomy Regulation.

For any Funds that intend to make investments in activities that contribute to the two environmental objectives of the Taxonomy Regulation relating to climate change mitigation and climate adaptation, information on how the relevant Fund intends to invest in environmentally sustainable investments contributing to these environmental objectives is described in the relevant Annex for the relevant Fund.

The investments underlying the Article 6 SFDR Funds do not take into account the EU criteria for environmentally sustainable economic activities.

DISTRIBUTION AND SELLING RESTRICTIONS

The distribution of this Prospectus and the offering or purchase of Shares may be restricted in certain jurisdictions. This Prospectus does not constitute and may not be treated as an offer or solicitation by or to anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation. It is the responsibility of any persons in possession of this Prospectus and any persons wishing to apply for Shares pursuant to this Prospectus to inform themselves of and to observe all applicable laws and regulations of any relevant jurisdiction.

Shares are offered only on the basis of the information contained in this Prospectus. Any further information or representations given or made by any dealer, broker or other person should be disregarded and, accordingly, should not be relied upon. No person has been authorised to give any information or to make any representation in connection with the offering of Shares other than those contained in this Prospectus for the Company and, if given or made, such information or representations must not be relied on as having been authorised by the Company, the Directors, the Management Company or the Investment Manager. Statements in this Prospectus are in accordance with the law and practice in force in Ireland at the date hereof and are subject to change. Neither the delivery of this Prospectus nor the issue of Shares shall, under any circumstances, create any implication or constitute any representation that the affairs of the Company have not changed since the date hereof.

This Prospectus may also be translated into other languages. Any such translation shall only contain the same information and have the same meaning as the English language Prospectus. To the extent that there is any inconsistency between the English language Prospectus and the Prospectus in another language, this English language Prospectus will prevail, except, to the extent (but only to the extent) required by law of any jurisdiction where the Shares are sold, that in an action based upon disclosure in a Prospectus in a language other than English, the language of the Prospectus on which such action is based shall prevail. All disputes as to the contents of this Prospectus shall be governed in accordance with the laws of Ireland.

This Prospectus does not constitute, and may not be used for, a solicitation of an offer to purchase Shares by any “US Person”. The Directors will decline to register a subscription request or transfer of Shares if the transfer is on the behalf of or for the benefit of a “US Person”. Prospective investors should read the section “Transfer of Shares”, “Subscriptions by and Transfers to US Persons” for more information. When the Company becomes aware that a Shareholder is (a) US person or is holding Shares for the account or benefit a US Person, whether held directly on the register or via a nominee, the Directors will direct the Shareholder to dispose of the Shares. Prospective investors should read the section “Mandatory Redemption of Shares” for more information. A non-US Person who invests through a US nominee will only be considered a non-US Person if the decision making process takes place off-shore.

RESTRICTIONS ON OFFERS AND SALES TO US PERSONS

Shares of the Company may not be offered or sold to any “US Person”. For the purposes of this restriction, the term US Person shall mean the following:

- An individual (including a US Citizen or Green Card Holder) who is a resident of the US under any US Law;
- An individual who is a US Citizen or Green Card Holder who has not formally renounced their US citizenship (including a person with dual or multiple nationality) even though they may reside outside of the US;
- A corporation, partnership, limited liability company, collective investment vehicle, investment company, pooled account, or other business, investment, or legal entity;

- Created or organised under US Law; and
 - Created (regardless of domicile of formation or organisation) principally for passive investment (for example, an investment company, fund or similar entity excluding employee benefit or pension plans); and
 - Owned directly or indirectly by one or more US Persons who hold, directly or indirectly, in aggregate a 10% or greater beneficial interest, provided that any such US Person is not defined as a Qualified Eligible Person under CFTC Regulation 4.7(a);
 - Where a US Person is the general partner, managing member, managing director or other position with authority to direct the entity's activities;
 - Where the entity was formed by or for a US Person principally for the purpose of investing in securities not registered with the SEC unless such entity is comprised of Accredited Investors, as defined in Regulation D, 17 CFR 230.501(a), and no such Accredited Investors are individuals or natural persons; or
 - Where more than 50% of its voting ownership interests or non-voting ownership interests are directly or indirectly owned by US Persons;
 - That is an agency or branch of a non-US entity located in the US; or
 - That has its principal place of business in the US.
- A trust created or organised under US Law; or where, regardless of domicile of formation or organisation:
 - Any settler, founder, trustee, or other person responsible in whole or in part for investment decisions for the trust is a US Person;
 - the administration of the trust or its formation documents are subject to the supervision of one or more US courts; or
 - The income of which is subject to US income tax regardless of source.
 - An estate of a deceased person who was a resident of the US at the time of death or the income of which is subject to US income tax regardless of source; or where, regardless of the deceased person's residence while alive, an executor or administrator having sole or shared investment discretion is a US Person or the estate is governed by US Law.
 - An employee benefit or pension plan that is established and administered in accordance with US Law; or established for employees of a legal entity that is a US Person or has its principal place of business in the US.
 - A discretionary or non-discretionary or similar account (including a joint account) where one or more beneficial owners is a US Person or held for the benefit of one or more US Persons; or the discretionary or similar account is held by a dealer or fiduciary organised in the US.

If, subsequent to a shareholder's investment in the Company, the shareholder becomes a US Person, such shareholder (i) will be restricted from making any additional investments in the Company and (ii) may have its shares compulsorily redeemed by the Company (subject to the requirements of applicable law).

Capitalised terms used in this section of the Prospectus and not otherwise defined herein shall have the following meaning:

"Green Card Holder" means an individual who is a US permanent resident (even if they do not actually reside in the US);

“Non-resident US Investor” means a US Citizen (including a Green Card Holder) of the US who resides outside the US.

“US” means the United States of America (including the States and the District of Columbia), its territories, possessions and all other areas subject to its jurisdiction.

“US Citizen” means an individual born in the US or an individual whose parent is a US citizen or a former alien who has been naturalised as a US Citizen.

“US Law” means the laws of the US, its territories, possessions and all other areas subject to its jurisdiction. US Law shall additionally include all applicable rules and regulations, as supplemented and amended from time to time, as promulgated by any US regulatory authority, including, but not limited to, the Securities and Exchange Commission and the Commodity Futures Trading Commission. All references to legislation within this procedure are to US Law.

The Company may, from time to time, waive or modify the above restrictions.

RESTRICTIONS ON OFFERS AND SALES TO CANADIAN RESIDENTS

The Shares described in this Prospectus may be distributed in Canada exclusively through HSBC Global Asset Management (Canada) Limited by way of exempt distribution to accredited investors as defined in National Instrument 45-106 - Prospectus and Registration Exemptions who qualify as permitted clients under National Instrument 31-103 – Registration Requirements, Exemptions and Ongoing Registrant Obligation. This Prospectus may not be used to solicit, and will not constitute a solicitation of, an offer to buy shares in Canada unless such solicitation is made by HSBC Global Asset Management (Canada) Limited.

DIRECTORY

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Secretary:

Goodbody Secretarial Limited
3 Dublin Landings
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INTRODUCTION

HSBC ETFs PLC is an open-ended investment company with variable capital which was incorporated in Ireland on 27 February 2009 under registration number 467896 and authorised by the Central Bank as a UCITS pursuant to the UCITS Regulations on 15 June 2009.

The object of the Company, as set out in Clause 2 of the Memorandum, is the collective investment in transferable securities and other liquid financial assets of capital raised from the public, operating on the principle of risk spreading in accordance with the UCITS Regulations. All holders of Shares are entitled to the benefit of, are bound by and are deemed to have notice of, the provisions of the Memorandum and Articles of Association of the Company, a summary of which is set out in this document and copies of which are available as described in the “**Documents for Inspection**” section of this Prospectus.

The Company has been structured as an umbrella fund with segregated liability between sub-funds, in that the Directors may from time to time, with the prior approval of the Central Bank, issue different series of Shares representing separate portfolios of assets. The assets of each Fund will be invested in accordance with the investment objective and policies applicable to such Fund as specified in the relevant Fund Supplement. Although each Fund will be treated as bearing its own liabilities, the Company as a whole will remain liable to third parties for all of the liabilities of the Company. Please refer to Appendix A for a list of the current Funds of the Company.

Under the Articles, the Directors are required to establish a separate Fund, with separate records, for each series of Shares in the following manner:

- a. the Company will keep separate books and records of account for each Fund. The proceeds from the issue of each series of Shares will be applied to the Fund established for that series of Shares, and the assets and liabilities and income and expenditure attributable thereto will be applied to such Fund;
- b. any asset derived from another asset comprised in a Fund will be applied to the same Fund as the asset from which it was derived and any increase or diminution in value of such an asset will be applied to the relevant Fund;
- c. in the case of any asset which the Directors do not consider as readily attributable to a particular Fund or Funds, the Directors and/or the Management Company have the discretion to determine, with the consent of the Depositary, the basis upon which any such asset will be allocated between Funds and the Directors may at any time and from time to time vary such basis;
- d. any liability will be allocated to the Fund or Funds to which in the opinion of the Directors it relates or if such liability is not readily attributable to any particular Fund the Directors will have discretion to determine, with the consent of the Depositary, the basis upon which any liability will be allocated between Funds and the Directors may at any time and from time to time vary such basis;
- e. the Directors may, with the consent of the Depositary, transfer any assets to and from Funds if, as a result of a creditor proceeding against certain of the assets of the Company or otherwise, a liability would be borne in a different manner from that in which it would have been borne under paragraph (d) above or in any similar circumstances; and
- f. where the assets of the Company (if any) attributable to the Subscriber Shares give rise to any net profit, the Directors may allocate assets representing such net profits to such Fund or Funds as they may deem appropriate.

Shares of any particular series may be divided into different Classes to accommodate different subscription and/or redemption charges and/or charges and/or dividend and/or fee arrangements.

THE SHARE CAPITAL

The authorised share capital of the Company is 500,000,300,002 Shares of no par value divided into 2 Subscriber Shares of no par value, 300,000 Capitalisation Shares of no par value and 500,000,000,000 Shares of no par value. The Directors are empowered to issue up to 500,000,000,000 Shares of no par value in the Company on such terms as they think fit.

The Subscriber Shares, which are held by the Investment Manager and its nominees, entitle the holders to attend and vote at general meetings of the Company but do not entitle the holders to participate in the profits or assets of the Company except for a return of capital on a winding-up. The Capitalisation Shares, entitle the holders to attend and vote at general meetings of the Company but do not entitle the holders to participate in the profits or assets of the Company except for a return of capital on a winding-up. The Shares entitle the holders to attend and vote at general meetings of the Company and to participate equally (subject to any differences between fees, charges and expenses applicable to different Classes of Shares) in the profits and assets of the Company. The Subscriber Shareholders shall have one vote for each Subscriber Share held. The Capitalisation Shareholders shall have one vote for each Capitalisation Share held.

From time to time, a HSBC entity may hold Shares as part of the initial investment in a Fund which will allow HSBC to support the operations of the Fund in its early existence prior to material external investment. As the Net Asset Value of the Fund increases, HSBC reserves the right to redeem such Shares but will do so taking into account the best interests of the remaining Shareholders.

The Company may from time to time by ordinary resolution increase its capital, consolidate the Shares or any of them into a smaller number of Shares, sub-divide the Shares or any of them into a larger number of Shares or cancel any Shares not taken or agreed to be taken by any person. The Company may by special resolution from time to time reduce its share capital in any way permitted by law.

VOTING RIGHTS

Subject to any rights or restrictions for the time being attached to any class of Shares, all votes shall be cast by a show of hands, with every holder of Shares who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative shall have one vote at the relevant Shareholder meeting unless a poll is demanded by the Chairman or by any Shareholder present in person or by proxy. On a poll, subject to any special rights or restrictions for the time being attached to any Class of Shares, each Shareholder shall be entitled to such number of votes as shall be produced by dividing the aggregate net asset value of that Shareholder's shareholding (expressed or converted into US\$ and calculated as of the relevant record date) by one. The "relevant record date" for these purposes shall be a date being not more than thirty (30) days prior to the date of the relevant general meeting or written resolution as determined by the Directors. In relation to a resolution which in the opinion of the Directors gives or may give rise to a conflict of interest between the Shareholders of any series or Class, such resolution shall be deemed to have been duly passed only if, in lieu of being passed through a single meeting of the Shareholders of such series or Class, such resolution shall have been passed at a separate meeting of the Shareholders of each such series or Classes.

VARIATION OF SHAREHOLDERS RIGHTS

Under the Articles, the rights attached to each series or Class of Share may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued Shares of that series or Class or with the sanction of a special resolution passed at a separate general meeting of the holders of the Shares of that series or Class. The rights attaching to any series or Class of Shares shall not be deemed to be varied by the creation or issue of further Shares ranking *pari passu* with Shares already in issue, unless otherwise expressly provided by the terms of issue of those Shares. The requirements for quorum and majorities at all general meetings are set out in the Articles and differ depending on whether an investor holds ETF or non-ETF Shares.

INVESTMENT OBJECTIVE AND POLICIES

The Company has been established for the purpose of investing in transferable securities in accordance with the UCITS Regulations. The investment objectives and policies for each Fund will be set out in the

relevant Fund Supplement. Unless disclosed otherwise in the relevant Fund Supplement, typical investors are expected to be retail and institutional investors seeking returns over the medium term with a low degree of risk.

The assets of each Fund will be invested in accordance with the investment restrictions contained in the UCITS Regulations which are summarised in “**Investment Restrictions**” below and such additional investment restrictions, if any, as may be adopted by the Directors for any Fund and specified in the relevant Fund Supplement.

Unless otherwise stated in the Fund Supplement, each Fund will seek to replicate the performance of an Index while minimising as far as possible the tracking error between the Fund’s performance and that of the Index. Each Fund that seeks to track an index will seek to achieve this objective by holding a portfolio of Index Securities and using an investment strategy of Replication or Optimisation or other strategy, as determined to be the most appropriate strategy for the particular Fund by the Investment Manager and the relevant Fund Supplement will specify and describe the strategy employed. The Index Securities in which a Fund invests will be traded or dealt in on one of the Recognised Markets set out in Schedule I. Any change in the investment objectives and any material change in the investment policies of a Fund will require approval by ordinary resolution of the Shareholders in that Fund. In the event of a change of investment objectives and/or the investment policy, a reasonable notification period will be provided by the Fund to enable Shareholders to redeem their Shares prior to implementation of the change. Any determination by the Directors that a particular Fund should track another Index at any time shall be subject to the provision of reasonable notice to Shareholders to enable any Shareholders who wish to do so to redeem their Shares prior to implementation of this change and the relevant Fund Supplement will be updated accordingly.

Changes to the composition and/or weighting of the securities constituting the Index which is tracked by a Fund will ordinarily require that Fund to make corresponding adjustments or rebalancings to its investments in order to seek to track the Index. The Investment Manager will accordingly seek to rebalance the composition and/or weighting of the securities held by a Fund from time to time to the extent practicable and possible to conform to changes in the composition and/or weighting of Index Securities. Other rebalancing measures may be taken from time to time to seek to maintain the correspondence between the performance of a Fund and the performance of the Index.

The Investment Manager will rely solely on each Index Provider for information as to the composition and/or weighting of the Index Securities within each Index. If the Investment Manager is unable to obtain or process such information in relation to any Index on any Business Day, then the most recently published composition and/or weighting of that Index will be used for the purpose of all adjustments.

Notwithstanding the foregoing provisions, the Directors may establish Funds that will seek to track an Index by investing in financial derivative instruments or by investing in a combination of Index Securities, transferable securities other than Index Securities and financial derivative instruments. The Directors may also establish Funds that will not seek to track an Index. In each case, information in relation to the proposed investment strategy will be set out in the relevant Fund Supplement.

Shareholders should note that it may not be possible, practicable or desirable for a Fund to purchase all of the Index Securities of its respective Index in their proportionate weightings or to purchase them at all due to various factors, including the costs and expenses involved. It is intended to select only indices that will comply with the investment restrictions described herein. In these circumstances, the Investment Manager of a Fund may decide to hold a representative sample of the Index Securities selected by it. There may also be instances where the Fund holds securities which are not component securities in the Index, if the Investment Manager believes this to be appropriate. Each Fund may also use financial derivative instruments for efficient portfolio management and/or investment purposes, where disclosed in the relevant Fund Supplement. Each Fund may, if disclosed in the relevant Fund Supplement, also invest in other collective investment undertakings (including undertakings linked by common management or control) and hold ancillary liquid assets, in each case subject to the restrictions set out in the “**Investment Restrictions**” section of this Prospectus.

INVESTMENT RESTRICTIONS

The assets of each Fund will be invested in accordance with the investment restrictions contained in the

UCITS Regulations which are summarised below and such additional investment restrictions, if any, as may be adopted by the Directors and further details in relation to which will be set out in the relevant Fund Supplement.

1 PERMITTED INVESTMENTS

INVESTMENTS OF A FUND ARE CONFINED TO:

- (a) transferable securities and money market instruments which are either admitted to official listing on a stock exchange in a Member State or non-Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in a Member State or non-Member State;
- (b) recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year;
- (c) money market instruments, as defined in the Central Bank UCITS Regulations, other than those dealt on a regulated market;
- (d) units of UCITS;
- (e) units of alternative investment funds as set out in the Central Bank UCITS Regulations;
- (f) deposits with credit institutions as prescribed in the Central Bank UCITS Regulations;
- (g) financial derivative instruments as prescribed in the Central Bank UCITS Regulations.

2 INVESTMENT RESTRICTIONS

- (a) A Fund may invest no more than 10% of its net assets in transferable securities and money market instruments other than those referred to in paragraph 1 above.
- (b) A Fund may invest no more than 10% of net assets in recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described in paragraph 1(a)) within a year. This restriction will not apply in relation to investment by a Fund in certain US securities known as Rule 144A securities provided that
 - such securities are issued with an undertaking to register with the US Securities & Exchanges Commission within one year of issue; and
 - the securities are not illiquid securities, i.e. they may be realised by a Fund within seven days at the price, or approximately at the price, at which they are valued by the Fund.
- (c) A Fund may invest no more than 10% of its net assets in transferable securities or money market instruments issued by the same body provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5% is no more than 40%.
- (d) The limit of 10% in paragraph (c) is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State or its local authorities or by a non-Member State or public international body of which one or more Member States are members.
- (e) The transferable securities and money market instruments referred to in paragraph (d) shall not be taken into account for the purpose of applying the limit of 40% referred to in paragraph (c).

(f) Cash booked in accounts and held as ancillary liquidity, must not exceed 10% of net assets. This limit may be raised to 20% in the case of cash booked in an account with the Depositary.

(g) The risk exposure of a Fund to a counterparty to an OTC derivative may not exceed 5% of net assets.

This limit is raised to 10% in the case of a credit institution authorised in the EEA; a credit institution authorised within a signatory state (other than an EEA member state) to the Basle Capital Convergence Agreement of July 1988; or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.

(h) Notwithstanding paragraphs (c), (f) and (g) above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of net assets:

(i) investments in transferable securities or money market instruments;

(ii) deposits; and/or

(iii) risk exposures arising from OTC derivatives transactions.

(i) The limits referred to in (c), (d), (f) and (g) above may not be combined, so that exposure to a single body shall not exceed 35% of the net assets of the relevant Fund.

(j) Group companies are regarded as a single issuer for the purposes of paragraphs (c), (d), (f) and (g). However, a limit of 20% of net assets of a Fund may be applied to investments in transferable securities and money market instruments within the same group.

(k) Subject to the restrictions and limits set out in the UCITS regulations and to the approval of the Central Bank, a Fund may invest up to 100% of its net assets in different transferable securities and money market instruments issued or guaranteed by any Member State, its local authorities, non-Member States or by one of the following supranational or public international bodies of which one or more Member States are members: OECD Governments (provided the relevant issues are investment grade), Government of the People's Republic of China, Government of Brazil (provided the issues are of investment grade), Government of India (provided the issues are of investment grade), Government of Singapore, European Investment Bank, European Bank for Reconstruction and Development, International Finance Corporation, International Monetary Fund, Euratom, The Asian Development Bank, European Central Bank, Council of Europe, Eurofima, African Development Bank, International Bank for Reconstruction and Development (The World Bank), The Inter American Development Bank, European Union, Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Government National Mortgage Association (Ginnie Mae), Student Loan Marketing Association (Sallie Mae), Federal Home Loan Bank, Federal Farm Credit Bank, Tennessee Valley Authority or Straight-A Funding LLC.

A Fund must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of its net assets.

3 INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES ("CIS")

(a) A Fund may not invest more than 10% of net assets in total in other CIS. Such CIS must themselves be prohibited from investing more than 10% of net assets in total in other CIS.

- (b) Where a Fund invests in the units of other CIS that are managed directly or by delegation by the Management Company or by any other company with which the Management Company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription, conversion or redemption fees on account of the Company's investment in the shares of the other CIS.
- (c) Where a commission (including a rebated commission) is received by the Company, the Management Company or the Investment Manager by virtue of an investment in the units of another CIS, this commission must be paid into the assets of the relevant Fund.

4 INDEX TRACKING UCITS

- (a) A Fund may invest up to 20% of its net assets in shares and/or debt securities issued by the same body where the investment policy of the relevant Fund is to replicate an index which satisfies the criteria set out in the UCITS Regulations and is recognised by the Central Bank.
- (b) The limit in paragraph (a) may be raised to 35%, and applied to a single issuer, where this is justified by exceptional market conditions.

5 GENERAL PROVISIONS

- (a) A Fund, or management company acting in connection with all of the CIS which it manages, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
- (b) A Fund may acquire no more than:
 - (i) 10% of the non-voting shares of any single issuer;
 - (ii) 10% of the debt securities of any single issuer;
 - (iii) 25% of the shares or units of any single CIS;
 - (iv) 10% of the money market instruments of any single issuing body.

NOTE: The limits laid down in paragraphs (ii), (iii) and (iv) above may be disregarded at the time of acquisition, if at that time, the gross amount of the debt securities or of the money market instruments, or the net amount of the securities in issue cannot be calculated.

- (c) Paragraphs (a) and (b) shall not be applicable to:
 - (i) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;
 - (ii) transferable securities and money market instruments issued or guaranteed by a non-Member State;
 - (iii) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members;
 - (iv) shares held by a Fund in the capital of a company incorporated in a non-Member State which invests its assets mainly in the securities of issuing bodies with the registered offices in that non-Member State, where under the legislation of that non-Member State such a holding represents the only way in which the Fund can invest in the securities of issuing bodies of that non-Member State. This waiver is applicable only if in its investment policies the company from the

non-Member State complies with the limits laid down in paragraphs 2(c) to 2(i), 3(a), 5(a), 5(b), 5(d), 5(e) and 5(f) and provided that where these limits are exceeded, paragraphs 5(e) and 5(f) below;

- (v) shares held by the Company in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the redemption of units at unit-holders' request exclusively on their behalf.
- (d) A Fund need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or money market instruments, which form part of their assets.
- (e) The Central Bank has allowed each Fund to derogate from certain of the above provisions for a period of up to six months from the date of authorisation of such Fund, provided that such Fund observes the principle of risk spreading.
- (f) If the limits laid down herein are exceeded for reasons beyond the control of a Fund, or as a result of the exercise of subscription rights, that Fund must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its Shareholders.
- (g) A Fund may not carry out uncovered sales of:
 - (i) transferable securities;
 - (ii) money market instruments;
 - (iii) units of collective investment undertakings; or
 - (iv) financial derivative instruments.
- (h) A Fund may hold ancillary liquid assets.

6 **FINANCIAL DERIVATIVE INSTRUMENTS ("FDIs")**

- (a) A Fund's global exposure (as prescribed in the Central Bank UCITS Regulations) relating to FDI must not exceed its total net asset value.
- (b) Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Central Bank UCITS Regulations. (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in the Central Bank UCITS Regulations.)
- (c) A Fund may invest in FDIs dealt in over-the-counter (OTC) provided that the counterparties to over-the-counter transactions (OTCs) are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.
- (d) Investment in FDIs are subject to the conditions and limits laid down by the Central Bank.

7 **OTHER RESTRICTIONS**

- (a) **Prohibited Securities.** The Investment Manager will not invest in the securities of companies (either directly or, where possible, indirectly via Collective Investment Schemes) considered to be involved in the development, production, use, maintenance, offering for sale, distribution, import or export, storage or transportation of weapons

banned by international convention. The HSBC Global Asset Management policy as amended from time to time is available at:

<https://www.global.assetmanagement.hsbc.com/-/media/files/attachments/common/resource-documents/banned-weapons-policy.pdf>

- (b) The Company may acquire real and personal property that is required for the purpose of its business.
- (c) The Company shall not acquire either precious metals or certificates representing them.
- (d) The Company shall not (except as a permitted investment technique described in the “**Portfolio Investment Techniques**” section of this Prospectus) make any loan of its assets provided that, for the purpose of this restriction, the holding of ancillary liquid assets such as deposits, and the acquisition of bonds, notes, commercial paper, certificates of deposit, bankers acceptances, and other debt securities or obligations permitted by the UCITS Regulations, and the acquisition of transferable securities, money market instruments or other financial instruments that are not fully paid, shall not be deemed to constitute the making of a loan.
- (e) A Fund may borrow up to 10% of its Net Asset Value for temporary purposes. A Fund may acquire foreign currency by means of a back-to-back loan. Foreign currency acquired in this manner is not classified as borrowing for the purpose of the restriction on borrowing provided that the offsetting deposit (a) is denominated in the Base Currency of the relevant Fund and (b) equals or exceeds the value of the foreign currency loan outstanding.
- (f) Without limitation, the Directors, in accordance with the requirements of the Central Bank, may adopt additional investment restrictions to facilitate the distribution of Shares to the public in a particular jurisdiction. In addition, the investment restrictions set out above may be changed from time to time by the Directors in accordance with a change in the applicable law and regulations in any jurisdiction in which Shares are currently offered, provided that the assets of a Fund, at all times, will be invested in accordance with the restrictions on investments set out in the UCITS Regulations. In the event of any such addition to, or change in, the investment restrictions applicable to the relevant Fund, a reasonable notification period will be provided by the Company to enable Shareholders to redeem their Shares prior to implementation of these changes. A Fund will not amend such investment restrictions except in accordance with the requirements of the Central Bank.

PORTFOLIO INVESTMENT TECHNIQUES

A Fund may employ investment techniques and instruments for efficient portfolio management of the assets of the Company including hedging against market movements, currency exchange or interest rate risks under the conditions and within the limits stipulated by the Central Bank under the UCITS Regulations and described below. In this context, efficient portfolio management refers to techniques and instruments which relate to transferable securities which fulfil the following criteria:

They are economically appropriate in that they are realised in a cost-effective way and investment decisions involving transactions that are entered into for one or more of the following specific aims:

- the reduction of risk (e.g. to perform an investment hedge on a portion of a portfolio);
- the reduction of cost (e.g. short term cash flow management or tactical asset allocation); and
- the generation of additional capital or income for the Company with an appropriate level of risk, taking into account the risk profile of the Company as described in this Prospectus and the general provisions of the UCITS Regulations.

USE OF FINANCIAL DERIVATIVE INSTRUMENTS

In addition to any use of FDI by any Fund for investment purposes as described in the relevant Fund Supplement, a Fund may, if disclosed in the relevant Fund Supplement, utilise FDI for efficient portfolio management purposes (i.e. the reduction of risks or costs to the Company or the generation of additional capital or income for the Company), or for hedging against market movements, currency exchange or interest rate risks, subject to the general restrictions outlined in the “Investment Restrictions” section above. An appropriate RMP Statement has been prepared and submitted to the Central Bank. If additional types of FDI are to be used by any Fund, a revised RMP Statement must be prepared and submitted to the Central Bank in advance of the Fund utilising such instruments. The use of FDI introduces an additional exposure of counterparty risk to the relevant Fund, although this is controlled and monitored according to the diversification and concentration requirements of the UCITS Regulations. The use of instruments/techniques for efficient portfolio management purposes will not change the objective of the relevant Fund or add substantial risks in comparison to the original risk policy of the relevant Fund.

When using FDI as part of efficient portfolio management techniques and instruments, a relevant Fund will incur operational costs and such costs will be paid by the relevant Fund to the counterparty with which the Company and/or the Management Company has entered into a relevant agreement. The Company and/or the Management Company will ensure that all revenues arising from efficient portfolio management techniques, net of direct and indirect costs, are returned to the relevant Fund. Such counterparties will be disclosed in the annual report of the Company which will also contain details of (i) the counterparty exposure obtained through efficient portfolio management techniques, (ii) the type and amount of collateral received by the relevant Fund to reduce counterparty exposure and (iii) revenues arising from efficient portfolio management techniques for the reporting period, together with direct and indirect costs and fees incurred (which will not include any hidden revenue). Where relevant, any relationship between the counterparty and the Management Company, Investment Manager or Depositary will be disclosed.

FDI used for efficient portfolio management may be used by a Fund for hedging purposes. Hedging is a technique used for minimising an exposure created from an underlying position by counteracting such exposure by means of acquiring an offsetting position. The positions taken for hedging purposes will not be allowed to exceed materially the value of the assets that they seek to offset. Where a Fund enters into OTC FDI transactions, they will only be executed with approved counterparties and will at all times be governed by a legally enforceable bilateral ISDA and an accompanying Credit Support Annex. The Company does not currently intend to accept any collateral from a counterparty to a OTC FDI transaction and this Prospectus will be updated to disclose the relevant collateral policy with respect to OTC FDI transactions or for efficient portfolio management techniques should the Company decide to accept collateral in the future.

To the extent that a Fund uses FDI, there may be a risk that the volatility of the Fund’s Net Asset Value may increase. However, a Fund is not expected to have an above average risk profile as a result of use of FDI. Although a Fund will be leveraged as a result of its use of FDI, the Fund’s global exposure (as prescribed in the Central Bank UCITS Regulations) relating to the use of FDI will not exceed its total net assets, i.e. the Fund may not be leveraged in excess of 100% of its Net Asset Value. The global exposure and leverage of each Fund which uses FDI will be calculated using the commitment approach. The commitment approach converts a Fund’s FDI positions into the equivalent positions in the underlying assets and seeks to ensure that the FDI risk is monitored in terms of any future “commitments” to which it is (or may be) obligated. Investors should refer to the section entitled “**Risk Factors**” for information in relation to the risks associated with the use of FDI.

The Management Company employs a risk management process in respect of each Fund which enables it, together with the Investment Manager, to accurately measure, monitor and manage the various risks associated with FDI. A statement of this risk management process has been prepared and submitted to the Central Bank in accordance with the Central Bank requirements. Any FDI not included in the risk management process in respect of the Company will not be utilised until such time as a revised risk management process has been submitted to the Central Bank. The Management Company will, on request, provide supplementary information to Shareholders relating to the risk management methods employed including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investment.

TOTAL RETURN SWAPS, CONTRACTS FOR DIFFERENCE AND SECURITIES LENDING

Where set out in the relevant Fund Supplement, a Fund may use total return swaps, contracts for difference and/or securities lending (each a “**Securities Financing Transaction**”) subject to the requirements of the Securities Financing Transactions Regulation and in accordance with normal market practice, the Central Bank UCITS Regulations, the UCITS Regulations and any other statutory instrument, regulations, rules, conditions, notices, requirements or guidance of the Central Bank issued from time to time applicable to the Company. Such Securities Financing Transactions may be entered into for any purpose that is consistent with the investment objective of a Fund, including to generate income or profits in order to increase portfolio returns or to reduce portfolio expenses or risks. Securities lending will be used for efficient portfolio management purposes only.

Subject to the limitations referred to above, any assets of a Fund may be subject to Securities Financing Transactions.

The categories of collateral which may be received by a Fund includes assets that are consistent with that Fund’s investment policy, including cash and non-cash assets such as equities, debt securities and money market instruments. Collateral received by a Fund will be valued in accordance with the valuation methodology set out under the section entitled “Determination of Net Asset Value”. Collateral received by a Fund will be marked-to-market daily and daily variation margins will be used.

Where a Fund provides collateral as a result of entering into Securities Financing Transactions, it typically does so under a full title transfer and therefore it is exposed to the risk that the counterparty will be unable or unwilling to honour its obligations to return the collateral provided. In addition, there can also be no assurance that the liquidation of any collateral provided to a Fund to secure a counterparty’s obligations under a Securities Financing Transaction would satisfy the counterparty’s obligations in the event of a default by the counterparty. Where a Fund provides collateral as a result of entering into Securities Financing Transactions, it is exposed to the risk that the counterparty will be unable or unwilling to honour its obligations to return the collateral provided. Where a Fund receives collateral as a result of entering into Securities Financing Transactions, there is a risk that the collateral held by that Fund may decline in value or become illiquid.

All the revenues arising from Securities Financing Transactions shall be returned to the relevant Fund following the deduction of any direct and indirect operational costs and fees arising. Such direct and indirect operational costs and fees are all fully transparent and will not include hidden revenue. Details of Fund revenues arising and attendant direct and indirect operational costs and fees shall be included in the Company’s semi-annual and annual reports.

The Company will conduct appropriate due diligence in the selection of counterparties, including but not limited to consideration of the legal status, country of origin, credit rating and minimum credit rating (where relevant), noting the requirements of applicable to the Company in respect of eligibility criteria for counterparties to a Fund’s Securities Financing Transactions.

From time to time, a Fund may engage counterparties that are related parties to the Depositary or other service providers of the Company. Such engagement may on occasion cause a conflict of interest with the role of the Depositary or other service provider in respect of the Company. Please refer to section entitled “Conflicts of Interest” for further details on the conditions applicable to any such related party transactions. The identity of any such related parties will be specifically identified in the Company’s semi-annual and annual reports.

The assets of a Fund that are subject to Securities Financing Transactions, and any collateral received, are held by the Depositary or its agents.

LIQUIDITY RISK MANAGEMENT

The Management Company has established a liquidity risk management policy which forms part of the Management Company’s risk management policy with the aim to enable it to identify, monitor, manage and mitigate the liquidity risks of the Funds and to ensure that the liquidity risk profile of the investments of the Funds will facilitate compliance with the Funds’ obligation to meet redemption requests. Such policy, combined with the governance framework in place and the liquidity management tools of the Management Company, also seeks to achieve fair treatment of shareholders and safeguard the interests

of the remaining or existing shareholders in case of sizeable redemptions or subscriptions.

The Management Company's liquidity risk management policy takes into account the investment strategy, the dealing frequency, the underlying assets' liquidity (and whether they are priced at fair value) and the ability to defer redemptions in compliance with the Prospectus.

The liquidity risk management policy also involves monitoring the profile of investments held by the Funds on an on-going basis with the aim to ensure that such investments are appropriate to the redemption policy as stated in the Prospectus and the relevant Fund Supplement as the case may be. Further, the liquidity risk management policy includes details on periodic stress testing carried out to manage the liquidity risk of the Funds in times of exceptional market conditions.

The Management Company's risk management function is independent from the investment portfolio management function and is responsible for performing monitoring of the Funds' liquidity risk in accordance with the Management Company's liquidity risk management policy. Exceptions on liquidity risk related issues are escalated to the Management Company's management committee and/or UCITS risk oversight forum with appropriate actions properly documented.

The Management Company may employ one or more tools to manage liquidity risks including, but not limited to:

- limiting the number of Shares redeemed for a Fund on any Dealing Day to 10% or more of the Net Asset Value of any Fund (subject to the conditions under the heading entitled "Redemption of Shares, Primary Market");
- applying anti-dilution mechanisms (i.e. Full Swing Pricing, Partial Swing Pricing and the provision of Duties and Charges) with the aim to mitigate the effect of transaction costs on the Net Asset Value per of a Fund experiencing significant net subscriptions or redemptions as outlined in the section titled "Anti-Dilution Mechanisms"; and
- recommending to the Directors to declare a suspension of the issue, valuation, sale, purchase, redemption or conversion of Shares of any Fund as outlined in the section entitled "Temporary Suspension of Dealings".

CURRENCY TRANSACTIONS

A Fund is permitted to invest in securities denominated in a currency other than the Base Currency and may purchase currencies to meet settlement requirements. In addition, subject to the restrictions imposed on the use of financial derivative instruments described above and by the UCITS Regulations, a Fund may enter into various currency transactions (i.e. forward foreign currency contracts, currency swaps whereby a Fund agrees to swap a payment or payment in one currency for a payment or payments in another currency, and spot currency contracts) to protect against uncertainty in future exchange rates. Forward foreign currency contracts are agreements to exchange one currency for another - for example, to exchange a certain amount of Sterling for a certain amount of Euro - at a future date. The date (which may be any agreed-upon fixed number of days in the future), the amount of currency to be exchanged and the price at which the exchange will take place are negotiated and fixed for the term of the contract at the time that the contract is entered into.

Currency transactions which alter currency exposure characteristics of transferable securities held by a Fund may only be undertaken for the purposes of a reduction in risk, a reduction in costs and/or an increase in capital or income returns to a Fund. Any such currency transactions will be used in accordance with the investment objective of the relevant Fund.

A Fund may "cross-hedge" one foreign currency exposure by selling a related foreign currency into the Base Currency. Also, in emerging or developing markets, local currencies are often expressed as a basket of major market currencies such as the US Dollar, Euro or Japanese Yen. A Fund may hedge out the exposure to currencies other than its Base Currency in the basket by selling a weighted average of those currencies forward into the Base Currency.

A Fund may create additional Classes which seek to hedge all or some of the underlying portfolio

currencies to the currency of the class. Currency hedged Classes will be hedged irrespective of whether the relevant currencies are declining or increasing in value. Class-specific transactions, such as class currency hedging transactions, must be clearly attributable to a specific Class. Any transaction costs and gains or losses from currency hedging shall be accrued solely to, and therefore reflected in the NAV per Share of, the relevant Class. A Fund shall not combine or offset currency exposures of different currency hedged Classes and shall not allocate currency exposures of assets of the Fund to separate Classes.

The Administrator (or other appointed party) will execute the currency hedging policy. The main financial derivative instruments used are forward foreign exchange contracts however other derivatives may be used including, but not limited to, currency options and currency swaps.

There can be no assurance or guarantee that the Administrator (or other appointed party) will be able to successfully implement currency hedging for currency hedged Classes at any time or at all. Investors should note that although the aim is to maintain at the time of this Prospectus a hedge ratio from 95% to 105% of NAV of the hedged Class there may be occasions when the hedge ratio falls outside these parameters which may be due to factors which cannot be controlled such as investor trade activity, volatility in the NAV per Share and/or currency volatility.

Whilst not the intention of the Investment Manager, over-hedged or under-hedged positions may arise due to factors outside the control of the Investment Manager. Hedged positions will be kept under review to ensure that: (i) over-hedged positions do not exceed 105% of the Net Asset Value of the Class in aggregate; and (ii) under-hedged positions do not fall short of 95% of the portion of the Net Asset Value of the Class which is to be hedged. Hedged positions will be kept under review to ensure that over-hedged and under-hedged positions do not exceed these levels, and this review shall include a procedure to ensure that over-hedged positions materially in excess of 100% of the Net Asset Value of the Class, or an under-hedged positions short of 95% of the portion of the Net Asset Value of the Class which is to be hedged, will not be carried forward from month to month. In the event there is an unrealised gain or unrealised loss on FDIs, which are used to implement the hedge in respect of currency hedged Classes, the Fund may either be underinvested (in the case of a gain) or leveraged (in the case of a loss). Any underinvestment or leverage will be removed or reduced when the currency hedge is adjusted or reset as required for the relevant currency hedged Class.

Movements in currency exchange rates can materially impact investment returns and investors should ensure they fully understand the difference between investment in currency hedged Classes versus investment in those Classes which are not currency hedged Classes. To the extent that the hedging is successful, the performance of the hedged Class is likely to move more in line with the performance of the underlying assets because some of the currency exposures have been reduced. However investors in a currency hedged class will not benefit if the Class currency falls against the Base Currency of the Fund and/or the currency in which the assets of the Fund are denominated.

BORROWING POLICY

Under the Articles the Directors are empowered to exercise all of the borrowing powers of the Company subject to any limitations under the UCITS Regulations and to charge the assets of the Company as security for such borrowings.

A Fund may not borrow money, grant loans or act as guarantor on behalf of third parties, except:

- (i) foreign currency may be acquired by means of a back-to-back loan, i.e. borrowing one currency against the deposit of an equivalent amount of another currency (provided that where foreign currency borrowings exceed the value of the “back-to-back” deposit, any excess shall be regarded as borrowing and therefore aggregated with other borrowing for the purposes of the 10% limit referred to below). Foreign currency obtained in this manner is not classified as borrowing for the purposes of Regulation 103 of the UCITS Regulations provided that the offsetting deposit is (a) denominated in the Base Currency of the Fund and (b) equals or exceeds the value of the foreign currency loan outstanding; and
- (ii) a Fund may incur temporary borrowings in an amount not exceeding 10% of its net asset value and may charge its assets as security for such borrowings.

DISTRIBUTION POLICY

The distribution policy (i.e. whether a Class is Accumulating or Distributing) and distribution frequency of each Class will be specified in the relevant Fund Supplement. The distribution policy and the frequency of dividend payments may vary for each Fund and different share Classes may be created within a single Fund that have different distribution policies, or provide for different frequency of dividend payment, or provide that dividends will not be declared.

The Articles empower the Directors to declare dividends in respect of any Distributing Shares out of net income (including dividend and interest income) and the excess, if any, of realised and unrealised capital gains over realised and unrealised losses in respect of investments of the Company. Any dividend unclaimed after a period of six years from the date of declaration of such dividend shall be forfeited and shall revert to the Company for the benefit of the relevant Fund. Dividends may be paid monthly, quarterly, semi-annually or annually as detailed in the relevant Fund Supplement.

In respect of Distributing Shares, dividends may be made at the discretion of the Directors. The Directors ordinarily intend to declare and pay dividends on the Distributing Shares of each relevant Fund if the total income of the Fund exceeds the fees and expenses by more than a de minimis amount determined by the Directors from time to time. Dividends will generally be declared in respect of the Distributing Shares in the currency of the relevant Class. Dividends will be paid by the Company to the Paying Agent for onward transmission to the relevant ICSD. For further information on the payment of dividends, please see the section of the Prospectus titled "International Central Securities Depository".

In respect of Accumulating Shares, any net income (including dividend and interest income) and the excess, if any, of realised and unrealised capital gains over realised and unrealised capital losses in respect of investments of a Fund will be retained by that Fund and will be accumulated in the Net Asset Value per Share of the relevant Class.

The distribution policy of any Fund or of any Class may be changed by the Directors, or by the Management Company acting on behalf of the Company, upon reasonable notice to Shareholders of that Fund or Class, as the case may be and, in such circumstances, the distribution policy will be disclosed in an updated Prospectus and/or Supplement.

For the accounting period to 31 December 2009, the Directors maintained a dividend policy that enabled the Company to qualify as a "distributing fund" for UK tax purposes and therefore paid a Redemption Dividend in the event a Shareholder had submitted an application for redemption in respect of the Shares in any Fund. A Redemption Dividend will reflect the net accrued income (if any) in respect of the Shares concerned and will become due immediately prior to the redemption of the Shares and paid to the Shareholder on the same day as the redemption proceeds. The Redemption Dividend is additional to any dividends declared on any class of Shares.

The Directors have obtained UK "reporting fund" status for certain share Classes and intend to maintain this status. In doing so the Company will meet the reporting requirements by making available to shareholders the information required in The Offshore Funds (Tax) Regulations 2009.

THE SHARES

CLASSES OF SHARES

The following is a description of the Classes of Shares being offered in the Company. Additional detail about the Classes of Shares offered for each Fund can be found in the relevant Fund Supplement.

The purchase proceeds of the various Share Classes of each Fund are invested in one common underlying pool of investments but the Net Asset Value of each Share Class will be different as a result of the differences in the issue price, fee structure, currency denomination, any hedging arrangements and the applicable distribution policy.

Non-ETF Shares have equal rights and are, upon issue, entitled to participate equally, in proportion to their value, in the profits (such as the distribution of dividends) and liquidation proceeds relating to the relevant Non-ETF Share Class and to attend and vote at meetings of the Company and of the Fund represented by those Non-ETF Shares.

The Non-ETF Shares carry no preferential or pre-emptive rights and at meetings of Shareholders each Shareholder shall be entitled to one vote on a show of hands and, on a poll, each whole Non-ETF Share is entitled to one vote.

Holders of ETF Shares that settle or clear through an ICSD will not be a registered Shareholder in the Company. Instead, they will hold an indirect beneficial interest in such ETF Shares and the rights of such holders shall be governed by the terms and conditions applicable to: (i) the arrangement between the Participant and the ICSD; or (ii) the arrangement with the respective nominee, broker or Central Securities Depository (as appropriate) which may be a Participant or have an arrangement with a Participant. Holders of ETF Shares should refer to the section of this Prospectus titled "Notices of Meetings and the Exercise of Voting Rights through the International Central Securities Depository" for further information on the rights associated with ETF Shares.

DIFFERENCES BETWEEN ETF AND NON-ETF SHARES

As disclosed in the relevant Supplement, Funds may issue both ETF Shares and Non-ETF Shares. Investors should note the following differences between investing in ETF Shares and Non-ETF Shares which include, but are not limited to, the following:

	ETF Shares	Non-ETF Shares
Dealing Arrangements	<p>Investors can purchase and sell ETF Shares on a Relevant Stock Exchange with the assistance of an intermediary (e.g. a stockbroker).</p> <p>Investors can purchase and sell ETF Shares throughout each day that a Relevant Stock Exchange is open.</p>	<p>Investors can subscribe for and redeem Non-ETF Shares directly with the Company.</p> <p>Investors can subscribe for and redeem Non-ETF Shares only once per Dealing Day.</p>
Dealing Mechanism	<p>Investors can purchase and sell ETF Shares on a Relevant Stock Exchange with the assistance of an intermediary (e.g. a stockbroker).</p>	<p>Investors can subscribe for and redeem Non-ETF Shares directly with the Company.</p>
Cost of Dealing	<p>Please see the section of the Prospectus titled "The ETF Shares" for information on the fees and costs associated with</p>	<p>Please see the section of the Prospectus titled "The Non-ETF Shares" for information on the fees and costs associated with</p>

	ETF Shares	Non-ETF Shares
	buying and selling ETF Shares on the Secondary Market.	subscribing for and redeeming Non-ETF Shares.
Minimum Dealing Amounts	In the case of ETF Shares purchased on the Secondary Market, the ETF Shares are not purchased directly from the Company and so the Company does not apply a minimum initial subscription amount for the purchase of such ETF Shares.	In the case of Non-ETF Shares, an investor must make an initial subscription in an amount equal to or greater than the minimum initial subscription amount (if any) specified in the relevant Supplement.
Shareholder Rights	An investor is not the registered holder of ETF Shares. Rather, the ETF Shares are registered in the name of the Common Depositary's Nominee on behalf of the ICSD.	An investor (or, if relevant, its nominee) is the registered holder of Non-ETF Shares.

- **FEE STRUCTURE**

The Company has a fee structure where, in respect of each Share Class, fees and expenses are paid as one single fee. This is referred to as the "Total Expense Ratio" or "TER". The TER also includes any due proportion of expenses of the Company which may be allocated to the Share Class from time to time. Further information on the fee structure of the Share Classes is available in the sections of the Prospectus and Fund Supplements entitled "Fees and Expenses".

- **CURRENCY DENOMINATION**

Each Fund generally offers Share Classes in the following currency denominations: EUR, USD, GBP, SGD, AUD, CHF, JPY, SEK, HKD, CAD, NZD, DKK and CNY.

- **DISTRIBUTING AND ACCUMULATING SHARE CLASSES**

Shares can be Distributing Shares or Accumulating Shares.

The Directors intend to distribute the distributable income attributable to Distributing Shares in the manner and frequency described in the relevant Fund Supplement.

No distribution of dividends shall be made in respect of Accumulating Shares and the income attributable to those Shares will be reflected in the value of the Accumulating Shares.

Further information on the distribution policy of the Classes of Shares is available in the section of the Prospectus entitled "Distribution Policy".

- **HEDGING**

Each Fund may offer hedged Share Classes at the discretion of the Investment Manager. All Share Classes that are not identified as hedged Share Classes are unhedged currency Share Classes.

- **MINIMUM DEALING AMOUNTS FOR ETF SHARES**

Subscription and redemption orders are accepted in multiples of the minimum Creation and Redemption Unit Size as may be determined by the Directors, provided that this may be waived by the Directors in their absolute discretion.

The Directors may waive the minimum subscription and redemption amount if it is determined that such a change would materially enhance the attractiveness of a Fund to investors or otherwise in their discretion. Any such change will be notified in advance to the Authorised Participant(s).

Authorised Participant(s) should refer to the Online Portal or contact the Investment Manager for details of minimum subscription and redemption orders for the Fund.

- **MINIMUM DEALING AND HOLDING AMOUNTS FOR NON-ETF SHARES**

Investment in non-ETF Shares is subject to the minimum subscription and minimum holding amounts (if any) specified in the relevant Fund Supplement.

THE ETF SHARES

This section relates only to the subscription, redemption, conversion and transfer of ETF Shares. Investors wishing to deal in ETF Shares should also refer to the section titled “General Provisions Relating to The Shares”. Investors wishing to deal in Non-ETF Shares should refer to the section titled “The Non-ETF Shares” for information on the subscription, redemption, conversion and transfer of Non-ETF Shares.

The Primary Market is the market on which ETF Shares of the Funds are issued or redeemed by a Fund at the request of Authorised Participants. Only Authorised Participants are able to effect subscriptions and redemptions of ETF Shares on the Primary Market. Investors who are not Authorised Participants can purchase and sell the ETF Shares of the Funds on the Secondary Market through a stockbroker/intermediary on a recognised stock exchange or over-the-counter, as further outlined under the section Dealing on the Secondary Market”.

The Directors, or the Management Company acting on behalf of the Company, may issue ETF Shares of any Class in the Company, and create new Classes of ETF Shares in the Company, on such terms as they may from time to time determine. The creation of new Classes of ETF Shares must be notified to, and cleared in advance by the Central Bank. ETF Shares of any particular Fund may be divided into different Classes to accommodate different dividend provisions and/or charges and/or fee arrangements and/or currencies including different total expense ratios.

Applicants wishing to deal on the Primary Market in respect of the Funds have to satisfy certain eligibility criteria, and be registered with the Company, to become Authorised Participants. Applicants wishing to become Authorised Participants should contact the Investment Manager or the Administrator for further details. In addition, all applicants applying to become Authorised Participants must first complete the Company’s application form which may be obtained from the Administrator and satisfy certain anti-money laundering checks. Signed original application form(s) and supporting anti-money laundering documentation should be sent by post, email or fax if an appropriate fax indemnity is in place, (with the original documentation to follow promptly by post) to the Administrator in accordance with the details set out in the application form or to the Company at the following address.

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For documents submitted by fax or email, a subscription and redemption block will be placed on the account pending receipt of the original documentation. Amendments to an Authorised Participant's registration details and payment instructions will only be effected upon receipt of original documentation.

The Company has absolute discretion to accept or reject any request to become an Authorised Participant and to revoke any authorisation to act as an Authorised Participant.

Subscriptions for ETF Shares will be considered upon receipt by the Administrator of the completed application form which satisfies the application requirements and including, but not limited to full anti-money laundering documentation, and any other appropriate consideration as specified below.

Authorised Participants may submit subscription orders or redemption requests for ETF Shares in a Fund electronically through the Online Portal or in such format or method as shall be agreed in advance in writing with the Administrator in accordance with the requirements of the Central Bank. The use of the Online Portal is subject to the prior consent of the Administrator and must be in accordance with and comply with the requirements of the Central Bank. Requests for subscriptions and redemptions placed electronically are subject to the Dealing Deadlines outlined in the relevant Fund Supplement. Alternative dealing methods are available with the consent of the Investment Manager and in accordance with the requirements of the Central Bank. The Company, the Investment Manager and the Administrator shall not be responsible for any losses arising in the transmission of any dealing request through the Online Portal or any alternative dealing method approved by the Investment Manager.

PRIMARY MARKET SUBSCRIPTIONS

Authorised Participants may subscribe for ETF Shares on any Dealing Day by submitting a subscription order before the Dealing Deadline in accordance with the following provisions.

Any properly made subscription order received by the Administrator after the Dealing Deadline will not be accepted until the following Dealing Day. However, such subscriptions may be accepted for dealing on the relevant Dealing Day, at the discretion of the Company, the Management Company or the Investment Manager, in exceptional circumstances, provided they are received prior to the Valuation Point. Except when the calculation of the Net Asset Value per Share is suspended, or as otherwise determined by the Company, all applications for subscriptions will be binding and irrevocable. The Directors and/or the Management Company may, in their sole discretion, decide to reject any subscription order in whole or in part.

Cash Subscriptions

Subscription Price

Subscriptions for ETF Shares at the Initial Offer Price will be considered during the Initial Offer Period. Such ETF Shares will be issued following the closing date of the Initial Offer Period, plus an appropriate provision for Duties and Charges. The Initial Offer Price per ETF Share for each Fund during the Initial Offer Period is set out in the relevant Fund Supplement. For subscriptions after the Initial Offer Period has expired, ETF Shares will be issued at their Net Asset Value per Share plus an appropriate provision for Duties and Charges.

ETF Shares will be issued in amounts equal to or above the minimum Creation and Redemption Unit size. The requirements in respect of the Minimum Initial Subscription (for cash) for a Primary Market investor may be waived by the Directors or their applicable delegates in their absolute discretion.

Settlement Period

Subscription monies should be received in the relevant account specified in the application form no later than the Settlement Date for subscriptions specified in the relevant Fund Supplement. If cleared funds representing the subscription monies are not received by the Company by the Settlement Date specified in the relevant Fund Supplement, the Directors and/or the Management Company reserve the right to cancel any provisional allotment of ETF Shares. In such an event the Authorised Participant shall

indemnify the Company and the Administrator for any loss suffered by the Company as a result of the investor's failure to transmit the subscription monies in a timely fashion including, but not limited to, any overdraft interest payable as a result. In the event that the Directors and/or the Management Company decide not to cancel a provisional allotment of ETF Shares notwithstanding that cleared funds have not been received by the Company by the relevant Settlement Date, the Directors and/or the Management Company reserve the right to charge interest at such rate as the Directors may from time to time determine on such subscription monies commencing on the Business Day following the relevant Dealing Day. Subscription monies received from applicants prior to the receipt of a subscription order will be maintained (without interest) for a period of 10 Business Days prior to being returned to the remitter. These monies will not be available for investment and will remain the property of the applicant until the relevant subscription order is accepted by the Company and/or the Management Company.

Payments made by the investors to the Company in relation to subscriptions are received into the Subscription Account and therefore upon receipt are treated as assets of the Company. As assets of the Company such subscription monies do not have the benefit of the protections afforded by the Central Bank (Supervision and Enforcement) Act 2003 (Section 48(1)) Investor Money Regulations 2015 for Fund Service Providers (S.I. 105 of 2015) (as amended). For further details see the "**Risks Associated with Umbrella Cash Accounts**" paragraph in the section entitled Risk Factors.

Direct Dealing (Cash Transaction) Fee

All subscriptions in cash will be subject to a Direct Dealing (Cash Transaction) Fee, as specified for each Fund in the relevant Fund Supplement. The Direct Dealing (Cash Transaction) Fee is payable to the Administrator as agent for the Company to offset the costs and expenses incurred by the Administrator in dealing in cash for that subscription. It will be added to the requisite subscription amount. Such fees may be waived by the Directors, in whole or in part, either generally or in any specific case, at their absolute discretion.

The Administrator, acting in accordance with instructions of, or policies formulated by, the Directors or the Management Company, may reduce the amount of the Direct Dealing (Cash Transaction) Fee, or if this is a requirement of the local law or practice of any country in which the ETF Shares are offered.

In-Kind Subscriptions

Where permitted in the relevant Fund Supplement, a Fund will allow Authorised Participants to subscribe for ETF Shares in-kind, only in Creation and Redemption Units, on each Dealing Day (except during any period in which the calculation of the Net Asset Value per Share is suspended). In this context, "*in-kind*" means that, rather than receiving cash in respect of a subscription, the Company will receive securities (or predominantly securities) and a Cash Portion.

Securities delivered in connection with in-kind subscription requests must be securities which the Fund may acquire pursuant to its investment objective, policies and restrictions, and will be valued in accordance with the provisions of this Prospectus. The value attributed to securities delivered in connection with in-kind subscription requests will be equivalent to that for cash subscriptions, and no ETF Shares shall be issued until all securities and cash payable to the Depositary have been vested with the Depositary or arrangements have been made to ensure that such assets have vested with the Depositary. In addition, the Depositary must be satisfied that there is unlikely to be any material prejudice to the existing ETF Shareholders of the relevant Fund.

Subscription Price

Following the closing date of the Initial Offer Period, the subscription price for each further Creation and Redemption Unit will be the aggregate of the Net Asset Value per Share of all of the ETF Shares comprising the Creation and Redemption Unit plus, in respect of each Creation and Redemption Unit, the relevant In-Kind Transaction Fee (the amount of which is available upon request from the Administrator). Authorised Participants may be subject to additional payments in the event of failure to deliver the Portfolio Deposit as described under "**Failure to Deliver Securities**" below. The subscription price per Creation and Redemption Unit will be payable by transferring the securities portion of the Portfolio Deposit and the Cash Portion of the Portfolio Deposit, plus a cash amount equal to the relevant In-Kind Transaction Fee.

The minimum number of ETF Shares for in-kind subscriptions is one Creation and Redemption Unit. Applications for the subscription of ETF Shares in-kind in that Fund must be in integer multiples of that Fund's Creation and Redemption Unit size.

Publication of Portfolio Composition File

The Portfolio Composition File will be available from the Investment Manager upon request.

Notification of Cash Portion and In-Kind Transaction Fee

On the Business Day following the Dealing Day, a contract note will be sent to the Authorised Participant reporting the amounts of the In-Kind Transaction Fee to be delivered by the Authorised Participant to the Depositary with the Portfolio Deposit. The Administrator will also identify the Cash Portion of the In-Kind subscription. In limited circumstances, the securities portion of the Portfolio Deposit may differ from the Portfolio Composition File as a result of corporate actions or events affecting the securities detailed therein. The Company reserves the right to permit delivery of a previously agreed basket of securities by way of a Portfolio Deposit which is different from the Portfolio Composition File. Delivery of securities in the Portfolio Deposit will be on a delivery versus payment settlement basis. In certain circumstances, and with advanced disclosure to the applicant, the Administrator, acting in accordance with instructions received from, or policies formulated by, the Directors, may permit or require that a portion of the Cash Portion itself be deliverable in-kind in one or more securities which are eligible security holdings of the Fund.

Settlement Period

Unless disclosed otherwise in the relevant Fund Supplement, the standard settlement period for in-kind subscriptions is three Business Days following the Business Day on which the application for subscription is accepted, but this may vary depending upon the standard settlement periods of the different markets on which the securities are traded and the nature of the securities comprised in the Portfolio Deposit but shall not in any event exceed 10 Business Days from the Dealing Day. ETF Shares will be allotted to the Authorised Participant on the Business Day on which the subscription order is accepted at the Net Asset Value per Share plus an appropriate provision for Duties and Charges on that Dealing Day, subject to the provisions below in relation to delivery of the securities in the Portfolio Deposit, the requisite Cash Portion and the In-Kind Transaction Fee.

Failure to Deliver Securities

In the event that an Authorised Participant fails to deliver the required securities and/or Cash Portion in relation to an in-kind subscription or cash in relation to a cash subscription in the settlement times outlined in the relevant Fund Supplement, the Company and/or the Management Company may cancel the relevant trade and the Authorised Participant will be responsible for compensating the Company for any loss incurred by the Company as a result of this failure to supply the securities and/or Cash Portion or cash in a timely manner. As a result the Company and/or the Management Company may also cancel any provisional allotment of ETF Shares.

The Directors and/or the Management Company have the discretion to determine not to cancel a subscription and provisional allotment of ETF Shares where an Authorised Participant has failed to provide the necessary securities and/or Cash Portion or cash within the required time. The Company may temporarily borrow funds to cover the amount equal to the subscription in accordance with the investment objective and policies of the Fund. Once the subscription proceeds have been received, the Company will use this to repay the borrowing. In these circumstances, the Company may charge the Authorised Participant for any costs incurred as a result of the borrowing. If the Authorised Participant refuses to pay the Company for any costs incurred, the Company is entitled to sell all or part of the Authorised Participant's holdings to cover the borrowing costs.

Subscription orders for ETF Shares are irrevocable and the provisions described above may be applied to any application for ETF Shares that is not fully settled in the manner described above.

Use of Proceeds

The proceeds of a subscription received from an investor will be used in the manner outlined in the relevant Fund Supplement in order to seek to achieve the Fund's investment objective.

Registration and Settlement of ETF Shares – International Central Securities Depository

All ETF Shares issued will be in registered form. Contract notes will normally be sent to investor that have subscribed for ETF Shares within 2 Business Days of the Dealing Day. ETF Shares may only be issued as fully paid in whole units.

The settlement of trading in ETF Shares of a Fund is centralised in an ICSD structure. ETF Shares in the Fund will not be issued in Dematerialised Form and no temporary documents of title or share certificates will be issued, other than the Global Share Certificate issued to the Common Depository's Nominee (as defined below) which is required for the ICSD settlement model (the ICSD being the Recognised Clearing and Settlement Systems through which the Fund's ETF Shares will be settled). The Fund will apply for admission for clearing and settlement through the applicable ICSD. The ICSD for the Fund will be Euroclear Bank SA/NV ("Euroclear").

Under the ICSD settlement model, all ETF Shares in the Fund will ultimately settle in an ICSD but investors may have their holdings within Recognised Clearing and Settlement Systems which are national settlement systems for individual national markets ("Central Securities Depositories") which will be an account holder in the relevant ICSD (a "Participant"). All ETF Shares in issue will be represented by a Global Share Certificate and the Global Share Certificate will be deposited with an entity appointed as a depository for the ICSD, currently HSBC Bank plc (the "Common Depository") (being the entity nominated by the ICSD to hold the Global Share Certificate) and will be held in its nominee name, HSBC Issuer Services Common Depository Nominee (UK) Limited (the "Common Depository's Nominee") (being the registered holder of the ETF Shares of the Fund as nominated by the Common Depository) on behalf of Euroclear and accepted for clearing through Euroclear. The applicable ICSD for an investor is dependent on the market in which the ETF Shares are traded.

A purchaser of interests in ETF Shares in the Fund will not be a registered shareholder in the Company, but will hold an indirect beneficial interest in such ETF Shares. Legal title to the ETF Shares of the Fund will be held by the Common Depository's Nominee. The rights of the holder of the indirect beneficial interests in the ETF Shares, where such person is a Participant in the ICSD, shall be governed by the terms and conditions applicable to the arrangement between such Participant and their ICSD and where the holder of the indirect beneficial interests in the ETF Shares is not a Participant, shall be governed by their arrangement with their respective nominee, broker or Central Securities Depository (as appropriate) which may be a Participant or have an arrangement with a Participant. The extent to which, and the manner in which, Participants may exercise any rights arising under the ETF Shares will be determined by the respective rules and procedures of their ICSD. All references herein to actions by holders of the Global Share Certificate will refer to actions taken by the Common Depository's Nominee as registered ETF Shareholder following instructions from the applicable ICSD upon receipt of instructions from its Participants. All distributions, notices, reports, and statements issued to the Global Paying Agent by the Company will be distributed to the Participants in accordance with such applicable ICSD's procedures.

Interests in the ETF Shares represented by the Global Share Certificate will be transferable in accordance with applicable laws, any rules and procedures issued by the ICSDs and this Prospectus. Beneficial interests in such ETF Shares will only be transferable in accordance with the rules and procedures for the time being of the relevant ICSD and this Prospectus.

Each Participant must look solely to its ICSD for documentary evidence of the amount of such Participant's interests in any ETF Shares. Any certificate or other document issued by the relevant ICSD, as to the interest in such ETF Shares standing to the account of any person shall be conclusive and binding as accurately representing such records. Each Participant must look solely to its ICSD for such Participant's (and therefore any person with an interest in the ETF Shares) portion of each payment or distribution made by the Fund and in relation to all other rights arising under the ETF Shares.

Participants shall have no claim directly against the Company, the Fund, any entity appointed to act as Global Paying Agent or any other person (other than their ICSD) relating to payments or distributions due

in respect of the ETF Shares which are made by the Company or the Fund and such obligations of the Company shall be discharged thereby. The ICSD shall have no claim directly against the Company, the Fund, any paying agent or any other person (other than the Common Depository).

The Company or its duly authorised agent may from time to time require the holder of the indirect beneficial interest in the ETF Shares to provide them with information relating to: (a) the capacity in which they hold an interest in ETF Shares; (b) the identity of any other person or persons then or previously interested in such ETF Shares; (c) the nature of any such interests; and (d) any other matter where disclosure of such matter is required to enable compliance by the Company with applicable laws or the constitutional documents of the Company.

The Company or its duly authorised agent may from time to time request the applicable ICSD to provide the Company with certain details in relation to Participants that hold interests in ETF Shares in the Fund including (but not limited to): ISIN, ICSD Participant name, ICSD Participant type (e.g. fund/bank/individual), residence of ICSD Participants, number of ETFs and holdings of the Participant within Euroclear, including which Funds, types of ETF Shares and the number of such interests in the ETF Shares held by each such Participant, and details of any voting instructions given and the number of such interests in the ETF Shares held by each such Participant. Euroclear Participants which are holders of interests in ETF Shares or intermediaries acting on behalf of such account holders will provide such information upon request of the ICSD or its duly authorised agent and have been authorised pursuant to the respective rules and procedures of Euroclear to disclose such information to the Company of the interest in ETF Shares or to its duly authorised agent. Similarly, the Company or its duly authorised agent may from time to time request any Central Securities Depository to provide the Company with details in relation to ETF Shares in the Fund or interests in ETF Shares in the Fund held in each Central Securities Depository and details in relation to the holders of those ETF Shares or interests in ETF Shares, including (without limitation) holder types, residence, number and types of holdings and details of any voting instructions given by each holder. Holders of ETF Shares and interests in ETF Shares in a Central Securities Depository or intermediaries acting on behalf of such holders agree to the Central Securities Depository, pursuant to the respective rules and procedures of the relevant Central Securities Depository, disclosing such information to the Company or its duly authorised agent.

The holder of the indirect beneficial interest in the ETF Shares may be required to agree to the applicable ICSD providing the identity of a Participant or investor to the Company upon their request.

Notices of Meetings and the Exercise of Voting Rights through the International Central Securities Depository

Notices of general meetings and associated documentation will be issued by the Company to the registered holder of the ETF Shares, i.e. the Common Depository's Nominee. Each Participant must look solely to its ICSD and the rules and procedures for the time being of the relevant ICSD governing onward delivery of such notices to the Participants and the Participant's right to exercise voting rights. Investors who are not Participants in the relevant ICSD would need to rely on their broker, nominee, custodian bank or other intermediary which is a Participant, or which has an arrangement with a Participant, in the relevant ICSD to receive any notices of Shareholder meetings of the Company and to relay their voting instructions to the relevant ICSD.

The Common Depository's Nominee has a contractual obligation to promptly notify the Common Depository of any Shareholder meetings of the Company. The Global Paying Agent is under a contractual obligation to relay any associated documentation issued by the Company to the relevant ICSD. Each ICSD will, in turn, relay notices received from the Common Depository to its Participants in accordance with its rules and procedures. In accordance with their respective rules and procedures, each ICSD is contractually bound to collate and transfer all votes received from its Participants to the Common Depository and the Common Depository is, in turn, contractually bound to collate and transfer all votes received from each ICSD to the Common Depository's Nominee, which is obliged to vote in accordance with the Common Depository's voting instructions.

CONVERSION OF ETF SHARES – PRIMARY MARKET

A conversion request will be treated as a cash redemption request in respect of the originally held ETF Shares and as a cash subscription application in respect of ETF Shares of the new Fund and/or Class. On this basis and unless otherwise stated in the relevant Fund Supplement, ETF Shareholders will be entitled on any Dealing Day to request to convert any or all of their ETF Shares of any Class in any Fund into ETF Shares of another Class in the Fund or any other Fund, except where dealings in the relevant ETF Shares have been temporarily suspended in the circumstances described in this Prospectus and where the Dealing Deadlines are different for the Class of ETF Shares in the Funds being converted. Conversions will be subject to an appropriate provision for Duties and Charges. Shareholders should consider the terms of the relevant Fund Supplement for further details. Authorised Participants who wish to request a conversion between Funds should contact the Administrator for a list of Funds on which this facility is available.

The conversion of the ETF Shares into Non-ETF Shares and vice versa is not permitted.

When requesting the conversion of ETF Shares as an initial investment in a Fund, Shareholders should ensure that the aggregate Net Asset Value per Share of the ETF Shares converted is equal to or exceeds any minimum dealing amount for the relevant Fund. In the case of a conversion of a partial holding only, the value of the remaining holding must also be at least equal to any minimum dealing amount for the relevant Fund. If the number of ETF Shares of the new Class to be issued on conversion is not an integral number of ETF Shares, the Company may issue fractional Shares of the new Class or return the surplus arising to the Shareholder seeking to convert the ETF Shares of the original Class. In the case of a conversion of a holding in a Class of a Fund to a Class in the same Fund, the Shareholder requesting the conversion is not required to convert ETF Shares equal to or exceeding the minimum holding for that Fund.

Conversions will attract a Conversion Transaction Fee, being the fee payable to the Administrator as agent for the Company where, as part of a conversion of ETF Shares, ETF Shares are redeemed for cash and subsequently invested for cash in a different Fund. The fee payable is deducted from the redemption proceeds at the same rate as the Conversion Transaction Fee as specified in the relevant Fund Supplement of the subscribed for Fund.

REDEEMING ETF SHARES – PRIMARY MARKET

Authorised Participants may request the Company to redeem their ETF Shares on any Dealing Day by submitting a redemption instruction before the Dealing Deadline in accordance with the following redemption procedures. Except when the calculation of the Net Asset Value per Share is suspended, or as otherwise determined by the Company, all redemption instructions will be binding and irrevocable. Any properly made redemption instruction received by the Administrator after the Dealing Deadline will not be accepted until the following Dealing Day unless the Directors and/or the Management Company otherwise determine. Authorised Participants will not be entitled to withdraw redemption instructions unless otherwise agreed by the Directors and/or the Management Company in consultation with the Administrator.

The ETF Shares shall be redeemed at the Net Asset Value per Share less an appropriate provision for Duties and Charges on the Dealing Day on which redemption is effected.

Redemptions will only be processed on receipt of electronically sent instructions where payment is made to a bank account on record. In addition, the Administrator or the Directors may refuse to process a redemption until proper information has been provided.

No redemption payment may be made unless the original application form has been received by the Administrator and all documentation required in connection with anti-money laundering procedures has been received and anti-money laundering procedures have been completed.

Where satisfaction of a redemption request would result in a Shareholder holding a number of ETF Shares in a class with a value less than the Minimum Holding for that class, the Directors shall be entitled, at their discretion, to treat the redemption instruction as an instruction for the redemption of all of that Shareholder's ETF Shares of the relevant class or to offer the Shareholder an opportunity to amend or withdraw the redemption instruction.

Cash Redemptions

If a redemption request relates to ETF Shares which were entirely purchased for cash, those ETF Shares may be redeemed for cash on each Dealing Day by submitting a redemption instruction before the Dealing Deadline in accordance with the procedure set out below. In the case of such ETF Shares, if (i) the consent of the redeeming Shareholder is obtained or (ii) the redemption relates to ETF Shares with a value equal to 5% or more of the Net Asset Value on any Dealing Day, the Directors may, at their absolute discretion, distribute underlying investments rather than cash provided the asset allocation is subject to the approval of the Depositary and that any such distribution shall not materially prejudice the interest of other Shareholders. In such circumstances, the relevant Shareholder will have the right to instruct the Company to procure the sale of such underlying investments on their behalf. In all other circumstances, redemption requests will, unless otherwise determined by the Directors, or in the case of a conversion of ETF Shares (see page 50 for details), be processed on an “*in-kind*” basis as described below.

Direct Dealing (Cash Transaction) Fee

All redemptions for cash will be subject to a Direct Dealing (Cash Transaction) Fee, as specified for each Fund in the relevant Fund Supplement. The Direct Dealing (Cash Transaction) Fee is payable to the Administrator as agent for the Company to offset the costs and expenses incurred by the Administrator in dealing in cash for that redemption. It will be deducted from the redemption proceeds. Such fees may be waived by the Directors, in whole or in part, either generally or in any specific case, at their absolute discretion.

Payment Procedures for Redemptions for Cash

Unless disclosed otherwise in the relevant Fund Supplement, payment for ETF Shares redeemed will be effected no later than 10 Business Days after the relevant Dealing Day. Redemption proceeds in either the reference currency of the share class or, if available at the time of redemption, other local currency (at a competitive rate provided by the Administrator) will be paid by telegraphic transfer to the appropriate bank account as notified by the redeeming Shareholder. Payment will be made only to an account in the name of the registered Shareholder.

Redemption Proceeds

The redemption proceeds will be paid less an appropriate provision for Duties and Charges and any telegraphic transfer costs, and the Administrator will identify the portion of such proceeds represented by any accrued income that is being paid to the redeeming Shareholder.

In-Kind Redemptions

Each Fund will allow Authorised Participants to redeem only in Redemption Units, or in fractions of Redemption Units at the discretion of the Directors, on each Dealing Day. In this context, “*in-kind*” means that, rather than delivering cash proceeds in respect of a redemption, the Company will deliver securities (or predominantly securities).

Publication of Portfolio Composition File

The Portfolio Composition File will be available from the Investment Manager upon request.

Notification of Cash Portion, In-Kind Transaction Fee and any Transfer Taxes

On the Dealing Day on which receipt is accepted, a contract note will be sent to the Authorised Participant stating the In-Kind Transaction Fee deducted from the final redemption proceeds. The Administrator will also identify the portion of such proceeds represented by any Redemption Dividend that is being paid to the redeeming Shareholder. In limited circumstances, the securities portion of the Portfolio Deposit may differ from the Portfolio Composition File as a result of corporate actions or events affecting the securities detailed therein. The Company reserves the right to have the Depositary deliver to a person redeeming a previously agreed basket of securities by way of a Portfolio Deposit which is different from the Portfolio Composition File. In certain circumstances, and with advanced disclosure to

the Authorised Participant, the Administrator, acting in accordance with instructions received from, or policies formulated by, the Directors, may permit or require that a percentage of the Cash Portion itself be deliverable in kind in one or more securities which are comprised in the Portfolio Composition File.

Settlement Period

The standard settlement period for in-kind redemptions will be specified in the relevant Fund Supplement but may vary depending upon the standard settlement periods of the underlying securities in the Portfolio Deposit. Any cash to be paid in respect of an in-kind redemption will be for value on the same day as settlement of the securities. Delivery of securities will be on a delivery versus payment settlement basis. The cost of any settlement by telegraphic transfer will be charged to and payable by the Authorised Participant.

Partial Cash Settlement

The Directors may, in their absolute discretion, satisfy part of the for in-kind redemption in cash, e.g. in cases in which it believes that a security held by a Fund is unavailable for delivery or where it believes that an insufficient amount of that security is held for delivery to the Authorised Participant for redemption in-kind.

DEALING ON THE SECONDARY MARKET

It is the intention of the Company that certain of its Funds, through the listing of ETF Shares on one or more Relevant Stock Exchange, will be exchange traded funds. Upon such listings there is an expectation that one or more members of the Relevant Stock Exchange will act as market makers and provide offer and bid prices at which the Shares can be purchased or sold, respectively, on a Relevant Stock Exchange by investors.

Certain Authorised Participants who subscribe for Creation and Redemption Units may act as market makers; other Authorised Participants are expected to subscribe for Creation and Redemption Units in order to be able to offer to buy ETF Shares from or sell ETF Shares to retail customers as part of their broker/dealer business. The Directors expect that the activities of Authorised Participants will generate a liquid and efficient Secondary Market on one or more Recognised Markets. Persons who are not Authorised Participants or not able or willing to subscribe for and redeem Creation and Redemption Units will be able to buy Shares from, or sell Shares on the Secondary Market to, other retail investors or market makers or brokers or Authorised Participants at prices which should approximate, after currency conversion, the Net Asset Value per Share.

Purchases and Sales of ETF Shares – Secondary Market

Investors are able to buy and sell ETF Shares on the Secondary Market through a stockbroker, share dealing service or third party administrator, in smaller quantities than would be possible if they were to subscribe and/or redeem ETF Shares through the Company in the Primary Market.

Investors that purchased their ETF Shares on the Secondary Market i.e. through a stock exchange, are advised to contact their stockbroker, share dealing service or third party administrator should they wish to sell their ETF Shares.

ETF Shares purchased on the Secondary Market cannot usually be sold directly back to the Company by investors who are not Authorised Participants. In exceptional circumstances, whether as a result of disruptions in the Secondary Market or otherwise, the Company will make a stock exchange announcement when such circumstances arise in order to notify investors that purchased ETF Shares on the Secondary Market to contact the Company for information on the process to redeem ETF Shares. Investors may then apply to the Company, in writing, for details of the process to be followed in order to redeem the Shares. Investors wishing to do so should contact the Administrator to provide such proper information, including original documentation, as the Administrator shall require in order to register the investor as a Shareholder. ETF Shareholders may then access redemption facilities described above in the section “How to Sell ETF Shares – Primary Market Redemptions”. The Shares may then be redeemed at the Net Asset Value per Share less an appropriate provision for Duties and Charges on the Dealing Day on which redemption is affected.

Secondary Market Prices

The market price of ETF Shares listed or traded on a Relevant Stock Exchange may not necessarily reflect the Net Asset Value per Share of a Fund, and may be subject to brokerage commissions and/or transfer taxes associated with the trading and settlement through the Relevant Stock Exchange.

There can be no guarantee that once the ETF Shares are listed on a stock exchange they will remain listed. Shareholders should also read the risk warning headed “Secondary Market Trading Risk” and “Risk of Fluctuation of Net Asset Value and Trading Prices on the Secondary Market” in the “section entitled “Risk Factors”.

THE NON-ETF SHARES

This section relates only to the subscription, redemption, conversion and transfer of Non-ETF Shares. Investors wishing to deal in Non-ETF Shares should also refer to the section below titled “General Provisions Relating to The Shares”. Investors in ETF Shares should refer to the section above titled “The ETF Shares” information on the subscription, redemption, conversion and transfer of ETF Shares.

The Company may register Non-ETF Shares jointly in the names of not more than four holders should they so require. In such case, the rights attaching to such a Non-ETF Share must be exercised by one person designated to do so. The Company may require that such single representative be appointed by all joint holders.

HOW TO BUY NON-ETF SHARES

Initial applications should be made using an Application Form obtained from the Administrator which may be submitted by fax with the original signed form to follow promptly (where appropriate and if requested by the Administrator). All initial applications shall be subject to prompt transmission to the Administrator of such other papers (such as documentation relating to money laundering prevention checks) as may be required by the Directors. In the case of initial or subsequent applications submitted by electronic means or by fax, it shall not be necessary for the Company to subsequently receive the original Application Form provided that the Administrator is satisfied that the appropriate controls and procedures are in place to comply with applicable anti-money laundering legislation and to ensure that any risk of fraud associated with the processing of transactions based on such means are adequately mitigated.

Amendments to a Shareholder’s registration details and payment instructions will only be made following receipt of faxed or electronic authorised instructions with appropriate documentation from the relevant Shareholder. Such requests will be sufficient to change such details, however the Administrator on review of any request may advise a Shareholder that an original instruction is required.

Any applications submitted by electronic means must be in a form and method agreed by the Administrator and subject to and in accordance with the requirements of the Administrator and the Central Bank. Applications will be irrevocable unless the Directors otherwise agree. The Application Form contains certain conditions regarding the application procedure for Non-ETF Shares in the Company and certain indemnities, which will be applied in good faith and only on reasonable grounds, in favour of the Company, the relevant Fund, the Administrator, the Depositary and the other Shareholders for any loss suffered by them as a result of certain applicants acquiring or holding Non-ETF Shares.

Investors purchasing any Non-ETF Shares through a Distributor, for onward transmission to the Administrator, should note that they will be subject to the Distributor’s account opening requirements.

Payments made by the investors to the Company in relation to subscriptions are received into the Subscription Account and therefore upon receipt are treated as assets of the Company. As assets of the Company such subscription monies do not have the benefit of the protections afforded by the Central Bank (Supervision and Enforcement) Act 2003 (Section 48(1)) Investor Money Regulations 2015 for Fund Service Providers (S.I. 105 of 2015) (as amended). For further details see the “Risks Associated with Umbrella Cash Accounts” paragraph in the section entitled Risk Factors.

Initial Offer Price or Subscription Price

The Initial Offer Price for Non-ETF Shares in the relevant Fund during the Initial Offer Period shall be set out in the Supplement for the relevant Fund.

Following the Initial Offer Period, Non-ETF Shares shall be issued at the Subscription Price per Share as determined on the day on which they are deemed to be issued.

A sales charge of up to 5.00% of the Net Asset Value per Share or, if applicable, of the adjusted Net Asset Value may be levied by a Distributor or sub-distributor to cover their distribution fees. No sales charge will be levied by the Company, Investment Manager or Management Company.

Dealing Deadlines and Settlement Dates

Details of the Dealing Deadline and the Settlement Date are outlined in the relevant Fund's Supplement. Additional information is provided as follows:

- Applications received prior to the Dealing Deadline for any Dealing Day will be processed on that Dealing Day.
- Applications received by the Administrator after the Dealing Deadline will normally be dealt on the next following Dealing Day.
- Applications received by the Administrator on a day which is not a Dealing Day will not be accepted and will need to be resubmitted the following Dealing Day.
- Applications for which documentation is missing will be dealt on receipt of the relevant documents, on the appropriate Dealing Day, after taking account of the Dealing Deadlines.
- Shareholders should normally allow up to four Business Days before further converting or redeeming their Non-ETF Shares after purchase or subscription. Non-ETF Shares will not be converted or redeemed until paid for in full.
- Investors and Shareholders dealing through the Distributors or sub-distributors (including those offering nominee services) shall be entitled to deal until the Dealing Deadlines. The Distributors, sub-distributors and nominees shall transmit the amalgamated orders to the Company within a reasonable timeframe as agreed from time to time with the Management Company.
- The Directors and/or the Management Company may, under exceptional circumstances and at their discretion, accept applications after the Dealing Deadline provided that they are received before the relevant Fund's Valuation Point.
- Dealing is carried out at forward pricing basis. i.e. the NAV next computed after receipt of subscription requests.

Acceptance

The Directors or the Management Company reserve the right to reject any subscription application in whole or in part.

If an application is rejected, the application monies or balance thereof will be returned at the risk of the subscriber and without interest as soon as possible after rejection at the expense of the applicant.

Settlement

In Cash

Settlement should be made by electronic transfer net of bank charges to the relevant correspondent bank(s) quoting the subscriber's name and stating the appropriate Fund and Share Class in respect of which settlement monies are paid. Details of the relevant correspondent bank(s) are given on the Application Form or can be obtained from a Distributor.

In Kind

The Directors may, at their discretion, decide to accept payment for Non-ETF Shares of a Fund in kind, and may allot Non-ETF Shares in the Fund provided that arrangements are made to vest in the Depositary on behalf of the Company investments which would form part of the assets of the relevant Fund and provided that (i) the Depositary is satisfied that there is unlikely to be any material prejudice to existing Shareholders in the relevant Fund; and (ii) such investments would qualify as an investment of the relevant Fund in accordance with its investment objective, strategies and restrictions. The number of Non-ETF Shares to be issued in this way shall be the number which would have been issued for cash against the payment of a sum equal to the value of the investments, and an amount may be deducted from the value of the investments to allow for attributable transaction costs incurred by the Fund as a result of accepting the assets. The value of the investments to be vested shall be calculated by applying the valuation methods described under the section titled "Valuation".

Settlement Currencies

Payments for subscriptions can only be made in the Reference Currency of the relevant Non-ETF Share Class or, where available, in a Dealing Currency.

Payments made in a currency other than the Reference Currency of the relevant Non-ETF Share Class or a Dealing Currency available for the Non-ETF Share Class will require a foreign exchange transaction between this currency and the Base Currency of the Fund. This operation will be arranged by the Distributor or the Administrator at the subscriber's expense on the basis of the exchange rate applicable as at the Dealing Day.

All these currencies in which payments for subscriptions shall be made are subsequently referred to as "Settlement Currency".

Non-ETF Share Allocation

Non-ETF Shares are provisionally allotted but not allocated until cleared funds have been received by the Company or to its order.

If payment in full has not been received by the Settlement Date, or in the event of non-clearance of funds, all or part of any allotment of Non-ETF Shares made in respect of such application may, at the discretion of the Directors or the Management Company, be cancelled, or, alternatively, the Administrator on the instruction of the Directors or the Management Company may treat the application as an application for such number of Non-ETF Shares as may be purchased with such payment on the Dealing Day next following receipt of payment. In such cases, the Company may charge the applicant for any resulting loss incurred by the relevant Fund. The Directors or the Management Company reserve the right to charge interest at a reasonable commercial rate on subscriptions which are settled late.

Subscribers are advised to refer to the terms and conditions applicable to subscriptions which are detailed in the Application Form.

Fractions of registered Non-ETF Shares will be issued (as necessary) to three decimal points or such other number of decimal places as the Directors or the Management Company may determine from time to time.

Form of Non-ETF Shares and Confirmation of Ownership

Non-ETF Shares are provisionally allotted but not allocated until cleared funds have been received by the Company or to its order.

Non-ETF Shares will be in non-certificated and registered form. A contract note providing details of a trade on a Shareholder's account and confirmation of ownership evidencing entry in the register of Shareholders maintained by the Administrator will be sent to Shareholders (or the first named of joint Shareholders) or his/her agent by electronic means, as directed, at his/her own risk normally within 2 Business Days of the Dealing Day. Share certificates will not be issued. All registered Shareholders are sent a statement monthly by electronic means confirming the number and value of registered Shares held by them in each Fund.

For registered Non-ETF Shares, fractions of Non-ETF Shares will be allocated where appropriate.

The Company does not issue bearer Shares.

HOW TO SELL NON-ETF SHARES

Request

Redemption requests should be made to the Company either directly to the Administrator or through the Distributors, for onward transmission to the Administrator. Redemption requests may be accepted electronically (in such format or method as shall be agreed in advance with the Administrator) and subject to and in accordance with the requirements of the Administrator and the Central Bank. Requests must be in authenticated form, by electronic means, or by fax with the original to follow promptly (where appropriate and if requested by the Administrator) and must be signed and should include such information as may be specified from time to time by the Directors. Subject to the agreement of the Administrator and in accordance with the terms of the Application Form, the original of the redemption request may not be required prior to payment of redemption proceeds, provided that the redemption proceeds are paid to the account of record. Redemption requests must include the names and personal account number(s) of the Shareholder(s), either the number of Non-ETF Shares to be repurchased or the cash value to be raised relating to each Fund and any special instructions for despatch of the redemption proceeds.

No redemption payment may be made to a Shareholder until the redemption request has been received (including any documentation required in connection with anti-money laundering requirements) and the anti-money laundering procedures have been completed.

Redemption Price

The Redemption Price at which Non-ETF Shares will be redeemed on a Dealing Day is the Net Asset Value per Non-ETF Share of the relevant Class on the relevant Dealing Day less any **Dilution Mechanisms** as set out in this Prospectus or the relevant Fund's Supplement. Fractions of registered Non-ETF Shares will be redeemed (as necessary) to three decimal points or such other number of decimal places as the Directors may determine from time to time.

Dealing Deadlines and Settlement Dates

Details of the Dealing Deadline and the Settlement Date are outlined in the relevant Fund's Supplement. Additional information is provided as follows:

- Applications received prior to the Dealing Deadline for any Dealing Day will be processed on that Dealing Day.
- Applications received by the Administrator after the Dealing Deadline will normally be dealt on the next following Dealing Day.
- Applications received by the Administrator on a day which is not a Dealing Day will not be accepted and will need to be resubmitted the following Dealing Day.
- Applications for which documentation is missing will be dealt on receipt of the relevant documents, on the appropriate Dealing Day, after taking account of the Dealing Deadlines. Shares will not be converted or redeemed until paid for in full.

- Investors and Shareholders dealing through the Distributors or sub-distributors (including those offering nominee services) shall be entitled to deal until the above Dealing Deadline. The Distributors, sub-distributors and nominees shall transmit the amalgamated orders to the Company within a reasonable timeframe as agreed from time to time with the Management Company.
- The Directors may, under exceptional circumstances and at their discretion, accept applications after the Dealing Deadline provided that they are received before the relevant Fund's Valuation Point.
- Dealing is carried out at forward pricing basis. i.e. the NAV next computed after receipt of redemption requests.

Settlement

Payments pending distribution to investors from the Company in relation to redemptions are received into the Redemption Account and therefore upon receipt are treated as assets of the Company. As assets of the Company such redemption monies do not have the benefit of the protections afforded by the Central Bank (Supervision and Enforcement) Act 2003 (Section 48(1)) Investor Money Regulations 2015 for Fund Service Providers (S.I. 105 of 2015) (as amended). For further details see the "Risks Associated with Umbrella Cash Accounts" paragraph in the section entitled Risk Factors.

In Cash

Redemption proceeds shall be paid by the Settlement Date.

If payment is made by telegraphic transfer at the request of the Shareholder, any costs so incurred will be the liability of the Shareholder. The payment of the redemption proceeds is carried out at the risk of the Shareholder.

In Kind

The Company and a Shareholder may agree on an in kind transfer of assets for any redemption subject to the allocation of assets being approved by the Depositary.

The Memorandum and Articles of Association of the Company contain special provisions where a redemption request received from a Shareholder would result in Non-ETF Shares representing more than 5% of the NAV of any Fund being redeemed by the Company on any Dealing Day. In such a case, the Company may satisfy the redemption request by a distribution of investments of the relevant Fund in kind provided that such a distribution would not be prejudicial to the interests of the remaining Shareholders of that Fund, and the asset allocation is approved by the Depositary. Where the Shareholder requesting such redemption receives notice of the Company's intention to elect to satisfy the redemption request by such a distribution of assets that Shareholder may require the Company instead of transferring those assets to arrange for their sale and the payment of the proceeds of sale to that Shareholder less any costs incurred in connection with such sale. The Fund shall not be liable for the shortfall (if any) between the NAV of the redemption in question and the proceeds realised from the sale of the relevant assets. The Company shall not seek to satisfy a redemption request in kind with any retail investor without obtaining their express prior consent for each redemption request.

Settlement Currencies

Payments for redemptions will be made in the Reference Currency of the Share Class or, where available, in a Dealing Currency.

However, subject to the agreement of the Management Company, at a Shareholder's request payments may be made in a currency other than the Reference Currency of the Non-ETF Share Class or a Dealing Currency available for the Non-ETF Share Class. Such payments will require a foreign exchange transaction between this currency and the Base Currency of the Fund. This operation will be arranged by the Distributor or the Administrator at the Shareholder's expense on the basis of the exchange rate

applicable as at the Dealing Day.

All these currencies in which payments for redemptions shall be made are subsequently referred to as "Settlement Currency".

In exceptional circumstances, such as during an event of very significant currency markets disruption, should it not be possible for the Company to make payments for redemptions in the Reference Currency of a Share Class or in the Dealing Currency the Company reserves the right to make such payment only in the Base Currency of the Fund.

Contract Note

A contract note providing details of a trade on a Shareholder's account will normally be sent to Shareholders within 2 Business Days of the relevant Dealing Day.

NON-ETF SHARES – HOW TO CONVERT BETWEEN FUNDS/CLASSES

Request

Unless otherwise provided in the relevant Supplement, Shareholders are entitled to convert all or part of their Non-ETF Shares of one Fund into Non-ETF Shares of another Fund, and may also convert from one Class of Shares of a Fund into other Classes of Shares of that Fund or Classes of Shares of other Funds, provided that Shareholders meet the eligibility criteria for the Class of Shares into which they are converting.

Applications received by the Administrator before the Dealing Deadline will be dealt on that Dealing Day.

Applications received by the Administrator after the Dealing Deadline will be dealt on the next Dealing Day.

The conversion of the Non- ETF Shares into ETF Shares and vice versa is not permitted.

In the event that an investor seeks to convert between Funds or Non-ETF Share Classes with different Dealing Deadlines, the earlier of the two Dealing Deadlines will apply.

For Shareholders in the Company who invest initially in Non-ETF Share Classes where no or a low sales charge is usually payable and subsequently switch into Share Classes of the same or different funds with higher sales charges, such conversions may be subject to the sales charge, applied at the discretion of a Distributor or sub-distributor, as applicable, which is normally payable on direct investments into such Non-ETF Share Classes.

The general provisions and procedures relating to the subscription and redemption of Non-ETF Shares will apply equally to conversions save in relation to charges payable details of which are set out below and/or in the relevant Supplement.

A conversion request will be executed on the next Dealing Day of the Fund a Shareholder converts from which is also a Dealing Day of the Fund a Shareholder converts to, except for Funds with specific Dealing Deadlines where the conversion request will be executed in accordance with the Dealing Deadlines detailed in the relevant Fund's Supplement. For example, if a Shareholder converts from a Fund that deals daily into a Fund that deals twice a month, the redemption will be processed so that the Shareholder remain invested in the Fund he/she converts from as long as possible and the conversion request will only be executed to match the next Dealing Day of the Fund the Shareholder converts to.

If compliance with conversion instructions would result in a residual holding in any Class to fall below the Minimum Holding of that Class, the Directors or the Management Company may compulsorily redeem the residual Non-ETF Shares at the Redemption Price applicable on the day on which conversion requests will be processed and make payment of the proceeds to the Shareholder.

A conversion charge of up to 1% of the value of the Non-ETF Shares which are being converted may be payable to the relevant Distributor.

When a currency conversion is required because the NAVs per Non-ETF Share of the converted shares are denominated in different currencies, the currency conversion rate of Dealing Day applies.

The Directors may, under exceptional circumstances and at their discretion, accept applications after the Dealing Deadline provided that they are received before the relevant Fund's Valuation Point.

Conversion requests will only be accepted on settled shares and after anti-money laundering procedures have been completed.

Fractions of registered Non-ETF Shares will be issued (as necessary) on conversion to three decimal points or such other number of decimal places as the Directors may determine from time to time.

HOW TO TRANSFER NON-ETF SHARES

Transfers will only be accepted on settled Non-ETF Shares. Non-ETF Shares will be transferable by instrument in writing via the completion of a stock transfer form, in common form or in any other written form approved by the Administrator and signed by an authorised signatory of the transferor. The transferee will be required to complete an Application Form and any other documentation required by the Administrator in addition to providing any documentation or information under the Criminal Justice (Money Laundering and Terrorist Financing) Act 2010 and 2013 (as amended) (the "**AML Act**") or its anti-money laundering procedures. No Non-ETF Share transfer will be permitted until the Application Form and transfer instruction of the transferor and all documentation required by the Administrator, including any document in connection with the AML Act or other requirements and/or procedures have been received by the Administrator. The Administrator will also require a completed Application Form and all documentation required by the Administrator, including any document in connection with the AML Act or other requirements and/or procedures have been received by the Administrator, from the transferee.

The transferor shall be deemed to remain the Shareholder of the Non-ETF Share until the name of the transferee is entered in the share register.

The right to transfer Non-ETF Shares is subject to the Minimum Initial Investment and Minimum Holding requirements. Restrictions on subscriptions of Non-ETF Shares also apply to the transfer of Non-ETF Shares.

Shareholders are advised to contact the relevant distributor, sales agent, the Management Company or the Administrator prior to requesting a transfer to ensure that they have the correct documentation for the transaction.

In the event that the Administrator is required to deduct, withhold or account for tax on a transfer of Non-ETF Shares by a Shareholder, the Administrator shall be entitled to arrange for the redemption and cancellation of such number of the Non-ETF Shares of such Shareholder as are sufficient to discharge any such tax liability and the Administrator may decline to register a transferee as a Shareholder until such time as they receive from the transferee such declarations as to residency or status as they may require. The Administrator shall arrange to discharge the amount of tax due.

In the case of the death of one of joint Shareholders, the survivor or survivors will be the only person or persons recognised by the Company as having any title to or interest in the Non-ETF Shares registered in the names of such joint Shareholders.

The registration of transfers may be suspended at such times and for such periods as the Company from time to time may determine, provided always that such registration shall not be suspended for more than thirty (30) days in any year.

GENERAL PROVISIONS RELATED TO SHARES

This section relates to both the subscription, redemption, conversion and transfer of ETF Shares and Non-ETF Shares.

TEMPORARY SUSPENSION OF DEALINGS

The Directors may at any time, with prior notification to the Depositary, temporarily suspend the issue, valuation, sale, purchase, redemption or conversion of Shares of any Fund, or the payment of redemption proceeds, during:

- (a) any period when any Recognised Market on which a substantial portion of the investments for the time being comprised in the Company are quoted, listed or dealt in is closed otherwise than for ordinary holidays, or during which dealings on any such Recognised Market are restricted or suspended;
- (b) any period when, as a result of political, military, economic or monetary events or other circumstances beyond the control, responsibility and power of the Directors, the disposal or valuation of investments for the time being comprised in the Company cannot, in the opinion of the Directors, be effected or completed normally or without prejudicing the interests of Shareholders;
- (c) any breakdown in the means of communication normally employed in determining the value of any investments for the time being comprised in the Company or during any period when for any other reason the value of investments for the time being comprised in the Company cannot, in the opinion of the Directors, be promptly or accurately ascertained;
- (d) any period when the Company is unable to repatriate funds for the purposes of making redemption payments or during which the realisation of investments for the time being comprised in the Company, or the transfer or payment of funds involved in connection therewith cannot, in the opinion of the Directors, be effected at normal prices or normal rates of exchange;
- (e) any period when, as a result of adverse market conditions, the payment of redemption proceeds may, in the opinion of the Directors, have an adverse impact on the Company or the remaining Shareholders in the Company;
- (f) any period when the Directors determine that it is in the best interests of the Shareholders to do so.

Notice of any such suspension shall be published by the Company at its registered office and in such newspapers and through such other media as the Directors may from time to time determine, if in the opinion of the Directors, it is likely to exceed thirty (30) days, and shall be transmitted immediately to the Central Bank and the Shareholders. Shareholders who have requested the issue or redemption of Shares of any series or class will have their subscription or redemption request dealt with on the first Dealing Day after the suspension has been lifted unless applications or redemption requests have been withdrawn prior to the lifting of the suspension. Where possible, all reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

DEFERRAL OF REDEMPTIONS

In order to ensure that Shareholders who remain invested in the Company are not disadvantaged by the reduction of the liquidity, Directors may apply the procedures set out below in order to permit the orderly disposal of securities to meet redemptions.

The Directors, having regard to the fair and equal treatment of Shareholders, on receiving requests to redeem Shares amounting to 10% or more of the NAV of any Fund:

- Are entitled to limit the number of Shares of any Fund redeemed on any Dealing Day to Shares representing 10% of the total NAV of that Fund on that Dealing Day. In this event, the limitation

will apply pro rata so that all Shareholders wishing to have Shares of that Fund redeemed on that Dealing Day realise the same proportion of such Shares. Shares not redeemed, but which would otherwise have been redeemed, will be carried forward for redemption on the next Dealing Day. Redemptions carried forward to the next Dealing Day are not given priority over new trades received before the Dealing Deadline on that Dealing Day. If requests for redemption are so carried forward, the Administrator will inform the Shareholders affected.

- May elect to sell assets representing, as nearly as practicable, the same proportion of the Fund's assets as the Shares for which redemption requests have been received. If the Directors exercise this option, the amount due to the Shareholders who have applied to have their Non-ETF Shares redeemed will be based on the NAV per Non-ETF Share, calculated after such sale or disposal. Payment will be made forthwith upon completion of the sales and the receipt by the Company of the proceeds of sale in freely convertible currency. Receipt of the sale proceeds by the Company may however be delayed and the amount ultimately received may not necessarily reflect the NAV per non-ETF Share calculation made at the time of the relevant transactions because of possible fluctuations in the currency values and difficulties in repatriating funds from certain jurisdictions.

CANCELLATION RIGHTS

Requests for redemption once made may only be cancelled in fully by the applicant in the event of a suspension of the issues of Shares or in the event of a deferral of the right to redeem Shares of the relevant Fund.

LIMITATIONS AND DEFERRAL OF CONVERSION

The Company reserves the right to reject any conversion application in whole or in part.

In certain circumstances, the NAV per non-ETF Share determinations may be suspended and during any such period of suspension, no Shares relating to the Fund to which the suspension applies may be issued or allocated (other than those already allotted), converted, redeemed or repurchased.

If the Directors or the Management Company determine that it would be detrimental to the existing Shareholders of a Fund to accept a conversion application for Shares to exit the relevant Fund for another Fund, the Directors or the Management Company may decide to defer that all or part of such applications for Shares in accordance with the relevant deferral provisions.

UMBRELLA CASH ACCOUNTS

The Company will establish Umbrella Cash Accounts and will not establish such accounts at Fund level. All subscriptions payable to a Fund will be channelled and managed through the Subscription Account.

There may be other instances where cash will be retained in the Umbrella Cash Accounts and treated in accordance with the Central Bank's requirements. Investors should refer to the "Risks Associated with Umbrella Cash Accounts" paragraph in the section entitled "Risk Factors".

Subscriptions by and Transfers to US Persons

The Directors will decline to register a subscription request or transfer of Shares if the transfer is on the behalf of or for the benefit of a "US Person". When the Company becomes aware that a Shareholder is (a) US Person or is holding Shares for the account or benefit a US Person, whether held directly on the register or via a nominee the Directors will direct the Shareholder to dispose of the Shares. Prospective investors should read the section "Mandatory Redemption of Shares" for more information. A non-US Person who invests through a US nominee will only be considered a non-US Person if the decision making process takes place outside of the United States.

Non-resident US investors may subscribe for Shares, or Shares may be transferred to non-resident US investors through a nominee, and only if:-

(i) The nominee:

- is a participating or deemed compliant Foreign Financial Institution (“FFI”), or
- has confirmed that it will apply to become a participating FFI or a deemed compliant FFI, or
- is governed by one of the Inter-Governmental Agreements.

(ii) There is no breach in:

- US securities laws; or
- the law of Ireland; or
- this Prospectus or the Articles.

For these purposes, we define non-resident US investors as US tax residents (which will include both US citizens and Green Card holders) who are not currently residents of the United States (including all persons born in the US, who have not effectively renounced their citizenship, and persons with dual nationality or citizenship even though they may reside outside of the US and have no intention of residing in the US).

MANDATORY REDEMPTION OF SHARES

Shares acquired directly or indirectly by a US Person (except pursuant to an exemption under applicable US Securities laws), persons in breach of any law or requirement of any country or persons who directly or indirectly may result in the Company or any relevant Fund incurring any liability to taxation or pecuniary disadvantage (for example if your holding consistently falls below the minimum holding requirement of the Class), are subject to compulsory transfer by the Company.

Shareholders are required to notify the Company immediately in the event that they become Irish Residents, or US Persons, as defined in this Prospectus under “Restrictions On Offers and Sales to US Persons”. Shareholders are also required to notify the Company immediately in the event that they hold Shares for the account or benefit of Irish Residents or US persons. In addition, Shareholders are required to notify the Company if any information provided or representations made by them on any subscription application form is no longer correct.

Where the Company becomes aware that a Shareholder is (a) a US Person or is holding Shares for the account or benefit of a US Person and such person is not an “accredited investor” (as defined in Rule 501(a) of Regulation D under the 1933 Act) and a “qualified purchaser” (as defined in Section 2(a)(51) of the 1940 Act); or (b) not holding Shares equal to or greater than the Minimum Holding, the Directors, at their absolute discretion, may: (i) direct the Shareholder to dispose of those Shares to a person who is entitled to own the Shares within such time period as the Company stipulates; or (ii) redeem the Shares at their Net Asset Value per Share as at the next Business Day after the date of notification to the Shareholder or following the end of the period specified for disposal pursuant to (i) above.

Under the Articles, any person who becomes aware that he is holding Shares in contravention of any of the above provisions and who fails to transfer, or deliver for redemption, his Shares pursuant to the above provisions or who fails to make the appropriate notification to the Company shall indemnify and hold harmless each of the Directors, the Company, the Investment Manager, the Administrator, the Depositary and the Shareholders (each an “**Indemnified Party**”) from any claims, demands, proceedings, liabilities, damages, losses, costs and expenses directly or indirectly suffered or incurred by such Indemnified Party arising out of or in connection with the failure of such person to comply with his obligations pursuant to any of the above provisions.

The Company shall be entitled to redeem Shares in respect of any series or class in the Company in circumstances described in the section entitled “**Termination**”.

PREVENTION OF MARKET TIMING AND OTHER SHAREHOLDER PROTECTION MECHANISMS

The Company does not knowingly allow investments which are associated with market timing practices

as such practices may adversely affect the interests of all Shareholders.

In general, market timing refers to the investment behaviour of an individual or company or a group of individuals or companies buying, selling or exchanging shares or other securities on the basis of predetermined market indicators by taking advantage of time differences and/or imperfections or deficiencies in the method of determination of the NAV. Market timers may also include individuals or groups of individuals whose securities transactions seem to follow a timing pattern or are characterised by frequent or large exchanges.

Accordingly, the Directors or the Management Company may, whenever they deem it appropriate and using their existing discretion take the following decisions or instruct the Administrator, as appropriate, to implement any or all, of the following measures:

- The Company may combine Shares which are under common ownership or control for the purposes of ascertaining whether an individual or a group of individuals can be deemed to be involved in market timing practices. Accordingly, the Directors and the Management Company reserve the right to instruct the Administrator to reject any application for converting and/or subscription of Shares from investors whom the former considers market timers.
- If a Fund is primarily invested in markets which are closed for business at the time the Fund is valued, the Directors or the Management Company may, during periods of market volatility, and in accordance with the provisions below instruct the Administrator to adjust the NAV per non-ETF Share to reflect more accurately the fair value of the Fund's investments in accordance with the section entitled "Determination of Net Asset Value" or, in certain circumstances specified in section titled "Temporary Suspension of Dealings" to suspend the calculation of the NAV per non-ETF Share and the issue, allocation, the redemption and the conversion of Shares relating to that Fund.
- If a Fund is primarily invested in markets that are closed or operate with substantially restricted or suspended dealings, the Directors or the Management Company may suspend the calculation of the NAV per non-ETF Share and the issue allocation and the redemption and repurchase of Shares relating to that Fund (see section entitled " Temporary Suspension of Dealings ").
- In addition to the fees listed elsewhere in this Prospectus, the Directors or the Management Company may impose a charge of up to 2.00% of the NAV of the Shares redeemed or exchanged where the Directors or the Management Company reasonably believe that an investor has engaged in market timing activity or active trading that is to the disadvantage of other Shareholders. The charge shall be credited to the relevant Fund.

TERMINATION

A Fund is established for an unlimited period and may have unlimited assets. However, a Fund may (but is not obliged to) redeem all of the Shares of any series or class in issue if:

- (a) the Shareholders of the relevant Fund pass a special resolution providing for such redemption at a general meeting of the holders of the Shares of that class;
- (b) the redemption of the Shares in that class is approved by a resolution in writing signed by all of the holders of the Shares in that class of the relevant Fund;
- (c) the Directors deem it appropriate because of adverse political, economic, fiscal or regulatory changes affecting the relevant Fund in any way; or
- (d) the Net Asset Value of the relevant Fund falls below US\$50,000,000 or the prevailing currency equivalent in the currency in which Shares of the relevant Fund are denominated;
- (e) the Shares in the relevant Fund cease to be listed on a Listing Stock Exchange; or
- (f) the Directors deem it appropriate for any other reason, in which case thirty days' notice shall be provided to Shareholders.

If the Depositary has given notice of its intention to retire and no new depositary acceptable to the Company and the Central Bank has been appointed within ninety (90) days of such notice, the Company shall apply to the Central Bank for revocation of its authorisation and shall redeem all of the Shares of any series or class in issue.

In each such case, the Shares of class shall be redeemed after giving not less than one month's but not more than three months' prior notice to all holders of such Shares. The Shares will be redeemed at the Net Asset Value per Share on the relevant Dealing Day less such sums as the Directors in their discretion may from time to time determine as an appropriate provision for estimated realisation costs of the assets of the Company.

Unamortised establishment and organisational expenses shall be borne by the Company.

CAPACITY

Where the Company deems it appropriate inter alia to ensure that a Fund's portfolio characteristics can be maintained and/or for example so that a Fund can continue to meet its liquidity commitments to Shareholders, the Company may at any time introduce measures to manage the size of assets within a particular Fund or class of Shares within a Fund. These measures may include restricting investment from new investors and/or imposing a maximum subscription amount (i.e. a limit on the maximum amount a Shareholder can subscribe in a Share class of a fund on any Dealing Day).

PROFILE OF A TYPICAL INVESTOR

The Company has been established for the purpose of investing in transferable securities in accordance with the UCITS Regulations. The investment objectives and policies for each Fund will be set out in the relevant Fund Supplement. Unless otherwise disclosed in the relevant Fund Supplement, investors are expected to be retail and institutional investors. Further details in regarding the profile of a typical investor for each Fund are set out in the relevant Fund Supplement.

QUALIFIED INVESTORS

The Company will not knowingly issue any Shares to any US Person except in a transaction which does not contravene US securities laws. Each applicant for Shares will be required to provide such representations, warranties or documentation as may be required by the Company to ensure that these requirements are met prior to the issue of Shares.

VALUATION

DETERMINATION OF NET ASSET VALUE

The Management Company has delegated the calculation of the Net Asset Value of each Fund and the Net Asset Value per Share to the Administrator.

The Net Asset Value of a Fund shall be calculated by ascertaining the value of the assets of the relevant Fund and deducting from such amount the liabilities of the Fund, which shall include all fees and expenses payable and/or accrued and/or estimated to be payable out of the assets of the Fund.

The Net Asset Value per Share in a Fund shall be calculated by dividing the Net Asset Value of the relevant Fund by the total number of Shares issued in respect of that Fund or deemed to be in issue as of the relevant Dealing Day.

The Net Asset Value per Share in each Fund shall be calculated to the nearest four decimal places in the Base Currency of the relevant Fund on each Dealing Day in accordance with the valuation provisions set out in the Articles and summarised below.

In the event that the Shares of any Fund are divided into different classes of Shares, the amount of the Net Asset Value of the Company attributable to a class shall be determined by establishing the number of Shares issued in the class at the relevant Valuation Point and by allocating the relevant fees and class expenses to the class, making appropriate adjustments to take account of distribution, subscriptions, redemptions, gains and expenses of that class and apportioning the Net Asset Value of the Company accordingly. The Net Asset Value per Share in respect of a class will be calculated by dividing the Net Asset Value of the relevant class by the number of Shares of the relevant class in issue. The Net Asset Value of the Company attributable to a class and the Net Asset Value per Share in respect of a class will be expressed in the class currency of such class if it is different to the Base Currency.

The Net Asset Value per Share in the Company in respect of any Dealing Day will be calculated using the value of each of the relevant assets or liabilities as at their respective Valuation Points and will be determined at the time set out in this Prospectus.

In calculating the Net Asset Value of each Fund and the Net Asset Value per Share in each Fund, the Administrator may rely on such automatic pricing services as it shall determine and the Administrator shall not be liable (in the absence of fraud, negligence or wilful misconduct) for any loss suffered by the Company or any Shareholder by reason of any error in calculation of the Net Asset Value resulting from any inaccuracy in the information provided by any pricing service. The Administrator shall use reasonable endeavours to verify any pricing information supplied by the Investment Manager or any connected person including a connected person who is a broker or market maker or other intermediary, however in certain circumstances it may not be possible or practicable for the Administrator to verify such information and in such circumstances the Administrator shall not be liable (in the absence of fraud, negligence or wilful misconduct) for any loss suffered by the Company or any Shareholder by reason of any error in the calculation of the Net Asset Value resulting from any inaccuracy in the information provided by the Investment Manager or its delegates provided that the use of such information in the circumstances was reasonable.

In circumstances where the Administrator is directed by the Investment Manager or its delegates to use particular pricing services, brokers, market makers or other intermediaries, the Administrator shall not be liable for any loss suffered by the Company or any Shareholder by reason of any error in the calculation of the Net Asset Value of the Fund and the Net Asset Value per Share in each Fund resulting from any inaccuracy in the information provided by such pricing services, brokers, market makers or other intermediaries.

Each asset which is quoted, listed or traded on or under the rules of any Recognised Market shall be valued using the index method of valuations which may be the closing bid; last bid; last traded; closing mid-market; latest mid-market price or a combination thereof on the relevant Recognised Market at the relevant Valuation Point. Please refer to the relevant Fund Supplement for the pricing policy of each Fund. If the investment is normally quoted, listed or traded on or under the rules of more than one Recognised Market, the relevant Recognised Market shall be that which the main market for the investment is. If prices for an investment quoted, listed or traded on the relevant Recognised Market are not available at the relevant time, or are unrepresentative in the opinion of the Management Company, such investment shall be valued at such value as shall be estimated with care and in good faith as the probable realisation value of the investment by a competent professional person, firm or corporation appointed for such purpose by the Management Company and approved for the purpose by the Depositary. If the investment is quoted, listed or traded on a Recognised Market but acquired or traded at a premium or discount outside of or off the Recognised Market, the investment shall be valued taking into account the level of premium or discount as of the date of valuation of the instrument and the Depositary must ensure the adoption of such a procedure is justifiable in the context of establishing the probable realisation value of the security. Neither the Directors or their delegates nor the Depositary shall be under any liability if a price reasonably believed by them to be the last known market price or, as the case may be, middle market quotation for the time being, may be found not to be such.

The value of any investment which is not normally quoted, listed or traded on or under the rules of a Recognised Market, will be valued at its probable realisation value estimated with care and in good faith by the Management Company in consultation with the Administrator or by a competent person, firm or corporation appointed by the Management Company and approved for such purpose by the Depositary.

Cash in hand or on deposit shall be valued at face value together with accrued interest where applicable,

unless in the opinion of the Management Company (in consultation with the Administrator and the Depositary) any adjustment should be made to reflect the fair value thereof. Derivative instruments including swaps, interest rate futures contracts and other financial futures contracts which are traded on a Recognised Market shall be valued at the settlement price as determined by the relevant Recognised Market at the close of business on such Recognised Market, provided that where it is not the practice of the relevant Recognised Market to quote a settlement price, or if a settlement price is not available for any reason, such instruments shall be valued at their probable realisation value estimated with care and in good faith by the Management Company in consultation with the Administrator. The value of forward foreign exchange contracts which are dealt in on a Recognised Market shall be calculated by reference to freely available market quotations.

Derivative instruments and forward exchange contracts which are not dealt on a Recognised Market shall be valued by the counterparty at least daily, provided that the valuation is verified at least weekly either by the Investment Manager or other independent party such person to be independent of the counterparty, appointed by the Management Company and approved for that purpose by the Depositary.

Certificates of deposit shall be valued by reference to the latest available sale price for certificates of deposit of like maturity, amount and credit risk on each Dealing Day or, if such price is not available, at the latest bid price or, if such price is not available or is unrepresentative of the value of such certificate of deposit in the opinion of the Management Company, at probable realisation value estimated with care and in good faith by a competent person appointed by the Management Company and approved for the purpose by the Depositary. Treasury bills and bills of exchange shall be valued with reference to prices ruling in the relevant markets for such instruments of like maturity, amount and credit risk at close of business on such markets on the relevant Dealing Day.

Units or shares in collective investment schemes shall be valued on the basis of the latest available net asset value per unit as published by the collective investment scheme. If units or shares in such collective investment schemes are quoted, listed or traded on or under the rules of any Recognised Market then such units or shares will be valued in accordance with the rules set out above for the valuation of assets which are quoted, listed or traded on or under the rules of any Recognised Market. If such prices are unavailable, the units will be valued at their probable realisation value estimated with care and in good faith by the Management Company in consultation with the Administrator or by a competent person, firm or corporation appointed for such purpose by the Management Company and approved for the purpose by the Depositary.

Notwithstanding the above provisions the Management Company may, with the approval of the Depositary (a) adjust the valuation of any listed investment where such adjustment is considered necessary to reflect the fair value in the context of currency, marketability, dealing costs and/or such other considerations which are deemed relevant; or (b) in relation to a specific asset permit an alternative method of valuation approved by the Depositary to be used if they deem it necessary.

In determining the Company's Net Asset Value per Share, all assets and liabilities initially expressed in foreign currencies will be converted into the Base Currency of the Company using the market rates prevailing at the Valuation Point. If such quotations are not available, the rate of exchange will be determined to be the probable realisation value estimated with care and in good faith by the Management Company.

Save where the determination of the Net Asset Value per Share in respect of the Company has been temporarily suspended in the circumstances described under "**Temporary Suspension of Dealings**" below, the Net Asset Value per Share the Company shall be made public at the registered office of the Investment Manager and shall also be published by the Administrator in various publications as notified to any Listing Stock Exchange in accordance with the rules of the relevant Listing Stock Exchange. The manner of publication of the Net Asset Value per Share for each Fund will be specified in the relevant Fund Supplement.

Anti-Dilution Mechanisms

When investors buy or sell shares in a Fund, the Investment Manager may need to buy or sell the underlying investments within the Fund. Without an appropriate provision to take account of these transactions, all Shareholders in the Fund would pay the associated costs of buying and selling these

underlying investments. These transaction costs can include, but are not limited to, bid-offer spreads, brokerage and taxes on transactions.

Swing Pricing

In the case of Non-ETF Share Classes such transaction costs are borne by the relevant investor(s) through an adjustment in the NAV per non-ETF Share, known as a “Swing Pricing”.

Swing Pricing aims to protect existing Shareholders in a Fund and to mitigate the effect of transactions costs incurred by significant net subscriptions or net redemptions on the non-ETF Shares.

“**Full Swing Pricing**” has two main components:

1. A buy adjustment rate
2. A sell adjustment rate

These components may be different for each Fund.

The NAV of the non-ETF Share Class will be adjusted up or down using the applicable adjustment rate (buy adjustment rate for net subscriptions or sell adjustment rate for net redemptions) and will apply equally to each non-ETF Share Class in a specific Fund on any particular Dealing Day to ensure an equal economic impact across the investors of different non-ETF Share Classes.

“**Partial Swing Pricing**” operates in a similar manner but involves a threshold rate. In these circumstances, Swing Pricing will be triggered when the difference between subscriptions and redemptions (based on the initial post-Dealing Deadline estimates) as a percentage of the relevant Fund’s NAV exceeds the threshold on any particular Dealing Day.

In the case of Full Swing Pricing, the pricing adjustment rates are reviewed on at least a quarterly basis by the relevant Investment Manager. In the case of Partial Swing Pricing, the threshold rate is reviewed on at least an annual basis. Recommendations to adjust the pricing adjustment rates and the threshold, as applicable, are made through the relevant Investment Manager’s pricing/valuation committee and submitted to the Management Company for consideration and review. In the event that the proposal is accepted, the Management Company will implement at the changes at the next available opportunity. Changes to the threshold for Partial Swing Pricing require additional approval from the Directors before implementation.

Provision of Duties and Charges for ETF Share Classes

In the case of ETF Shares, transaction costs associated with dealing in the Funds are levied on subscription monies or repurchase proceeds through Duties and Charges.

Anti-dilution mechanisms (i.e. Full Swing Pricing, Partial Swing Pricing and the provision of Duties and Charges) may be applied in order to mitigate the effects of transaction costs. Under normal market conditions, the resulting adjustment is not expected to exceed 2%. However, it may be significantly higher during exceptional market conditions such as period of high volatility, reduced asset liquidity and market stress. Shareholders will be notified by publication on the Investment Manager’s website (www.assetmanagement.hsbc.com) as soon as reasonably practicable, and in any event no later than Dealing Day on which such higher adjustment may apply, during such exceptional market conditions.

When anti-dilution mechanisms are not applied (which, in the case of Partial Swing Pricing, will arise unless the threshold rate is triggered), the transaction costs will be borne by the Fund. This will result in a dilution (reduction in the NAV per non-ETF Share) to existing Shareholders.

For the avoidance of doubt, it is clarified that fees other than the sales charge will continue to be calculated on the basis of the unadjusted NAV.

Intra-Day NAV – ETF Share Classes

The Directors may, at their discretion, make available, or may designate other persons to make

available, on each day which is not a UK public holiday, an intra-day Fund value for one or more Funds which have ETF Shares in issue (the “**Intra-Day NAV**”). The Intra-Day NAV is an estimate of the Net Asset Value per Share of the ETF Shares of a Fund calculated using market data at 15 second intervals during trading hours. If such information is made available on any Business Day, the Intra-Day NAV will be calculated based upon information available during the Business Day or any portion of the Business Day, and will ordinarily be based upon the current value of the securities portion of a Portfolio Deposit in existence on such Business Day, together with a cash amount which is generally approximately equal to the Cash Portion as at the previous Business Day.

Non-Dealing NAV – All Share Classes

In addition, the Directors may, at their discretion, make available, or may designate other persons to make available, on certain days, an indicative fund value for one or more Funds which is an estimate of the Net Asset Value per Share of a Fund calculated using market data (the “**Non-Dealing NAV**”). The Non-Dealing NAV will be made available on any day during which the markets on which a Fund’s investments are listed or traded or markets relevant to an index are closed and as a result of which countries that comprise a material portion of the index may not be traded. The Non-Dealing NAV will not be the price for purchasing, switching, redeeming and/or transferring Shares.

Premiums and discounts between the Intra-Day NAV and/or the Non-Dealing NAV, as applicable, and the market price may occur and neither the Intra-Day NAV nor the Non-Dealing NAV should be viewed as a “real-time” update of the Net Asset Value per Share of the relevant Shares of a Fund, which is calculated only once a day on a Dealing Day. Neither the Company, the Management Company, nor the Investment Manager or any of their affiliates, nor any third party calculation agents involved in, or responsible for, the calculation or publication of either or both the Intra-Day NAV or the Non-Dealing NAV, as applicable, makes any warranty as to their accuracy. The Directors will make available the Intra-Day NAV and the Non-Dealing NAV if this is required by any Relevant Stock Exchange.

MANAGEMENT AND ADMINISTRATION

THE DIRECTORS AND SECRETARY

The Directors are responsible for managing the business affairs of the Company. The Directors have appointed HSBC Investment Funds (Luxembourg) S.A. as the management company and global distributor under the Management Agreement to be responsible on a day-to-day basis under the supervision of the Directors, for providing administration, marketing, global distribution and investment management services in respect of all Funds. The Directors have delegated the safe-keeping of the Company's assets to the Depositary.

The Directors are listed below with their principal occupations. None of the Directors has entered into an employment or service contract with the Company nor is any such contract proposed. Consequently, the Directors are all non-executive Directors. The Company has granted indemnities to the Directors in respect of any loss or damages which they may suffer save where this results from the Directors' negligence, default, breach of duty or breach of trust in relation to the Company. The Articles do not stipulate a retirement age for Directors and do not provide for retirement of Directors by rotation. The address of the Directors is the registered office of the Company.

Suzanne Williams (British) is the Global Head of Product Development within HSBC Asset Management. Based in London she has worked in financial services since 1999 and has held various senior positions in Asset Management. In addition to managing the team globally, Ms. Williams is responsible for HSBC AM's Global product range across active and passive strategies and is active in Sustainability across HSBC Asset Management. She serves as a Director for HSBC's Real Economy Global Investment Opportunity Fund. Prior to joining HSBC, she was the Global Head of Product Structuring (Managing Director) for BNY Mellon with responsibility for developing investor solutions across long only and Alternatives out of the U.K, Ireland and Luxembourg. Ms. Williams has held positions as Head of product, iShares solutions at Blackrock/Barclays Global Investors with responsibility for developing ETFs in Europe and building relationships with index & service providers. She holds a Bachelor of Science (Honors) from the University of Glasgow and is passionate in improving the lives of others, mentoring for children in care and volunteering with a London based homeless shelter.

Eimear Cowhey (Irish Resident) (Independent) has over 30 years' experience in the offshore funds industry and currently acts as a non-executive independent chairman, director and committee member of various investment fund and management boards in Dublin, Luxembourg and the U.K. From 1999 to 2006 she held various executive positions within Amundi Pioneer, including Head of Legal and Compliance and Head of International Product Development. From 1992 to 1999, she held various executive positions within Invesco Asset Management, including Managing Director, Global Fund Director and Head Legal Counsel. Ms. Cowhey is a qualified Irish lawyer with a Diploma in Accounting and Finance, Diploma in Company Direction (IoD), Certificate in Financial Services Law and is in the course of achieving Chartered Director status from the IoD (London).

Ms. Cowhey was a member of the Committee on Collective Investment Governance (CCIG) which was established by the Central Bank in December 2013 and which issued an expert report in July 2014 on recommendations for good governance practice for investment funds.

She is a former Council member and past Chairman of Irish Funds (formerly IFIA) and is a former member of the IFSC Funds Group a joint government/industry group to advise the government of investment fund related matters. She is a founder and director of basis.point which is the Irish investment fund industry charity focused on alleviating poverty through education, particularly among the youth of Ireland.

Feargal Dempsey (Irish Resident) (Independent) is a provider of independent consulting and directorship services with over 20 years' experience in financial services. He serves on the boards of several investment funds and management companies. Mr. Dempsey has held senior positions at Barclays Global Investors/BlackRock including Head of Product Governance, Head of Product Strategy iShares EMEA and Head of Product Structuring EMEA. Previously he has also served as Group Legal

Counsel, Eagle Star Life Ireland (now Zurich Financial Services), Head of Legal to ETF Securities and as a senior lawyer in Pioneer Amundi.

Mr. Dempsey holds a BA(Hons) and an LLB(Hons) from University College Galway and a Diploma in Financial Services Law from University College Dublin. He was admitted to the Roll of Solicitors in Ireland in 1996 and to the England and Wales Law Society in 2005. He has served on the Legal and Regulatory committee of Irish Funds and the ETF Working Group at the European Fund Asset Management Association.

Anthony Jeffs (Chairperson) (United Kingdom) joined HSBC Asset Management in June 1990, initially working for the UK Private Client business and more latterly within the Institutional business. Mr. Jeffs previously held roles in Operations, Multimanagement, and Change Management. Since July 2013, Mr. Jeffs has been Head of Product Platforms, which encompasses the design, development and implementation of change for HSBC Asset Management's key cross border products, as well as responsibility for the Alternative products following the realignment of HSBC Alternative Investment Ltd into HSBC Asset Management. In July 2020, Mr. Jeffs took on the broader role as Global Head of Product for HSBC Asset Management.

Peter Blessing (Irish Resident) (Independent) is a Chartered Accountant and is also a director of and consultant to a number of International Financial Services Centre ("IFSC") companies. Mr. Blessing has been involved in the IFSC since its commencement in 1987. Mr. Blessing was Managing Director of Credit Lyonnais Financial Services Limited, Dublin ("CLYFS") since its establishment in 1991 until 1995. Before joining CLYFS, Mr. Blessing worked with Allied Irish Banks, p.l.c. as director of its IFSC subsidiary from 1988 to 1991 and as a senior executive in its Corporate Finance division from 1982 to 1988. Mr. Blessing was a director and shareholder of Corporate Finance Ireland, a leading corporate finance and real estate advisory boutique from 1995 until its sale in 2016. He has extensive experience of investment banking, funds management and corporate governance.

Simon Fryatt (Hong Kong) is Head of Product for HSBC Global Asset Management (Hong Kong) Limited. Mr. Fryatt joined HSBC's retail bank in 2010 and subsequently joined HSBC Asset Management's product team in 2013. Mr. Fryatt's initial focus was on the product management and development of HSBC Asset Management's global fund ranges. Mr. Fryatt joined HSBC Global Asset Management (Hong Kong) Limited in 2016 with a focus on the product management and development of HSBC Asset Management's Hong Kong fund ranges as well as supporting the distribution of HSBC Asset Management's global fund ranges in Hong Kong. Mr Fryatt is a CFA® charterholder.

The Secretary is Goodbody Secretarial Limited.

CORPORATE GOVERNANCE

The Company is incorporated in Ireland and is therefore subject to the UCITS Regulations and, as applicable, company law in Ireland and is required to comply with the corporate governance requirements of the UCITS Regulations and company law in Ireland. The Directors have committed to maintain a high standard of corporate governance and will seek to comply with the Act, the Irish Regulations and the Central Bank's requirements for UCITS companies.

THE MANAGEMENT COMPANY

The Directors have appointed HSBC Investment Funds (Luxembourg) S.A. as the management company and global distributor under the management agreement dated 1 April 2019 (the "**Management Agreement**") to be responsible on a day-to-day basis, and subject to the supervision of the Directors, for providing administration, marketing, global distribution and investment management services in respect of the Funds.

Under the Management Agreement, the Management Company is authorised to appoint affiliate companies of the HSBC Group as Distributors, who may in turn, subject to their terms of appointment, appoint sub-distributors.

The Management Company was incorporated on 26 September 1988 as a société anonyme under the laws of the Grand Duchy of Luxembourg and is registered with the register of commerce and companies under the number B28 888. Its articles of incorporation are deposited with the register of commerce and

companies. The Management Company is authorised by the CSSF as a management company subject to Chapter 15 of the Luxembourg Law of 17 December 2010 on undertakings for collective investment, implementing UCITS IV directive 2009/65/EC into the Luxembourg law (the "**2010 Law**"). The share capital of the Management Company is GBP 1,675,000.00 and will be increased to comply at all times with article 102 of the 2010 Law.

The secretary of the Management Company is HSBC Continental Europe, Luxembourg Branch. Further details on the directors of the Management Company are set out below.

Timothy Caverly (American) is a non-executive independent director based in Luxembourg. He currently serves as a board member for Luxembourg investment management and fund entities including INVESCO and HSBC. Mr. Caverly retired from State Street Corporation as an Executive Vice President in November 2013. During his thirty-year career at State Street Corporation, he held several senior management positions both in Europe and in the United States. At State Street, he led the Global Services business in Continental Europe as well as EMEA Offshore (Luxembourg, Ireland, Channel Islands). He also was responsible for State Street's Global Services business development and relationship management activities across Europe, the Middle East and Africa. He served as Chairman of the Boards of Directors of State Street Bank Luxembourg and State Street Banque France. In addition he was a member of the Board of Directors of State Street Ireland, State Street Poland and State Street Channel Islands. While in Luxembourg Mr. Caverly has served on the Executive Committee and as member of the Board of Directors of the Luxembourg Banker's Association (ABBL) and as President of the American Banker's Club, Mr. Caverly also chaired State Street's company-wide United Way Charity Campaign. He is a graduate of Colgate University (Bachelors of Arts) and Thunderbird School of Global Management (Masters in International Management).

Cecilia Lazzari (Italian) is a Conducting Officer and Chief Risk Officer for HSBC Investment Funds (Luxembourg) S.A. since December 2013. Ms. Lazzari completed her university studies at the University of Buenos Aires, Argentina and graduated as an Economist. Ms. Lazzari is a Certified International Investment Analyst (CIIA) and Certified European Financial Analyst (CEFA). Prior to joining the Management Company, Ms. Lazzari was a Conducting Officer and held senior Risk Management roles for MDO Management Company SA, an independent management company offering services to asset management clients. Ms. Lazzari has also worked within financial services in Argentina for private companies.. Ms. Lazzari is a member of the Luxembourg local management committee of the Management Company.

Richard Long (British) is Head of Global Funds Operations for HSBC Investment Funds (Luxembourg) S.A. Mr. Long joined HSBC in 1986. Mr. Long moved into Asset Management in 1991 to look after unit trust administration and worked in Luxembourg between 1999 and 2002 as senior product manager for the Luxembourg funds. Mr. Long returned to London to look after the global funds operations for the HSBC funds domiciled in Dublin and Luxembourg, before relocating to Luxembourg in October 2011 to head up the Management Company. In September 2018, Mr. Long took on additional responsibility for the day to day fund operations for the UK OEIC ranges and the Dublin domiciled fund ranges promoted by HSBC Asset Management. Mr. Long is a Director of HSBC Investment Funds (Luxembourg) S.A. and is a member of the HSBC Luxembourg Country Executive Committee.

Natasha Cork (British) is Chief Risk and Compliance Officer for HSBC Asset Management, located in London. Natasha has over 25 years of experience in financial services and joined HSBC Asset Management in 2001 where she has held various roles in the Compliance team. In May 2023 Natasha was appointed the Chief Risk and Compliance Officer for Asset Management with responsibility for Risk and Compliance globally. Natasha is a Director of HSBC Investment Funds (Luxembourg) and holds a BA Hons in Philosophy from Bristol University.

Edmund Stokes (British) is Global Chief Operating Officer and is based in the UK. Prior to taking on his current role, Mr Stokes was Global Head of Product and prior to that Chief Operating Officer of HSBC Asset Management Asia Pacific. Mr Stokes has extensive experience in asset management and capital markets having joined HSBC in 1993, initially in Global Banking & Markets. He has undertaken a variety of Client Management, Business Development, Structuring and Management roles in the UK, Hong Kong and Germany. Having studied Business at Sheffield Polytechnic and Japanese at Durham University, Mr Stokes qualified as an Associate of both the Chartered Institute of Bankers and the

Association of Corporate Treasurers.

Susanne Van Dootingh (Dutch) is an independent director and member of the Board since November 2017. Ms. van Dootingh was at State Street Global Advisors from 2002 to 2017 with her final position being as Senior Managing Director, Head of European Governance and Regulatory Strategy, EMEA. In addition she was the Chair of the SSGA Sicav and Management Company and has been a member of various ESMA consultative working groups since 2013. Prior to this she held positions within State Street Global Investors as the Global Head of Institutional Product Development and Research, Head of European Product Development and Management, EMEA, Head of Fixed Income Product Engineering, EMEA and Senior Fixed Income Strategist and Product Engineer. Before 2002, Ms. van Dootingh worked at Fortis Investment Management as Senior Product Manager, European Fixed Income, at Barclays Global Investors as Product Manager, Fixed Income, and at ABN AMRO Asset Management as Portfolio Manager Global Fixed Income. She graduated from Vrije Universiteit Amsterdam with a Master's in Business Administration. Ms. van Dootingh is currently a Director of several Sicav boards in Luxembourg. The Management Agreement covers the appointment of the Management Company, the standard of care to be applied by the Management Company and the control and supervision of the Management Company.

The Management Agreement details the representations that need to be made by the Company and the Management Company. In conjunction with this, the Management Agreement defines the duties and powers of the Management Company together with its responsibilities.

The Management Agreement also details activities related to the delegation of activity by the Management Company. Concerning the operational aspects, the agreement also defines such matters as 'proper instructions' and matters related to the charges and expenses of the Management Company. The Management Agreement also contains appendices which detail reporting requirements under the European Market Infrastructure Regulation as well as requirements under Data Protection Legislation.

Liability of the parties is included in the Management Agreement which provides for liability of one party to the other party for any losses, actions, proceedings, claims, damages, costs, demands and expenses including reasonable legal and professional expenses suffered or incurred to the extent caused by the breach of contract or the negligence, fraud or wilful misconduct in the performance of duties and obligations pursuant to the Management Agreement.

A clause covering 'force majeure' is included together with matters related to conflicts of interest. The Management Agreement also details obligations around confidentiality, anti-bribery and corruption, the effective date, the duration and termination. The Management Agreement may be terminated by either party by giving not less than three months' prior written notice to the other party. In certain cases, either party may terminate the Management Agreement with immediate effect by written notice to the other party. The Management Agreement also covers obligations around notices, severability, waivers, assignments and amendments, plus the governing law and jurisdiction.

The Management Company and the Investment Manager are members of the HSBC Group, which serves customers worldwide in over 70 countries and territories in Asia, Europe, North and Latin America, and the Middle East and North Africa.

The Management Company shall ensure compliance of the Company with its investment instructions and oversee the implementation of the Company's strategies and investment policies.

The Management Company has delegated responsibility for the investment management and disposal of the assets of the Company to the Investment Manager. The Investment Manager, in accordance with the investment objectives, policies and investment and borrowing restrictions of the Company makes and implements asset management and portfolio selection recommendations in connection with the investment and reinvestment of the assets of the relevant Funds of the Company.

In addition, the Management Company may from time to time delegate the marketing, distribution and sale of Shares to a Distributor or Distributors.

The Management Company has delegated the administration of the Company's affairs, including responsibility for the preparation and maintenance of the Company's records and accounts and related

fund accounting matters (including the calculation of the Net Asset Value per Share) and Shareholder registration and transfer agency services to the Administrator.

THE INVESTMENT MANAGER

The Management Company has appointed HSBC Global Asset Management (UK) Limited (the "**Investment Manager**") as the Investment Manager, with responsibility for all of the investment decisions relating to the Company's investment portfolio. The Investment Manager's registered office is 8 Canada Square, London E14 5HQ. It is a limited liability company incorporated under the laws of England and a wholly owned subsidiary of HSBC Holdings plc, a public company incorporated in the UK and listed on the London Stock Exchange. The Investment Manager is authorised and regulated by the Financial Conduct Authority.

The Investment Management Agreement dated 1 April 2019 between the Management Company and the Investment Manager (the "**Investment Management Agreement**") provides that each party will be liable to the other party in case of negligence, fraud, or wilful misconduct in the performance of its duties and obligations pursuant to the Investment Management Agreement.

The Investment Manager shall indemnify and hold harmless the Company, and/or the Management Company, as well as their officers, directors, staff or shareholders from and against all costs, expenses, losses, damages, liabilities, demands, charges, penalties, actions, claims, judgements, measures imposed by the courts, that may be sustained, caused to or incurred by any of them and that result from the non-performance of duties and obligations pursuant to the Investment Management Agreement. The Management Company shall indemnify the Investment Manager against the same arising out of (i) the non-performance by the Management Company any of its duties and obligations pursuant to the Investment Management Agreement; or (ii) any action properly taken by the Investment Manager as agent for the Management Company in accordance with the Investment Management Agreement.

Under the Investment Management Agreement, the Investment Manager shall be at liberty in the performance of its duties with respect to the selection of investments and in the exercise of the powers, discretions, privileges and duties vested in it hereunder to act by responsible officers or employees and, with the approval of the Management Company, to employ and pay out of its assets a sub-adviser (including but not limited any of its affiliates) to perform or concur in performing any of the investment advisory services required to be performed under the Investment Management Agreement. The Investment Manager shall remain responsible to the Management Company for acts or omissions of such entity. The Investment Manager is required under the Investment Management Agreement to carry out initial and ongoing due diligence and report thereon to the Management Company. The Investment Manager may also employ agents (including affiliates, brokers, dealers and other financial intermediaries) to perform any administrative, dealing or ancillary services required to enable the Investment Manager to perform its services and is required to act in good faith and with reasonable skill and care in the selection, use and monitoring of agents.

The Investment Management Agreement shall continue in force unless and until terminated by one party giving not less than three months' prior written notice to the other party. Either Party may terminate the Investment Management Agreement with immediate effect by written notice if the other party has committed any breach of the Investment Management Agreement and fails to correct such breach within thirty days of receipt of written notice from the other party or within such other period as agreed between the parties. Either party may also terminate the Investment Management Agreement with immediate effect by written notice if the other party shall go into liquidation (save for the voluntary liquidation of a solvent company for the purposes of amalgamation or reconstruction) or if either party shall otherwise become insolvent or make any composition or arrangement with creditors or in the event of the appointment of a receiver over any of the assets of either party or if an examiner is appointed to either party or if either party shall otherwise cease or threaten to cease to carry on business. The Management Company may terminate the Investment Management Agreement with immediate effect if it is of the reasonable view and states so in writing that a change of the Investment Manager is in the interests of the Shareholders.

THE ADMINISTRATOR

The Management Company has appointed HSBC Securities Services (Ireland) DAC (the

“**Administrator**”) to act as registrar and transfer agent in respect of the Authorised Participants and administrator of the Company responsible for performing the day to day administration of the Company; for providing fund accounting for the Company, including the calculation of the Net Asset Value of the Company and the Shares.

The Administrator was incorporated as a private limited company incorporated under the laws of Ireland on 29 November 1991 and is engaged in the business of providing administration and accounting services to collective investment schemes. The Administrator is an indirect wholly owned subsidiary of HSBC Holdings plc, a public limited company incorporated in the UK. As at 30 June 2012, HSBC Holdings plc had consolidated gross assets of approximately US\$2,652 billion.

The amended and restated Administration Agreement between the Company, the Management Company and the Administrator dated 23 March 2020 (the “**Administration Agreement**”) shall continue in force until terminated by any of the parties giving to the other 90 days’ written notice. The Administration Agreement may however be terminated without regard to the 90 days’ written notice in certain circumstances including if a) any party is found to be in unremedied material breach of the terms of the Agreement; or b) either party shall go into liquidation.

With effect from on or around 18 October 2021, the Administrator will maintain an Umbrella Cash Account for the Company. Subscription, redemption and dividend monies will be held in a single Umbrella Cash Account for each currency in which a Class of Shares is denominated. The assets in the Umbrella Cash Accounts will be assets of the Company.

Subscription monies received by a Fund in advance of the issue of Shares will be held in an Umbrella Cash Account and will be treated as an asset of the relevant Fund. The subscribing investors will be unsecured creditors of the relevant Fund with respect to their subscription monies until the Shares are issued to them on the relevant Dealing Day. The subscribing investors will be exposed to the credit risk of the institution at which the relevant Umbrella Cash Account has been opened. Such investors will not benefit from any appreciation in the Net Asset Value of the Fund or any other Shareholder rights in respect of the subscription monies (including dividend entitlements) until such time as the Shares are issued on the relevant Dealing Day.

Redeeming investors will cease to be Shareholders of the redeemed Shares from the relevant Dealing Day. Redemption and dividend payments will, pending payment to the relevant investors, be held in an Umbrella Cash Account. Redeeming investors and investors entitled to dividend payments held in an Umbrella Cash Account will be unsecured creditors of the relevant Fund with respect to those monies. Where the redemption and dividend payments cannot be transferred to the relevant investors, for example, where the investors have failed to supply such information as is required to allow the Company to comply with its obligations under applicable anti-money laundering and counter terrorist financing legislation, the redemption and dividend payments will be retained in an Umbrella Cash Account and investors should address the outstanding issues promptly. Redeeming investors will not benefit from any appreciation in the Net Asset Value of the Fund or any other Shareholder rights (including, without limitation, the entitlement to future dividends) in respect of such amounts.

For information on the risks associated with Umbrella Cash Accounts, see “Risks Associated with Umbrella Cash Accounts” in the section “Risk Factors” in this Prospectus.

The Administrator shall not, in the absence of fraud, negligence or wilful misconduct on the part of the Administrator or any affiliates, directors, officers or employees be liable to the Company or the Management Company for any act or omission in the course of or in connection with the services rendered by it under the Administration Agreement. The Management Company, out of the assets of the Company, has agreed to indemnify the Administrator, its delegated affiliates, directors, officers or employees from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgements, suits, costs, expenses or disbursements of any kind or nature whatsoever (other than those resulting from fraud, negligence or wilful misconduct on the part of the Administrator, its delegated affiliates, directors, officers or employees) which may be imposed on, incurred by or asserted against the Administrator in performing its obligations or duties under the Administration Agreement.

THE DEPOSITARY

Pursuant to the amended and restated agreement dated 1 April 2019 between the Company, the Management Company and the Depositary (the "Depositary Agreement") and for the purposes of and in compliance with the UCITS Regulations, the Depositary has been appointed as depositary to the Company.

The Depositary is HSBC Continental Europe. HSBC Continental Europe has a registered branch in Ireland (registration number 908966) having its registered office at 1 Grand Canal Square, Grand Canal Harbour, Dublin 2, D02 P820 and is regulated and supervised by the Central Bank as a depositary for Irish authorised investment funds and otherwise regulated by the Central Bank for conduct of business rules. HSBC Continental Europe is a company incorporated under the laws of France as a société anonyme (registered number 775 670 284 RCS Paris), having its registered office at 38 Avenue Kléber, 75116 Paris, France.

The Depositary provides services to the Company as set out in the Depositary Agreement and, in doing so, shall comply with the UCITS Regulations.

The Depositary's duties include the following:-

- (i) safekeeping the assets of the relevant Funds which includes (i) holding in custody all financial instruments that may be held in custody in accordance with Regulations 34(4)(a) of the UCITS Regulations; and (ii) verifying the ownership of other assets and maintaining records accordingly, in each case in accordance with Regulation 34(4)(b) of the UCITS Regulations;
- (ii) ensuring that the relevant Fund's cash flows are properly monitored and in particular that all payments made by or on behalf of applicants upon the subscription to shares of the Funds have been received and that all cash of the relevant Fund has been booked in cash accounts that are in accordance with Regulation 34(3) of the UCITS Regulations;
- (iii) ensuring that the sale, issue, redemption, repurchase and cancellation of Shares is carried out in accordance with the UCITS Regulations and the Articles and that the valuation of the shares of the Funds are calculated in accordance with the UCITS Regulations and the Articles;
- (iv) carrying out the instructions of the Company and/or the Management Company unless they conflict with the UCITS Regulations or the Articles;
- (v) ensuring that in transactions involving the relevant Fund's assets any consideration is remitted to the Company within the usual time limits;
- (vi) ensuring that the Fund's income is applied in accordance with the UCITS Regulations and the Articles;
- (vii) enquiring into the conduct of the Company in each accounting period and report thereon to the Shareholders. The Depositary's report shall state whether in the Depositary's opinion the Company has been managed in that period:
 - (1) in accordance with the limitations imposed on the borrowing powers of the Company by the Articles and by the Central Bank under the powers granted to the Central Bank of Ireland by the UCITS Regulations;
 - (2) otherwise in accordance with the provisions of the Articles and the UCITS Regulations; and
 - (3) if the Company has not been managed in accordance with (1) or (2) above, the Depositary must state why this is the case and outline the steps which the Depositary has taken to rectify the situation.

The Depositary may delegate its safekeeping functions to one or more delegates in accordance with, and subject to the UCITS Regulations and on the terms set out in the Depositary Agreement. The

performance of the safekeeping function of the Depositary in respect of certain of the relevant Fund's assets has been delegated to the delegates listed in Appendix C. An up to date list of any such delegate(s) is available from the Company and/or the Management Company on request.

The Depositary will have certain tax information-gathering, reporting and withholding obligations relating to payments arising in respect of assets held by the Depositary or a delegate on its behalf.

Subject to the paragraph below, and pursuant to the Depositary Agreement, the Depositary will be liable to the Company and its Shareholders for the loss of a financial instrument of the Company which is entrusted to the Depositary for safekeeping. The Depositary shall also be liable for all other losses suffered by the Company as a result of its negligence or intentional failure to properly fulfil its obligations under the UCITS Regulations.

The liability of the Depositary will not be affected by the fact that it has delegated safekeeping to a third party.

The Depositary shall not be liable for the loss of a financial instrument held in custody by the Depositary where the loss of the financial instrument arises as a result of an external event beyond the reasonable control of the Depositary, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. The Depositary shall not be liable for any indirect, special or consequential loss.

The Company, out of the assets of the relevant Fund, shall indemnify the Depositary, every delegate and their respective officers, agents and employees ("Indemnified Persons") on an after-tax basis in respect of any and all Liabilities (as defined in the Depositary Agreement) brought against, suffered or incurred by that Indemnified Person as a result of or in connection with:

- (i) the appointment of the Depositary under the Depositary Agreement or the performance by the Depositary of the services set out in the Depositary Agreement;
- (ii) any breach by the Company or the Management Company of Applicable Law (as defined in the Depositary Agreement), the Articles, the Depositary Agreement, this Prospectus or fraud, negligence or wilful default of the Company or the Management Company to disclose to the Shareholders any information required by the Depositary Agreement or the UCITS Regulations, or to provide to the Depositary with any information required by the Depositary in order to provide the services listed in the Depositary Agreement;
- (iii) any Identified Custody Risk or any Identified Segregation Risk (as defined in the Depositary Agreement);
- (iv) the registration of Financial Instruments and Other Assets in the name of the Depositary or any delegate or Settlement System (as defined in the Depositary Agreement);
- (v) any breach of or default under any of the representations, warranties, covenants, undertakings or agreements made by the Depositary, a delegate or sub-delegate of a delegate (or a nominee of the Depositary, a delegate or sub-delegate of a delegate) on behalf of the Company in connection with any subscription agreements, application forms, shareholder questionnaires, purchase agreements, related documentation or similar materials relating to the relevant Fund's investment in any collective investment scheme, managed account, investment company or similar pooled investment vehicle on behalf of the Company, provided that such indemnity shall not apply to any Liabilities (as defined in the Depositary Agreement) arising out of the negligence, fraud or wilful default of the Indemnified Person or to the extent that such indemnity would require the Company and the Management Company to indemnify the Depositary for any loss for which the Depositary is liable to the Company under the UCITS Regulations.

The Depositary's liability to the Shareholders of the Company may be invoked directly or indirectly though the Company provided this does not lead to duplication of redress or to unequal treatment of Shareholders.

The appointment of the Depositary under the Depositary Agreement may be terminated without cause by not less than (90) days written notice provided that the Depositary Agreement does not terminate until a replacement Depositary has been appointed. The Depositary Agreement may be terminated by the Company or the Management Company giving notice in writing to the Depositary if at any time: (i) the Depositary is subject to an insolvency event as defined in the Depositary Agreement; (ii) the Central Bank determines to replace the Depositary with another depositary; (iii) the Depositary ceases to be qualified to be appointed as a depositary under the UCITS Regulations; (iv) the Depositary has committed a material breach of any material term of the Depositary Agreement and, if such breach is capable of remedy it has not been remedied within thirty days after service of written notice requiring it to be remedied. The Depositary Agreement may also be terminated by the Depositary giving notice in writing to the Company if at any time: (i) the Company or the Management Company is subject to an insolvency event as defined in the Depositary Agreement; (ii) the authorisation of the Company is revoked by the Central Bank; (iii) the authorisation of the Management Company is revoked by the CSSF; (iv) the Company or the Management Company has committed a breach of the Depositary Agreement which in the opinion of the Depositary increases the risks incurred by the Depositary in providing the services as set out in the Depositary Agreement, or prejudices the ability of the Depositary to provide the services; (v) the Company or the Management Company has committed a material breach of any material term of the Depositary Agreement and, if such breach is capable of remedy it has not been remedied within thirty days after service of written notice requiring it to be remedied; or (vi) the Management Company ceases to be the designated management company of the Company without the prior written consent of the Depositary or ceases to be qualified to act as such under the UCITS Regulations and/or Luxembourg laws.

From time to time actual or potential conflicts of interest may arise between the Depositary and its delegates, for example, and without prejudice to the generality of the foregoing, where an appointed delegate is an affiliated group company and is providing a product or service to the Company and has a financial or business interest in such product or service, or receives remuneration for other related products or services it provides to the Company. The Depositary maintains a conflict of interest policy to address this.

Potential conflicts of interest may arise from time to time from the provision by the Depositary and/or its affiliates of other services to the Company and/or other parties. For example, the Depositary and/or its affiliates may act as the depositary, trustee and/or administrator of other funds. It is therefore possible that the Depositary (or any of its affiliates) may in the course of its business have conflicts or potential conflicts of interest with those of the Company and/or other funds for which the Depositary (or any of its affiliates) act. Potential conflicts of interest may also arise between the Depositary and its delegates, for example where an appointed delegate is an affiliated group company which receives remuneration for another custodial service it provides to the Company. In the event of any potential conflict of interest which may arise during the normal course of business, the Depositary will have regard to the applicable laws.

Where a conflict or potential conflict of interest arises, the Depositary will have regard to its obligations to the Company and will treat the Company and the other funds for which it acts fairly and such that, so far as is practicable, any transactions are effected on terms which are not materially less favourable to the Company than if the conflict or potential conflict had not existed.

The Depositary in no way acts as guarantor or offeror of the Company's shares or any underlying investment. The Depositary is a service provider to the Company and has no responsibility or authority to make investment decisions, or render investment advice, with respect to the assets of the Company. Save as required by the UCITS Regulations, the Depositary is not responsible for, and accepts no responsibility or liability for, any losses suffered by the Company or any Shareholders in the Company as a result of any failure by the Company or the Investment Manager to adhere to the Company's investment objectives, policy, investment restrictions, borrowing restrictions or operating guidelines.

Up to date information regarding the name and duties of the Depositary, any conflicts of interest and delegations of the Depositary's safekeeping functions will be made available to Shareholders on request.

The Depositary is a service provider to the Company and is not responsible for the preparation of this document or for the activities of the Company and therefore accepts no responsibility for any information

contained, or incorporated by reference, in this document.

THE SECRETARY

The Secretary is Goodbody Secretarial Limited (“**GSL**”). GSL provides a range of services such as preparing AGM documentation, reminding clients when annual returns are due, preparing and filing same on their behalf, preparing board resolutions relating to changes in directors, transfers of shares etc. and preparing the requisite statutory forms for filing in the Companies Registration Office. GSL also monitor any change in the Act on behalf of the Company and are the registered office for the Company.

PAYING AGENTS

Shareholders should note that local laws/regulations may require the appointment of facilities agents/paying agents/representatives/distributors/correspondent banks (any such appointee hereafter referred to as a “**Paying Agent**”) and maintenance of accounts by such Paying Agents through which subscription and redemption monies or dividends may be paid. Shareholders who choose or are obliged to under local regulations to pay or receive subscription or redemption monies or dividends via an intermediate entity rather than directly to the Administrator (e.g. a Paying Agent in a local jurisdiction) bear a credit risk against the intermediate entity with respect to (a) subscription monies prior to the transmission of such monies to the Administrator for the account of the relevant Fund and (b) redemption monies payable by such intermediate entity to the relevant Shareholder. Fees and expenses of the Paying Agents appointed by the Management Company which will be at normal commercial rates will be borne by the Company in respect of which a Paying Agent has been appointed. All Shareholders of the relevant Fund on whose behalf a Paying Agent is appointed may avail of the services provided by Paying Agents appointed by the Management Company on behalf of the Company. Appendix B lists the Paying Agents which have been appointed by the Management Company at the date of the appendix.

REMUNERATION POLICY

The Management Company has established a remuneration policy for those categories of staff, including senior management, risk takers, control functions, and any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, whose professional activities have a material impact on the risk profiles of the Management Company or the Company. The main features of the remuneration policy are as follows:

- It is compliant with and promotes a sound and effective risk management and does not encourage risk-taking which is inconsistent with the risk profiles of the Company or the Instrument and which does not interfere with the obligation of the Management Company to act in the best interests of the Company. It takes into account the business strategy, objectives, values and interests of the Management Company, the Company and its shareholders, and includes measures to avoid conflicts of interest;
- It ensures that fixed and variable components of the total remuneration are appropriately balanced and the fixed component represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy on variable remuneration components, including the possibility to pay no variable remuneration component; and
- It provides for remuneration decisions to be based on a combination of business results and performance against objectives and is consistent with a medium to long-term strategy, shareholders’ interests and adherence to HSBC values. A portion of the variable component of the total remuneration may be paid using deferred shares depending on the total level of remuneration. The deferral period for these shares is currently three years with 50% of the deferred shares being vested after two years and the remaining 50% vesting at the end of the three year deferral period. The deferred shares are awarded subject to a ‘clawback’ clause and all or part can be recovered under certain circumstances, including where the bonus is found to be based on the use of fraudulent data.

The up-to-date remuneration policy of the Management Company, including, but not limited to, a description of how remuneration and benefits are determined, the governance arrangements for determining remuneration and benefits are available on the website

<http://www.global.assetmanagement.hsbc.com/luxembourg>. A paper copy is available free of charge upon request at the Management Company's registered office.

TAXATION

The following is a summary of certain Irish, UK and other jurisdictions tax consequences of the purchase, ownership and disposal of Shares. The summary does not purport to be a comprehensive description of all of the tax considerations that may be relevant. The summary relates only to the position of persons who are the absolute beneficial owners of Shares (other than dealers in securities). The summary is based on tax legislation and the practice of the tax authorities in effect at the date of this Prospectus (and is subject to any prospective or retroactive change). The tax consequences of an investment in Shares in the Company will depend not only on the nature of the Company's operations and the then applicable tax principles, but also on certain factual determinations which cannot be made at this time. Potential investors in Shares should consult their own advisors as to the tax consequences of the purchase, ownership and disposal of Shares.

IRISH TAX INFORMATION

Taxation of the Company

The Company intends to conduct its affairs so that it is Irish tax resident. On the basis that the Company is Irish tax resident, the Company qualifies as an 'investment undertaking' for Irish tax purposes and, consequently, is exempt from Irish corporation tax on its income and gains.

Provided the Shares remain held in a recognised clearing system, the Company will not be obliged to account for any Irish tax in respect of the Shares. However, if the Shares cease to be held in a recognised clearing system, the Company would be obliged to account for Irish tax to the Irish Revenue Commissioners in certain circumstances.

Taxation of Non-Irish Shareholders

Shareholders who are not resident (or ordinarily resident) in Ireland for Irish tax purposes will have no liability to Irish income tax or capital gains tax in respect of their Shares. However, if a Shareholder is a company which holds its Shares through an Irish branch or agency, the Shareholder may be liable to Irish corporation tax (on a self-assessment basis) in respect of the Shares. Explanations of the terms 'resident' and 'ordinarily resident' are set out at the end of this summary.

Taxation of Irish shareholders

Shareholders who are resident (or ordinarily resident) in Ireland for Irish tax purposes will be obliged to account (on a self-assessment basis) for any Irish tax due arising on distributions, redemptions and disposals (including deemed disposals where Shares are held for eight years) in respect of the Shares. For Shareholders who are individuals, the applicable Irish tax rate is currently 41%. For Shareholders who are companies (other than dealers in securities), the applicable Irish tax rate is currently 25%.

Stamp Duty

No Irish stamp duty (or other Irish transfer tax) will apply to the issue, transfer or redemption of Shares. If a Shareholder receives a distribution in specie of assets from the Company, a charge to Irish stamp duty could potentially arise.

Irish Gift and Inheritance Tax

Irish capital acquisitions tax (at a rate of 33%) could apply to gifts or inheritances of the Shares (irrespective of the residence of the donor or donee) because the Shares could be treated as Irish situate assets. However, any gift or inheritance of Shares will be exempt from Irish capital acquisitions tax once:

- (a) the Shares are comprised in the gift/inheritance both at the date of the gift/inheritance and at the 'valuation date' (as defined for Irish capital acquisitions tax purposes);
- (b) the person from whom the gift/inheritance is taken is neither resident nor ordinarily resident in Ireland at the date of the disposition; and

- (c) the person taking the gift/inheritance is neither resident nor ordinarily resident in Ireland at the date of the gift/inheritance.

Foreign Account Tax Compliance Act

Sections 1471 through 1474 of the US Internal Revenue Code ("FATCA") impose a 30% withholding tax on certain payments to a foreign financial institution ("FFI") if that FFI is not compliant with FATCA. The Company is a FFI and thus, subject to FATCA.

Beginning 1 July 2014, this withholding tax applies to payments to the Company that constitute interest, dividends and other types of income from US sources (such as dividends paid by a US corporation) and beginning on 1 January 2019, this withholding tax is extended to the proceeds received from the sale or disposition of assets that give rise to US source dividend or interest payments.

Ireland has entered into an Intergovernmental Agreement ("IGA") with the US to facilitate FATCA compliance and reporting. Under the terms of the IGA and the Irish legislation implementing the IGA into Irish law, the Company may be required to report to the Irish tax authorities certain information about US investors (including indirect investments held through certain passive investment entities) as well as non-US financial institutions that do not comply with FATCA. Such information will be onward reported by the Irish tax authorities to the US Internal Revenue Service.

The Company intends to comply with the terms of the IGA and relevant implementing legislation in Ireland. Therefore the Company expects to be treated as a compliant financial institution and does not expect any FATCA withholding to apply on payments made to it.

If a Shareholder or an intermediary through which it holds its interest in the Company fails to provide the Company, the Management Company, their agents or authorised representatives with any correct, complete and accurate information that may be required for the Company to comply with the requirements of the IGA, the Company may direct the Shareholder to dispose of their interest in the Company within a specified time limit and where this is not done within the specified time, may redeem the Shares.

Investors should consult their own tax advisors regarding the FATCA requirements with respect to their own situation. In particular, investors who hold their shares through intermediaries should confirm the FATCA compliance status of those intermediaries to ensure that they do not suffer FATCA withholding tax on their investment returns.

The Common Reporting Standard

The Common Reporting Standard (CRS) is a new information-gathering and reporting requirement for financial institutions. It builds upon other legislation such as FATCA to allow for the automatic exchange of investors' financial information between participating countries. However, unlike FATCA, the CRS does not impose a withholding tax obligation.

The CRS has been developed by the 'Organisation for Economic Co-operation and Development' (OECD) to help protect the integrity of tax systems. As at 1 January 2016, 100 jurisdictions have committed to implementing the CRS. All EU Member States including Ireland but (with the exception of Austria) have committed to the early adoption of CRS from 1 January 2016. Austria will be adopting the CRS from 1 January 2017.

In Ireland the CRS has been enacted in law following a revised Directive on Administrative Co-operation (DAC2) which came into force in December 2014. It essentially imports the CRS into EU legislation. Legislation to implement the Directive in Ireland was introduced in Finance Act 2015 by inserting Section 891G of the Taxes Consolidation Act 1997. Regulations were approved by the Irish Parliament on the 18th December 2015.

CRS replaces the previous European information reporting regime in respect of savings income under Directive 2003/48/EC (commonly known as the EU Savings Directive regime), which was repealed in Ireland with effect from 1 January 2016.

Under these measures, the Company is expected to be required to report information to the Irish Revenue Commissioners relating to Shareholders, including the identity, residence and tax identification number of Shareholders and details as to the amount of income and sale or redemption proceeds received by Shareholders in respect of the Shares. This information may then be shared by the Irish Revenue Commissioners with tax authorities in other EU Member States and other jurisdictions which implement the CRS.

Shareholders should consult their own tax advisors regarding the DAC2/CRS requirements with respect to their own situation.

Meaning of Terms

Meaning of 'Residence' for Companies

A company which has its central management and control in Ireland is tax resident in Ireland irrespective of where it is incorporated. A company which does not have its central management and control in Ireland but which was incorporated in Ireland on or after 1 January 2015 is tax resident in Ireland except where the company is regarded as not resident in Ireland and not resident in Ireland under a double taxation treaty between Ireland and another country.

A company that was incorporated in Ireland before 1 January 2015 will be regarded as resident in Ireland if the company is (i) managed and controlled in a territory with which a double taxation agreement with Ireland is in force (a 'relevant territory'), and such management and control would have been sufficient, if exercised in Ireland, to make the company Irish tax resident; and (ii) the company would have been tax resident in that relevant territory under its laws had it been incorporated there; and (iii) the company would not otherwise be regarded by virtue of the law of any territory as resident in that territory for the purposes of tax.

Meaning of 'Residence' for Individuals

An individual will be regarded as being tax resident in Ireland for a calendar year if the individual:

1. spends 183 days or more in Ireland in that calendar year; or
2. has a combined presence of 280 days in Ireland, taking into account the number of days spent in Ireland in that calendar year together with the number of days spent in Ireland in the preceding year. Presence in Ireland by an individual of not more than 30 days in a calendar year will not be reckoned for the purposes of applying this 'two year' test.

An individual is treated as present in Ireland for a day if that individual is personally present in Ireland at any time during that day.

Meaning of 'Ordinary Residence' for Individuals

The term '*ordinary residence*' (as distinct from '*residence*') relates to a person's normal pattern of life and denotes residence in a place with some degree of continuity. An individual who has been resident in Ireland for three consecutive tax years becomes ordinarily resident with effect from the commencement of the fourth tax year. An individual who has been ordinarily resident in Ireland ceases to be ordinarily resident at the end of the third consecutive tax year in which the individual is not resident.

Meaning of 'Intermediary'

An '*intermediary*' means a person who:

1. carries on a business which consists of, or includes, the receipt of payments from a regulated investment undertaking resident in Ireland on behalf of other persons; or
2. holds units in such an investment undertaking on behalf of other persons.

UNITED KINGDOM

THE COMPANY

It is the intention of the Board of Directors to conduct the affairs of the Company so that it does not become resident in the United Kingdom. On the basis that the Company is not resident in the United Kingdom for tax purposes it should not be subject to United Kingdom corporation tax on its income and capital gains.

SHAREHOLDERS

Holders of shares who are resident in the United Kingdom or carrying on a trade in the United Kingdom will, depending on their individual circumstances, be liable to United Kingdom Income Tax or Corporation Tax in respect of any dividends or other income distributions of the Company (including Redemption Dividends and any dividends funded out of realised capital profits of the Company). There is no withholding by the Company for Irish tax on dividends payable to United Kingdom investors on the basis that it is the current intention that all shares will be held in a "recognised clearing system" (see previous section headed "IRELAND" for further details). Shareholders should note that dividends paid by the Company comprise foreign dividends for UK tax purposes.

The Offshore Funds (Tax) Regulations 2009 (as amended) contain provisions that may affect United Kingdom tax resident investors in offshore funds which are not certified by the United Kingdom HM Revenue & Customs as distributing offshore funds or not approved as UK reporting funds during the United Kingdom investor's entire period of ownership. The broad effect of which is that any United Kingdom resident investor who realises a gain on the disposal of his investment in an offshore fund will normally be charged to United Kingdom Income Tax (or Corporation Tax) on the gain made rather than to United Kingdom Capital Gains Tax (Corporation Tax on chargeable gains in the case of corporate investors). The Company has and intends to continue to apply for UK reporting fund status for certain share classes for its accounting period beginning 1 January 2010 and forward. In doing so the Company will meet the reporting requirements by making available to shareholders the information required by The Offshore Funds (Tax) Regulations 2009.

Details of which Share Classes have UK reporting fund status can be found on the United Kingdom HM Revenue & Customs' website at <https://www.gov.uk/government/publications/offshore-funds-list-of-reporting-funds>.

Shareholders in reporting status funds may be taxed on the reportable income arising in an accounting period whether or not that income is distributed to them. The amount taxable per share will be the total reportable income for the period (adjusted by any qualifying equalisation) divided by the number of relevant shares in issue at the end of that period.

The Company will make available to shareholders the reportable income information that they will require for their UK tax returns at www.etf.hsbc.com by 30 June each year. If investors do not have access to the internet they can apply in writing for a copy of this information to HSBC ETFs PLC, 3 Dublin Landings, North Wall Quay, IFSC, Dublin 1, Ireland.

Genuine Diversity of Ownership

The intended category of investor in the Company are Eligible Investors (as defined in the "**Schedule II: Definitions**") located in the countries and territories where the shares of the Company are registered for distribution.

The Shares in the Company will be made widely available to Eligible Investors by being available to purchase through the subscription procedure as set out in this Prospectus, or through stockbrokers or share dealing services as a consequence of the listing of its shares on one or more Listing Stock Exchange(s). The Global Distributor and/or local Distributors (as appointed from time to time) will actively promote investment in the Shares of the Company to a wide variety of Eligible Investors and make the Company's Prospectus available to them. In addition, the Prospectus and application form can be obtained directly from the registered office of the Company and the Management Company. As a consequence the Company considers it allows any Eligible Investor the opportunity to obtain information about the Company and to purchase its Shares.

The Company intends, through the Global Distributor and/or local Distributors (as appointed from time to time) for its Shares to be promoted and made available in a manner designed to attract Eligible Investors.

UK Resident Corporate Shareholders

Shareholders should note that any corporate shareholder that is resident in the United Kingdom or one which carries on a trade in the United Kingdom will be subject to tax under the loan relationship provisions of United Kingdom tax legislation during any accounting period of that shareholder when more than 60% of the investments of the Company comprise of (broadly) interest bearing investments (including interests in collective investment schemes which themselves have more than 60% of their investments as interest bearing assets or financial derivative instruments whose subject matter is broadly linked to interest bearing investments). Under these provisions the change in value of the shares in the Company during the corporate's accounting period will be taxed as part of the corporate's income for that accounting period, the change in value being assessed on the basis of fair value accounting.

UK Resident Individual Shareholders

Shareholders should note that dividends paid by the Company comprise foreign dividends for UK income tax purposes and that those dividends will carry a tax credit equivalent to one ninth of the gross dividend payment by the Company, unless the dividends are taxed as interest for UK tax purposes as described below.

Generally, where at any time in the accounting period in which the dividend is paid (or the prior accounting period or twelve months prior to the start of the accounting period in which the dividend is paid if longer) more than 60% of the investments of the Fund (in which the Shares are held) broadly comprise of interest bearing investments (including cash, bonds and other securities together with interests in collective investment schemes which themselves have more than 60% of their investments as interest bearing assets and financial derivative instruments whose subject matter is broadly linked to interest bearing investments, currency, creditworthiness or currency) then the dividend will be treated as a payment of interest to the shareholder for UK income tax purposes and will carry no tax credit.

Shareholders resident or ordinary resident in the United Kingdom should note the provisions of Chapter 2 of Part 13 of the Income Tax Act 2007. These provisions are directed at the prevention of avoidance of income tax through transactions resulting in the transfer of assets or incomes to persons (including companies) abroad and may render them liable to income received by those persons on their behalf. The legislation is not directed towards the taxation of capital gains.

Shares in the Company will be classified as foreign assets for the purposes of United Kingdom inheritance tax.

UK Resident Individuals who are not domiciled in the UK and who claim the remittance basis of taxation

Dividends paid by the Company will constitute 'relevant foreign income' for United Kingdom income tax purposes, however, whether the dividends will be taxed as dividends and potentially carry a tax credit will be determined in the same way as for UK resident individual shareholders outlined above.

Subject to their personal circumstances, shareholders who are individuals resident or ordinary resident but not domiciled in the United Kingdom (and who claim the remittance basis) for taxation purposes will be liable to United Kingdom income tax in respect of dividends paid by the Company to the extent that those dividends are remitted or deemed to be remitted to the United Kingdom.

Shares in the Company will constitute 'foreign assets' for United Kingdom capital gains purposes.

Stamp Duty Reserve Tax and Stamp Duty

Transfer taxes may be payable by the Company in the United Kingdom and elsewhere in relation to the acquisition and/or disposal of securities. In particular, stamp duty reserve tax at the rate of 0.5% (or, if

the transfer does not take place in Dematerialised Form, stamp duty at an equivalent rate) will be payable by the Company in the United Kingdom on the acquisition of shares in companies incorporated in the United Kingdom or which maintain a share register in the United Kingdom. This liability will arise in the course of the Company's normal investment activity and on the acquisition of securities from subscribers on subscription for shares.

In the absence of an exemption applicable to a prospective Shareholder (such as that available to intermediaries under section 88A of the Finance Act 1986) stamp duty reserve tax (or stamp duty) at the same rate as above may arise on the transfer of securities to Shareholders on redemption.

Because the Company is not incorporated in the United Kingdom and the register of holders of shares will be kept outside the United Kingdom, no liability to stamp duty reserve tax will arise by reason of the transfer, subscription for or redemption of shares except as stated above. Liability to stamp duty will not arise provided that any instrument in writing transferring shares in the Company is executed and retained at all times outside the United Kingdom.

OTHER JURISDICTIONS

French Tax information - Taxation of French Shareholders

Article 150-0D of the Tax General Regulation

In order for a Fund to claim eligibility under Article 150-0D of the Tax General Regulation, the total amount invested in equity or equity-equivalent securities must not be less than 75% at any point in time. The eligibility applies only to subscriptions prior to 1 January 2018.

Currently, eligibility under Article 150-0D applies to the following Funds:

Funds
HSBC MSCI CHINA UCITS ETF HSBC MSCI INDONESIA UCITS ETF HSBC MSCI JAPAN UCITS ETF HSBC MSCI MALAYSIA UCITS ETF HSBC MSCI PACIFIC ex JAPAN UCITS ETF HSBC EURO STOXX 50 UCITS ETF HSBC FTSE 100 UCITS ETF HSBC FTSE 250 UCITS ETF HSBC MSCI EUROPE UCITS ETF HSBC MSCI SOUTH AFRICA CAPPED UCITS ETF HSBC MSCI TURKEY UCITS ETF HSBC FTSE EPRA/NAREIT DEVELOPED UCITS ETF HSBC MSCI AC FAR EAST EX JAPAN UCITS ETF HSBC MSCI EM FAR EAST UCITS ETF HSBC MSCI EM LATIN AMERICA UCITS ETF HSBC MSCI BRAZIL UCITS ETF HSBC MSCI CANADA UCITS ETF HSBC MSCI EMERGING MARKETS UCITS ETF HSBC MSCI KOREA CAPPED UCITS ETF HSBC MSCI MEXICO CAPPED UCITS ETF HSBC MSCI RUSSIA CAPPED UCITS ETF HSBC MSCI TAIWAN CAPPED UCITS ETF HSBC MSCI USA UCITS ETF HSBC MSCI WORLD UCITS ETF HSBC S&P 500 UCITS ETF

The annual and semi-annual reports of the Company will provide a confirmation of the eligibility of those Funds under Article 150-0D as well as the date from which they became eligible.

German Tax Information - Taxation of German Shareholders

The information given in this section is a high level summary of certain aspects of the German Taxation System, based on the law and official guidance currently available and subject to change. The information is not intended to be exhaustive and does not constitute legal or tax advice.

New Investment Fund Tax Regime effective as from 8 November 2018

The Management Company aims to manage the Funds listed below in accordance with the so-called partial exemption regime for equity funds under Sec. 20 para. 1 of the German Investment Tax Act (as in effect since 8 November 2018).

Accordingly, the Funds listed below will seek to continuously invest a minimum percentage of their net assets in equity assets as defined in sec. 2 para 8 German Investment Tax Act (2018).

% of Fund's Net Assets	Funds
More than 50%	HSBC FTSE 100 UCITS ETF HSBC MSCI AC FAR EAST EX JAPAN UCITS ETF HSBC MSCI EM LATIN AMERICA UCITS ETF HSBC EURO STOXX 50 UCITS ETF HSBC MSCI BRAZIL UCITS ETF HSBC MSCI CANADA UCITS ETF

	HSBC MSCI CHINA UCITS ETF HSBC MSCI CHINA A UCITS ETF HSBC MSCI EMERGING MARKETS UCITS ETF HSBC MSCI EUROPE UCITS ETF HSBC MSCI INDONESIA UCITS ETF HSBC MSCI JAPAN UCITS ETF HSBC MSCI KOREA CAPPED UCITS ETF HSBC MSCI MEXICO CAPPED UCITS ETF HSBC MSCI PACIFIC EX JAPAN UCITS ETF HSBC MSCI TAIWAN CAPPED UCITS ETF HSBC MSCI USA UCITS ETF HSBC MSCI WORLD UCITS ETF HSBC MSCI TURKEY UCITS ETF HSBC S&P 500 UCITS ETF HSBC MULTI FACTOR WORLDWIDE EQUITY UCITS ETF HSBC JAPAN SUSTAINABLE EQUITY UCITS ETF HSBC UK SUSTAINABLE EQUITY UCITS ETF HSBC EUROPE SUSTAINABLE EQUITY UCITS ETF HSBC USA SUSTAINABLE EQUITY UCITS ETF HSBC DEVELOPED WORLD SUSTAINABLE EQUITY UCITS ETF HSBC ASIA PACIFIC EX JAPAN SUSTAINABLE EQUITY UCITS ETF HSBC EMERGING MARKET SUSTAINABLE EQUITY UCITS ETF HSBC HANG SENG TECH UCITS ETF HSBC MSCI EUROPE CLIMATE PARIS ALIGNED UCITS ETF HSBC MSCI USA CLIMATE PARIS ALIGNED UCITS ETF HSBC MSCI WORLD CLIMATE PARIS ALIGNED UCITS ETF HSBC MSCI JAPAN CLIMATE PARIS ALIGNED UCITS ETF
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COLLECTION OF SHAREHOLDER INFORMATION

Shareholder Information may be collected, generated or requested by the Company, the Investment Manager or another Service Provider from the Shareholder from time to time, and may be processed and stored by the Investment Manager (or by HSBC Group or third parties in the circumstances described below) in relation to or in connection with any Services, Compliance Obligations and/or Financial Crime Risk Management Activities.

A Shareholder's failure to supply Shareholder Information reasonably requested by the Investment Manager or a Service Provider, or to consent to the use of such Shareholder Information (which may include transferring and disclosing such information) in the circumstances set out in this Prospectus, or to take such other action as may be reasonably requested by the Investment Manager (in writing) in connection with any Tax Information, may result in the Investment Manager (or a Service Provider) being unable to provide or continue to provide directly or indirectly all or part of its Services to the Shareholder, and/or any of the following:

- (a) taking whatever actions are necessary or appropriate for HSBC Group to comply with local or foreign disclosure and reporting obligations to the relevant Authorities;
- (b) reaching appropriate conclusions as to the status of the Shareholder's account(s) (including that any account(s) fall(s) within the terms of any demand for information made by the appropriate Tax Authorities or is otherwise reportable to such Tax Authorities, irrespective of the actual status of any such account(s);
- (c) directing the Shareholder to dispose of their interest in the Company within a specified time limit and where this is not done within the specified time, redeeming the Shares.

The Shareholder agrees to inform in a timely manner, or respond within the time specified in any request from the Investment Manager or a member of the HSBC Group, if there are any changes to Shareholder Information and/or Entity Status Information (as applicable) previously provided to the Investment Manager or a member of the HSBC Group.

Provisions specific to Shareholders that are entities:

It is for the Shareholder to notify and/or obtain any and all requisite consents from its employees, directors, officers, "substantial owners", "controlling persons" (as defined above), and the companies in the Shareholder's group (and such companies' employees), to the processing, storage, disclosure and transfer, of any such person's Personal Data and Tax Information by the Investment Manager or HSBC Group arising from or in connection with the 'Collection of Shareholder Information' section of the Prospectus. The Management Company, the Investment Manager or any other member of the HSBC Group shall not be liable to Shareholder or any third party in respect of any Losses suffered or incurred in this regard.

In respect of Tax Information, the Shareholder shall: (i) provide an entity level written waiver or consent and an owner reporting statement annually; and/or (ii) upon request by the Investment Manager, obtain a written waiver or consent from each entity's "substantial owners" or "controlling persons" (as defined above). Such consents shall be provided to the Investment Manager to allow it to maintain, disclose and report tax and account specific financial information to any local or foreign tax or fiscal authority.

Financial crime risk management activities

Notwithstanding and in addition to the above, the Investment Manager may take any other action which in its sole and absolute discretion it considers appropriate to comply with laws, regulations, sanctions regimes, international guidance, HSBC Group internal policies and procedures, and/or demands from any Authorities, relating to or in connection with or furtherance of any Financial Crime Risk Management Activity. Such action may include, without limitation, intercepting, investigating, delaying, blocking or

refusing any payment or provision of all or part of the Services or an application for Services, or drawdown or utilisation of a credit facility; processing Shareholder Information (which includes but is not limited to matching Shareholder Information with other data in possession of HSBC Group); and the disclosure of Shareholder information relating to the same.

Any Authorities may also take any action under relevant laws and regulations relating to financial crime which may result in any of the above actions.

The Management Company, the Investment Manager or any other member of HSBC Group shall not be liable to the Shareholder or any third party in respect of any Losses howsoever arising, suffered or incurred by the Shareholder or third party caused in whole or in part in connection with or arising in respect of any Financial Crime Risk Management Activities.

FEES AND EXPENSES

The Company has a fee structure where, in respect of each Share Class, fees and expenses are paid as one single fee. This is referred to as the “**Total Expense Ratio**” or “**TER**”. The TER also includes any due proportion of expenses of the Company which may be allocated to the funds from time to time.

The TER is paid to the Management Company, and the Management Company is then responsible for the payment of the other operational expenses of the Company. These include, but are not limited to, fees and expenses of the Directors, the Management Company, Investment Manager, Distributors, Depositary, Administrator, Auditors, Secretary, and such other person as the Management Company may determine at its discretion, and the operating administrative and services expenses as referred to below.

The TER covers all of the fees and expenses, except taxes or duty charges for portfolio re-balancing and transaction charges related to portfolio re-balancing, all of which will be paid separately out of the assets of the relevant Share Class.

In addition, the Transfer Agent may recover from a Primary Market maker any operational expenses relating to Primary Market transactions that form part of the Duties and Charges, as set out in the relevant Fund Supplement.

Directors' fees will not exceed the sum of €50,000 per annum per Director without the approval of the Directors (with each Director abstaining on any resolution relating to that Director's remuneration).

The following list is indicative but not exhaustive of the types of services that the operating, administrative and services expenses cover:

- (i) all establishment costs of the Company;
- (ii) the cost of listing and maintaining a listing of Shares on any stock exchange;
- (iii) registration fees;
- (iv) financial index licencing fees;
- (v) the cost of convening and holding Directors' and Shareholders' meetings;
- (vi) professional fees and expenses for legal, auditing and other consulting services;
- (vii) the costs and expenses of preparing, printing, publishing and distributing prospectuses, supplements, annual and semi-annual reports and other documents to current and prospective Shareholders;
- (viii) the costs and expenses of any investment adviser appointed by the Investment Manager;
- (ix) for currency hedged Classes, fees to third parties to cover the execution of the share class currency hedging policy. An additional fee for this service will apply to currency hedged Classes as detailed in the relevant Fund's Supplement;
- (x) such other costs and expenses (excluding non-recurring and extraordinary costs and expenses) as may arise from time to time and which have been approved by the Directors as necessary or appropriate for the continued operation of the Company or of any Fund;

The TER is calculated and accrued daily from the Net Asset Value of each fund and payable monthly in arrears. The TER of each Share Class is as listed in the relevant Fund Supplement. If expenses exceed the TER outlined above in relation to operating the Funds, the Management Company will cover any shortfall from its own assets.

The TER is not expected to exceed the amounts disclosed in the relevant Fund Supplement. However, if an increase is required it will require prior approval by Shareholders of the relevant fund, which must be approved by a majority vote at a meeting of Shareholders or by written resolution of all Shareholders.

The Management Company may, in its sole discretion, enter into rebate arrangements with certain Shareholders which have the effect of reducing the management fee with respect to such Shareholders. The Management Company will ensure that any such rebate arrangements meet the requirements set out in UCITS Regulations. Further relevant information on rebate arrangements will be made available by the Management Company upon request. In addition, Shareholders should note that Distributors may enter into rebate arrangements with certain Shareholders independently of the Management Company

in respect of their distribution fee.

The Company has not agreed to any commissions, discounts, brokerage or any other special arrangements in relation to the issue or sale of any capital of the Company except as specifically disclosed in this Prospectus.

Shareholders should note that, from time to time, there may be restrictions preventing HSBC Group dealing in certain securities. In such circumstances, and/or where foreign government policies prevent the Investment Manager from physically replicating the exposure of certain index constituents, financial derivative instruments may be used as an alternative. Transaction costs associated with the use of financial derivative instruments in such circumstances will be paid out of the assets of the relevant Share Class.

STATUTORY AND GENERAL INFORMATION

CONFLICTS OF INTEREST

The Depositary, the Administrator, the Management Company and the Investment Manager may from time to time act as manager, registrar, transfer agent, administrator, trustee, depositary, investment manager, adviser or distributor in relation to, or be otherwise involved in, other funds or collective investment schemes which have similar investment objectives to those of the Company. It is, therefore, possible that any of them may, in the due course of their business, have potential conflicts of interests with the Company. Each will at all times have regard in such event to its obligations under the Memorandum and Articles of Association of the Company and/or any agreements to which it is party or by which it is bound in relation to the Company and, in particular, but without limitation to its obligations to act in the best interests of the Shareholders when undertaking any investments where conflicts of interest may arise and will endeavour to ensure that such conflicts are resolved fairly and, in particular, the Management Company will procure that the Investment Manager agrees to act in a manner which the Investment Manager in good faith considers fair and equitable in allocating investment opportunities to the Company.

There is no prohibition on dealing in assets of the Company by the Depositary, the Management Company or Investment Manager, or by delegates or sub-delegates of such parties (excluding any non-group company sub-custodians appointed by the Depositary), and any associated or group company of such Depositary, Management Company, Investment Manager, delegate or sub-delegate, provided that such transactions are conducted at arms' length and are in the best interests of Shareholders. Permitted transactions between the Company (or the Management Company on behalf of the Company) and such parties are subject to (i) a certified valuation by a person approved by the Depositary (or a person approved by the Management Company in the case of a transaction involving the Depositary) as independent and competent; or (ii) execution on best terms on organised investment exchanges under their rules; or (iii) where (i) and (ii) are not practical, execution on terms the Depositary (or the Management Company in the case of a transaction involving the Depositary) is satisfied conform to the principles set out in this paragraph. The Depositary (or the Directors in the case of a transaction involving the Depositary or an affiliate of the Depositary) shall document how it has complied with (i), (ii), or (iii) above. Where transactions are conducted in accordance with (iii), the Depositary (or the Management Company in the case of a transaction involving the Depositary or an affiliate of the Depositary) shall document its rationale for being satisfied that the transaction conformed to the principles outlined in this paragraph. The Depositary may hold funds for the Company subject to the provisions of the Central Bank Acts 1942 to 1998 as amended by the Central Bank and Financial Services Authority of Ireland Act, 2003.

There is no prohibition on the Management Company, the Depositary, the Administrator, the Investment Manager or any other party related to the Company acting as a "competent professional person" for the purposes of determining the probable realisation value of an asset of a Fund in accordance with the valuation provisions outlined in the "**Determination of Net Asset Value**" section above. Investors should note however, that in circumstances where fees payable by the Company to such parties are calculated based on the Net Asset Value, a conflict of interest may arise as such fees will increase if the Net Asset Value increases. Any such party will endeavour to ensure that such conflicts are resolved fairly and in the best interests of the Shareholders.

A Director may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is interested, provided that he has disclosed to the Directors prior to the conclusion of any such transaction or arrangement the nature and extent of any material interest of his therein. Unless the Directors determine otherwise, a Director may vote in respect of any contract or arrangement or any proposal whatsoever in which he has a material interest, having first disclosed such interest. At the date of this Prospectus other than as disclosed under the "**Directors and Secretary**" section of this Prospectus, no Director or connected person of any Director has any interest, beneficial or non-beneficial, in the share capital of the Company or any material interest in the Company or in any agreement or arrangement with the Company except that one or more of the Directors may hold Subscriber Shares. The Directors shall endeavour to ensure that any conflict of interest is resolved fairly.

In selecting brokers, who may in some cases be an affiliate of the Investment Manager, to make purchases

and sales for the Company, the Management Company will require the Investment Manager to choose those brokers who provide best execution to the Company. In determining what constitutes best execution, the Investment Manager will be required to consider the over-all economic result of the Company, (price of commission plus other costs), the efficiency of the transaction, the broker's ability to effect the transaction if a large block is involved, availability of the broker for difficult transactions in the future and the financial strength and stability of the broker.

On occasion, an entity in the HSBC Group may provide a Fund with seed capital (i.e. an initial investment in a Fund to support the operations of a Fund in its early existence prior to material external investment).

As the size of a Fund increases, the relevant HSBC Group entity may withdraw all or some of its seed capital in accordance with a seed policy (the purpose of which is to manage the timing of any withdrawal in the best interests of the remaining Shareholders). Any such withdrawal of seed capital shall be effected in accordance with the provision of this Prospectus in the section titled "Primary Market – Subscriptions, Conversions and Redemptions"..

While the seed capital is in a Fund, the seeding entity of HSBC may choose to hedge its seed capital position in a Fund to ensure the seed capital remains at a consistent level. In order to hedge the seed capital position efficiently, the seeding entity may have access to underlying portfolio data.

In addition, the Company may provide portfolio holding information to affiliates of the HSBC Group for certain purposes, including but not limited to, risk management and regulatory reporting.

MEETINGS

At least one general meeting of the Company shall be held in each year as the Company's annual general meeting. At least twenty one (21) days' notice (inclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given) shall be given to Shareholders. The notice shall specify the place, day and hour of the meeting and the terms of the resolutions to be proposed. A proxy may attend on behalf of any Shareholder. The voting rights attached to the Shares are set out under the heading "**Voting Rights**" in this Prospectus.

REPORTS AND ACCOUNTS

The Company's accounting period ends on 31 December in each year.

The Directors shall cause to be prepared an annual report and audited annual accounts for the Company for the period ending 31 December in each year. The annual report and audited annual accounts will be forwarded to Shareholders within four months of the end of the relevant accounting period end and at least twenty one (21) days before the annual general meeting. In addition, the Directors shall cause to be prepared a half-yearly report which shall include unaudited half-yearly accounts for the Company. The semi-annual accounts will be prepared to 30 June in each year. Half-yearly accounts for the Company will be forwarded to Shareholders in the Company within two months of the end of the relevant accounting period. The annual report and the half-yearly report will be sent to Shareholders by electronic mail or other electronic means of communication, although Shareholders and prospective investors may also, on request, receive reports by hard copy mail.

INCORPORATION OF THE COMPANY

The Directors confirm that the Company was incorporated in Ireland on 27 February 2009.

WINDING UP

The Articles contain provisions to the following effect:

- (a) If the Company shall be wound up the liquidator shall apply the assets of the Company in such manner and order as he thinks fit in satisfaction of creditors' claims. The liquidator shall, in relation to the assets available for distribution among the Shareholders, make in the books of the Company such transfers thereof as may be necessary in order that the effective burden of such creditors' claims may be shared between the holder of Shares of different classes in such proportions as the liquidator in his absolute discretion may think equitable.
- (b) The assets available for distribution among the Shareholders shall then be applied in the following priority:
- (i) First, in the payment to the holders of the Shares of each series of a sum in the currency in which that series is designated (or in any other currency selected by the liquidator) as nearly as possible equal (at a rate of exchange determined by the liquidator) to the Net Asset Value of the Shares of such series held by such holders respectively as at the date of commencement to wind up provided that there are sufficient assets available in the Company to enable such payment to be made. In the event that, as regards any series of Shares, there are insufficient assets available in the Company to enable such payment to be made recourse shall be to the payment to the holders of each series of Shares of any balance then remaining in the Company, such payment being made in proportion to the number of Shares of that series held.
- (ii) Secondly, in the payment to the holders of the Subscriber Shares of sums up to the nominal amount paid thereon out of the assets of the Company not comprised remaining after any recourse thereto under sub-paragraph (i) above. In the event that there are insufficient assets as aforesaid to enable such payment in full to be made, no recourse shall be had to the assets of the Company.
- (iii) Thirdly, in the payment to the holders of each series of Shares of any balance then remaining in the Company, such payment being made in proportion to the number of Shares of that series held.
- (c) If the Company shall be wound up (whether the liquidation is voluntary, under supervision or by the Court) the liquidator may, with the authority of a special resolution and any other sanction required by the Act, divide among the Shareholders in specie the whole or any part of the assets of the Company, and whether or not the assets shall consist of property of a single kind, and may for such purposes set such value as he deems fair upon any one or more class or classes of property, and may determine how such division shall be carried out as between the Shareholders or different classes of Shareholders. Shareholders may request that assets which are to be distributed to them in specie will be first liquidated to cash. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of Shareholders as the liquidator, with the like authority, shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no Shareholder shall be compelled to accept any assets in respect of which there is liability.

MATERIAL CONTRACTS

The following contracts, which are summarised in the "**Management and Administration**" and "**Fees and Expenses**" sections in this Prospectus, have been entered into and are, or may be, material:

- (b) Management Agreement dated 1 April 2019, between the Company and the Management Company pursuant to which the Management Company has been appointed as the management company and the global distributor of the Company, the details of which are summarised in the "**Management and Administration**" section in this Prospectus;
- (c) Investment Management Agreement dated 1 April 2019, between the Management Company and the Investment Manager pursuant to which the Investment Manager has been appointed as investment manager in respect of the Company, the details of which are summarised in the "**Management and Administration**" section in this Prospectus;
- (d) Administration Agreement dated 23 March 2020, between the Company the Management Company and the Administrator pursuant to which the Administrator has been appointed to provide administration and accounting services to the Management Company in respect of the

Company, the details of which are summarised in the “**Management and Administration**” section in this Prospectus; and

- (e) Depositary Agreement dated 1 April 2019, between the Company, the Management Company and the Depositary, pursuant to which the Depositary has been appointed as depositary of the Company’s assets, the details of which are summarised in the “**Management and Administration**” section in this Prospectus.

MEMORANDUM AND ARTICLES OF ASSOCIATION

The principal provisions of the Memorandum and Articles of Association of the Company have been summarised in this Prospectus in the sections headed “**HSBC ETFs PLC**” and “**SUBSCRIPTIONS, VALUATIONS AND REDEMPTIONS**”.

DOCUMENTS FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company at 3 Dublin Landings, North Wall Quay, IFSC, Dublin 1, Ireland during normal business hours on any Dealing Day:

- (a) the Memorandum and Articles of Association of the Company; and
- (b) the UCITS Regulations and the Central Bank UCITS Regulations issued pursuant thereto.

In addition, the Memorandum and Articles of Association of the Company and any yearly or half-yearly reports may be obtained from the Administrator free of charge or may be inspected at the registered office of the Company during normal business hours on any Dealing Day.

The most recent audited financial statements for the Company will be available when published at the registered office of the Company during normal business hours on any Dealing Day.

In addition, the PRIIPs KID/UCITS KIID, as applicable, are available on <http://www.etf.hsbc.com>. Before subscribing to any Class and to the extent required by local laws and regulations each investor shall consult the PRIIPs KID or UCITS KIID, as applicable. Investors may download the PRIIPs KID/UCITS KIID, as applicable, from the above website or obtain it in paper form or on any other durable medium agreed between the Directors or the intermediary and the investor.

Additional information is made available by the Management Company, at its registered office, upon request, in accordance with the provisions of Luxembourg laws and regulations. This additional information includes the procedures relating to complaints handling, the strategy followed for the exercise of voting rights of the Company, the policy for placing orders to deal on behalf of the Company with other entities, the best execution policy as well as the arrangements relating to the fee, commission or non-monetary benefit in relation with the investment management and administration of the Company.

UNITED KINGDOM REPRESENTATIVE

HSBC Global Asset Management (UK) Limited acts as the Representative of the Company in the United Kingdom. The UK Representative is required to maintain certain facilities in the United Kingdom on behalf of the Company, as provided by Chapter 9 of the COLL Sourcebook of the Financial Conduct Authority Handbook, whereby certain documents and information may be made available in English. The following documents may be obtained or inspected, free of charge from the offices of the UK Representative: Copies of the Memorandum and Articles of Association of the Company and any amending resolutions, the latest Prospectus, relevant Fund Supplements and the latest annual and half-yearly reports. The UK Representative also provides information about the price of Shares. Requests for purchases, redemptions and conversions of Shares by UK residents may be made through the UK Representative who will send to the Company forthwith such requests and any complaints in connection with matters arising from dealings in the Company’s Shares. HSBC Global Asset Management (UK) Limited is authorised and regulated in the United Kingdom by the Financial Conduct Authority.

DATA PROTECTION NOTICE

Prospective investors should note that by completing the application form they are providing personal information, which may constitute “personal data” within the meaning of the Data Protection Legislation.

Investors’ personal data will be used by the Company for the following purposes:

- to manage and administer an investor’s holding in the Company and any related accounts on an ongoing basis;
- to carry out statistical analysis and market research as the Company’s legitimate business interest; and
- to comply with legal and regulatory obligations applicable to the investor and the Company from time to time including applicable anti-money laundering and counter terrorist financing legislation. In particular, in order to comply with the CRS (as implemented in Ireland by Section 891E, Section 891F and Section 891G of the TCA 1997 and regulations made pursuant to those sections) and FATCA, Shareholders’ personal data (including financial information) may be shared with the Irish Revenue Commissioners. They in turn may exchange information (including personal data and financial information) with foreign tax authorities (including the US Internal Revenue Service and foreign tax authorities located outside the EEA). Please consult the AEOI (Automatic Exchange of Information) webpage on www.revenue.ie for further information in this regard.

Investors’ personal data may be disclosed by the Company to its delegates, professional advisors, service providers, regulatory bodies, auditors, technology providers and any duly authorised agents or related, associated or affiliated companies of the foregoing for the same purpose(s).

Investors’ personal data may be transferred to countries which may not have the same or equivalent data protection laws as Ireland. If such transfer occurs, the Company is required to ensure that such processing of investors’ personal data is in compliance with Data Protection Legislation and, in particular, that appropriate measures are in place such as entering into model contractual clauses (as published by the European Commission), if appropriate. More information on the means of transfer of investors’ data and a copy of the relevant safeguards, can be found at <http://www.global.assetmanagement.hsbc.com/privacy-notices>.

Pursuant to the Data Protection Legislation, investors have a number of rights which may be exercised in respect of their personal data, *i.e.*:

- the right of access to personal data held by the Company;
- the right to amend and rectify any inaccuracies in personal data held by the Company;
- the right to erase personal data held by the Company;
- the right to data portability of personal data held by the Company;
- the right to request restriction of the processing of personal data held by the Company;
- the right to object to processing of personal data by the Company. In certain circumstances it may not be feasible for the Company to discharge these rights, for example, because of the structure of the Company or the manner in which the shareholder holds shares in a Fund; and
- the right to object to automated decision-making, including profiling.

These rights will be exercisable subject to limitations as provided for in the Data Protection Legislation. Details of how investors may make a request to the Company to exercise these rights can be found at <http://www.global.assetmanagement.hsbc.com/privacy-notices>.

Please note that personal data may be retained by the Company for the duration of an investor’s

investment and afterwards in accordance with the Company's legal and regulatory obligations.

The Company is a data controller within the meaning of the Data Protection Legislation and undertakes to hold any personal information provided by investors in confidence and in accordance with the Data Protection Legislation. For queries, requests or comments in respect of this notice or the way in which the Company uses investors' personal data, please contact ifsinvestorqueries@hsbc.com or visit <http://www.global.assetmanagement.hsbc.com/privacy-notice>. Note that investors have the right to lodge a complaint with the Office of the Data Protection Commissioner.

PROTECTED DISCLOSURES

The Protected Disclosures Act 2014 (the "**2014 Act**"), as amended in accordance with EU Directive 2019/1937, gives legal protection to "Workers" who make disclosures. Shareholders are included within the scope of the definition of "Worker" under the 2014 Act. In the event that a Shareholder wishes to report a relevant wrongdoing under the 2014 Act or wishes to be provided with further information on the procedure for doing so, a Shareholder can write to the chairperson of the Board of Directors of the Company at the Company's registered address. The Company encourages reports of wrongdoing to be made internally in the first instance. However, internal reporting does not preclude the making of an external report. Depending on the nature of the wrongdoing, a Shareholder may, subject to complying with the requirements of the 2014 Act, make a report externally to a prescribed person under the 2014 Act or to the Protected Disclosures Commissioner who will identify a suitable prescribed person. Prescribed persons have regulatory functions in the area which are the subject of the alleged wrongdoings. A full list of protected disclosure prescribed persons can be found on the gov.ie website.

ANTI-MONEY LAUNDERING AND PREVENTION OF TERRORIST FINANCING

Measures provided for under the AML Act which is aimed towards the prevention of money laundering, require identification and verification of the identity of each subscriber and its beneficial owners, as applicable, and on-going due diligence of the subscriber and the subscriber's account with the Company. By way of example, an individual will be required to produce a copy of a passport or identification card, which shows a photograph, signature and date of birth, duly certified by any one of the following, and potentially their equivalents in other Jurisdictions: Garda Síochána / Police Officer; Practising Chartered & Certified Public Accountants; Notaries Public / Practising solicitors; Embassy/Consular Staff; Regulated financial or credit institutions; Justice of the peace; Commissioner for oaths; and/or Medical professional. The individual will also need to provide one item evidencing their address such as a utility bill or bank statement (not more than six months old). In the case of corporate applicants this may require production of certified copies of the certificate of incorporation (and any change of name) and of the memorandum and articles of association (or equivalent), a certified copy of the corporation's authorised signatory list, the names, occupations, dates of birth and residential and business addresses of all directors and beneficial owners (who may also be required to verify their identity as described above).

Politically exposed persons ("PEPs"), an individual who is or has, at any time in the preceding year, been entrusted with prominent public functions, and immediate family member, or persons known to be close associates of such persons, must also be identified.

Depending on the circumstances of each application, a detailed verification of source of funds might not be required where (i) the investor makes payment from an account held in the investor's name at a recognised financial intermediary or (ii) the application is made through a recognised intermediary. These exceptions will only apply if the financial institution or intermediary referred to above is located within a country recognised in Ireland as having equivalent anti-money laundering and counter terrorist financing regulations or satisfies other applicable conditions.

The Administrator reserves the right to request information and documentation to comply with its requirements under the AML Act or otherwise, including but not limited to information and documentation in relation to the verification of identity of a subscriber and its beneficial owners, as applicable, the source of funds and/or ongoing due diligence of an subscriber and its account with the Company. In the event of delay or failure by the Applicant to produce any information or documentation required for such purposes, the Administrator may refuse to accept the application and return all subscription monies or compulsorily redeem such Shareholder's Shares and/or payment of redemption proceeds will be withheld and will not be dispatched to a Shareholder until such information or documentation is received

by the Administrator and none of the Fund, the Directors, the Management Company, the Investment Manager, the Depositary or the Administrator shall be liable to the subscriber or Shareholder where an application for Shares is not processed or Shares are compulsorily redeemed or redemption proceeds are withheld in such circumstances. If an application is rejected, the Administrator will return application monies or the balance thereof by electronic transfer in accordance with any applicable laws to the account from which it was paid at the cost and risk of the subscriber.

Each applicant for Shares acknowledges that the Administrator, the Company and the Management Company shall be indemnified and held harmless against any loss arising as result of a failure to process the application for Shares or redemption request, if such information and documentation has been requested by the Administrator and has not been provided by the applicant. Furthermore the Company or the Administrator also reserve the right to refuse to make any redemption payment or distribution to a Shareholder if any of the Directors of the Company or the Administrator suspects or is advised that the payment of any redemption or distribution moneys to such Shareholder might result in a breach or violation of any applicable anti-money laundering or other laws or regulations by any person in any relevant jurisdiction, or such refusal is considered necessary or appropriate to ensure the compliance by the Company, its Directors or the Administrator with any such laws or regulations in any relevant jurisdiction.

**SCHEDULE I
RECOGNISED MARKETS**

The exchanges/markets are set out below in accordance with the regulatory criteria as defined in the Central Bank UCITS Regulations. The Central Bank does not issue a list of approved markets.

With the exception of permitted investment in unlisted securities, investment in securities will be limited to the following stock exchanges and regulated markets:

- (i) Any stock exchange or market in any EU Member State or in any of the following member countries of the OECD: Australia, Canada, Iceland, Japan, New Zealand, Norway, Switzerland, the United Kingdom and the United States of America.

- (ii) Any of the following exchanges or markets:
 - Argentina Buenos Aires Stock Exchange, Cordoba Stock Exchange, La Plata Stock Exchange, Mendoza Stock Exchange, Mercado Abierto Electronico, Rosario Stock Exchange, Mercado a Termino de Buenos Aires S.A. (MATba)
 - Bahrain Manama Stock Exchange
 - Bangladesh Dhaka Stock Exchange, Chittagong Stock Exchange
 - Bermuda Bermuda Stock Exchange
 - Botswana Botswana Stock Exchange
 - Brazil Bolsa de Valores, Mercadorias & Futuros de São Paulo
 - Chile Santiago Stock Exchange, Valparaiso Stock Exchange, La Bolsa Electronica de Chile
 - China Shanghai Stock Exchange, Shenzhen Stock Exchange
 - Colombia Bolsa de Valores de Colombia (BVC)
 - Croatia Zagreb Stock Exchange
 - Egypt Egyptian Stock Exchange
 - Ghana Ghana Stock Exchange
 - Hong Kong Stock Exchange of Hong Kong
 - India The National Stock Exchange of India Limited, Madras Stock Exchange, Delhi Stock Exchange, Ahmedabad Stock Exchange, Bangalore Stock Exchange, Cochin Stock Exchange, Gauhari Stock Exchange, Magadh Stock Exchange, The Bombay Stock Exchange, Pune Stock Exchange, Hyderabad Stock Exchange, Ludhiana Stock Exchange, Uttar Pradesh Stock Exchange, Calcutta Stock Exchange
 - Indonesia Indonesia Stock Exchange

Israel	Tel Aviv Stock Exchange
Jordan	Amman Stock Exchange
Kazakhstan	Central Asian Stock Exchange, Kazakhstan Stock Exchange
Kenya	Nairobi Stock Exchange
Kuwait	Kuwait Stock Exchange
Lebanon	Beirut Stock Exchange
Malaysia	The Bursa Malaysia Berhad,
Mauritius	Stock Exchange of Mauritius
Mexico	Mexico Stock Exchange
Morocco	Casablanca Stock Exchange
Nigeria	Nigeria Stock Exchange
Oman	Oman Stock Exchange
Pakistan	Karachi Stock Exchange (Guarantee) Ltd, Lahore Stock Exchange, Islamabad Stock Exchange
Palestine	Nablus Stock Exchange
Peru	Lima Stock Exchange
Philippines	Philippines Stock Exchange Inc.
Qatar	Doha Securities Market
Russia	RTS Stock Exchange, Moscow Interbank Currency Exchange
Saudi Arabia	Saudi Stock Exchange (Tadawul)
Serbia	Belgrade Stock Exchange
Singapore	Singapore Exchange Limited
South Africa	Johannesburg Stock Exchange
South Korea	Korea Stock Exchange
Sri Lanka	Colombo Stock Exchange
Taiwan	Taiwan Stock Exchange Corporation, Gretai Securities Market
Thailand	Stock Exchange of Thailand, Bangkok
Tunisia	Bourse de Valeurs Mobiliers de Tunis
Turkey	Istanbul Stock Exchange
Uganda	Uganda Securities Exchange
United Arab	Abu Dhabi Stock Exchange,

Emirates	Dubai Financial Market, Dubai International Financial Exchange
Vietnam	Ho Chi Minh Securities Trading Center, Hanoi Securities Trading Center
Zambia	Lusaka Stock Exchange
Zimbabwe	Zimbabwe Stock Exchange

(iii) The following markets:

- the market organised by the International Capital Markets Association;
- the UK market (i) conducted by banks and other institutions regulated by the Financial Conduct Authority (FCA) and subject to the Inter-Professional Conduct provisions of the FSA's Market Conduct Sourcebook and (ii) in non-investment products which are subject to the guidance contained in the "Non-Investment Product Code" drawn up by the participants in the London market, including the FSA and the Bank of England (formerly known as "The Grey Paper");
- (a) NASDAQ in the United States, (b) the market in the US government securities conducted by the primary dealers regulated by the Federal Reserve Bank of New York; (c) the over-the-counter market in the United States conducted by primary and secondary dealers regulated by the Securities and Exchange Commission and the National Association of Securities Dealers and by banking institutions regulated by the US Controller of Currency, the Federal Reserve System or Federal Deposit Insurance Corporation;
- (a) NASDAQ Japan, (b) the over-the-counter market in Japan regulated by the Securities Dealers Association of Japan, and (c) Market of the High-Growth and Emerging Stocks ("**MOTHERS**")
- the alternative investment markets in the United Kingdom regulated and operated by the London Stock Exchange;
- the Hong Kong Growth Enterprise Market ("**GEM**");
- TAISDAQ
- the Stock Exchange of Singapore Dealing and Automated Quotation ("**SESDAQ**")
- the Taiwan Innovative Growing Entrepreneurs Exchange ("**TIGER**")
- the Korean Securities Dealers Automated Quotation ("**KOSDAQ**")
- the French Market for Titres de Créances Négotiables (over the counter market in negotiable debt instruments)
- the over the counter market in Canadian Government Bonds, regulated by the Investment Dealers Association of Canada
- EASDAQ (European Association of Securities Dealers Automated Quotation)

Financial Derivative Instruments

NASDAQ, the Chicago Mercantile Exchange American Stock Exchange, Chicago Board of Trade, Chicago Board of Options Exchange, Coffee, Sugar and Cocoa Exchange, Iowa Electronic Markets, Kansas City Board of Trade, Mid-American Commodity Exchange, Minneapolis Grain Exchange, New York Cotton Exchange, Twin Cities Board of Trade, New York Futures Exchange, New York Board of Trade, New York Mercantile Exchange, Hong Kong Futures Exchange, Singapore International Monetary Exchange, Singapore Commodity Exchange, Tokyo International Futures Exchange, New Zealand Futures and Options Exchange and any exchange or market, including any board of trade or similar entity, or automated quotation system, which exchanges and markets are regulated, operating regularly, recognised and open to the public in a Member State, the UK or a member state of the EEA.

With the exception of permitted investments in unlisted securities, and off-exchange derivative instruments, investment in securities or financial derivative instruments will be made only in securities or financial derivative instruments listed or traded on a Recognised Market which meets the regulatory criteria (regulated, operating regularly, recognised and open to the public) and which is listed in the Prospectus. The Recognised Markets in the Prospectus will be drawn from the foregoing list. These exchanges and markets are listed in accordance with the requirements of the Central Bank and the Central Bank does not issue a list of approved markets.

SCHEDULE II DEFINITIONS

Act	the Companies Act 2014, as may be amended;
1940 Act	the US Investment Company Act of 1940, as amended;
1933 Act	the US Securities Act of 1933, as amended;
Accumulating Shares	a Class of Shares in a Fund in respect of which net income and realised and unrealised capital gains net of realised and unrealised losses arising will be retained within the Fund and reflected in the Net Asset Value of such Class of Shares;
Administrator	HSBC Securities Services (Ireland) DAC, or such other company as may from time to time be appointed to provide administration, accounting, registrar and transfer agency services in respect of the Authorised Participants and related support services to the Company in accordance with the requirements of the Central Bank;
Appendix A	the appendix entitled the “Master Schedule of Funds” which is issued with the Prospectus and the relevant Fund Supplement for each Fund and which lists the current Funds of the Company and which contains information regarding the primary stock exchanges on which the Shares of each Fund are listed or in respect of which it is proposed that an application will be made for listing;
Appendix B	the appendix entitled the “Master Schedule of Paying Agent Appointments” which is issued with the Prospectus and the relevant Fund Supplement for each Fund and which lists the current Paying Agents which have been appointed by the Management Company on behalf of the Company and which discloses the name, address and jurisdiction of each such Paying Agent so appointed;
Appendix C	the appendix entitled the “Master Schedule of Sub-Custodian Appointments” which is issued with the Prospectus and the relevant Fund Supplement for each Fund and which lists the current sub-custodians which have been appointed by the Depositary;
Articles	the Articles of Association of the Company for the time being in force and as may be modified from time to time;
AUD	Australian Dollar;
Authorised Participant	HSBC Bank plc and any other entity or person which is authorised by the Company for the purposes of subscribing for and redeeming Creation and Redemption Units;
Authorities	judicial, regulatory, public or government agency authorities, Tax Authorities, securities or futures exchange, or law enforcement bodies having jurisdiction over any part of HSBC Group, or any agents thereof;
Base Currency	the currency in which the Net Asset Value of each Fund is calculated;

Benchmarks Regulation or BMR	means Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014;
Business Day	as specified in the relevant Fund Supplement;
CAAPs	China A Shares Access Products, being transferable securities generally listed on Recognised Markets, or occasionally unlisted, and issued by a third party CAAP issuer in respect of China A Shares which themselves are listed or traded on the Shanghai Securities Exchange or the Shenzhen Stock Exchange and which represent an obligation of the CAAP issuer to pay to a Fund an economic return equivalent to holding the underlying China A Shares;
CAD	Canadian Dollar;
Capitalisation Shares	the 300,000 shares of no par value designated as Capitalisation Shares;
Capitalisation Shareholder	a person registered in the register of members of the Company as a holder of Capitalisation Shares;
Cash Portion	the amount of cash required to equalise any differences between the value of the securities set out in the Portfolio Composition File and the value of each Creation and Redemption Unit (being the Net Asset Value per Share multiplied by the number of Shares in a Creation and Redemption Unit). Ordinarily the Cash Portion will be the same for subscriptions and redemptions; however it may be different in cases in which the Portfolio Composition File is different for subscriptions and redemptions on a given day for one or more Funds;
Central Bank	the Central Bank of Ireland;
Central Bank UCITS Regulations	the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019, as may be amended from time to time;
CHF	Swiss Franc;
China A Shares	shares in PRC incorporated companies listed on either the Shanghai Stock Exchange or the Shenzhen Stock Exchange, the prices of which are quoted in RMB and which are available to PRC investors and foreign strategic investors approved by the China Securities Regulatory Commission;
Class	Shares of a particular Fund representing an interest in the Fund but designated as a class of Shares within such Fund for the purposes of attributing different proportions of the Net Asset Value of the relevant Fund to such Shares to accommodate different subscription, conversion and

	redemption charges, Dividend arrangements, Base Currencies and/or fee arrangements specific to such Shares;
CNY	Chinese Yuan;
Company	HSBC ETFs plc;
Secretary	Goodbody Secretarial Limited and/or such other company as may from time to time be appointed to provide company secretarial services to the Company in accordance with the requirements of the Central Bank;
Compliance Obligations	means compliance by any member of HSBC Group with any reporting, disclosure or other obligations under any applicable local or foreign laws, regulations or voluntary codes, directives, court orders, agreements with or demands from the appropriate Authorities;
Confidential Information	means non-public banking information;
Conversion Transaction Fee	the fee payable to the Administrator as agent for the Company where, as part of a Conversion of Shares, Shares are redeemed for cash and subsequently invested for cash in a different Fund. The fee payable is deducted from the redemption proceeds at the rate specified in the “ General ” section of the relevant Fund Supplement of the subscribed for Fund;
Courts Service	The Courts Service is responsible for the administration of moneys under the control or subject to the order of the Courts;
Creation and Redemption Unit	for each Fund, the predetermined number of Shares specified on the Website or on request from the Investment Manager, provided that the Directors may vary such number of Shares so specified from time to time;
Creation and Redemption Unit Size	the Creation and Redemption Unit Size will be available upon request from the Investment Manager and will also be available on the Website. The Directors reserve the right to change the size of one Creation and Redemption Unit in the future if they determine that such a change would materially enhance the attractiveness of a Fund to investors. Any such change will be notified in advance to the Authorised Participant(s).
CSSF	the Commission de Surveillance du Secteur Financier, the Luxembourg supervisory authority;
Data Protection Legislation	the Irish Data Protection Acts 1988 and 2003, the EU Data Protection Directive 95/46/EC, the EU ePrivacy Directive 2002/58/EC (as amended) and any relevant transposition of, or successor or replacement to, those laws (including, when they come into force, the General Data Protection Regulation (Regulation (EU) 2016/679) and the successor to the ePrivacy Directive);
Dealing Day	unless specified otherwise in the relevant Fund

	Supplement for any Fund, every Business Day or such other day or days as the Directors may determine and notify to the Administrator and to Shareholders in advance, provided there shall be at least one (1) Dealing Day per fortnight;
Dealing Deadline	the time on each Dealing Day by which applications for subscriptions and redemptions must be received by the Administrator in order to be processed on that Dealing Day, as specified for each Fund in the relevant Fund Supplement;
Declaration	a valid declaration in a form prescribed by the Irish Revenue Commissioners for the purposes of Section 739D TCA 1997 (as may be amended from time to time);
Dematerialised Form	Shares title to which is recorded as being in uncertificated form and which may be transferred by means of a computer based settlement system in accordance with the Companies Act, 1990 (Uncertificated Securities) Regulations, 1996 (of Ireland);
Depository	HSBC Continental Europe or such other company as may from time to time be appointed to provide depository services to the Company in accordance with the requirements of the Central Bank;
Direct Dealing (Cash Transaction) Fee	the fee payable to the Administrator as agent for the Company to offset the costs and expenses incurred by the Administrator in dealing in cash where Shares are subscribed or redeemed for cash, as specified in the relevant Fund Supplement;
Directors	the directors of the Company for the time being and any duly constituted committee thereof;
Distributing Shares	a Class of Shares in a Fund in respect of which Directors ordinarily intend to declare and pay dividends in respect of each financial year in which the total income of the Fund exceeds the fees and expenses by more than a de minimis amount determined by the Directors from time to time;
Distributor	affiliate companies of the HSBC Group appointed by the Management Company (acting as Global Distributor), in accordance with the terms of the distribution agreements entered into with the Distributors and the requirements of the Central Bank, to carry out distribution services in their local jurisdiction;
DKK	Danish Kroner;

Duties and Charges

all stamp duties and other duties, taxes, governmental charges, imposts, levies, exchange costs and commissions (including foreign exchange spreads), depositary and sub-custodian charges, transfer fees and expenses, agents' fees, brokerage fees, commissions, bank charges, registration fees and other duties and charges, whether payable in respect of the constitution, increase or reduction of the cash or other assets of the Company or the creation, acquisition, issue, conversion, exchange, purchase, holding, repurchase, redemption, sale or transfer of Shares or Investments by or on behalf of the Company and, if appropriate, any provision for the spread or difference between the price at which any Investment was valued for the purpose of calculation of the Net Asset Value per Share of any Fund and the estimated or actual price at which any such Investment may be purchased, in the case of subscriptions to the relevant Fund, or sold, in the case of redemptions from the relevant Fund, including, for the avoidance of doubt, any charges or costs arising from any adjustment to any swap or other derivative contract required as a result of a subscription or redemption, or in respect of the issue or cancellation of share certificates or otherwise which may have become or will become payable in respect of or prior to or upon the occasion of any transaction, dealing or valuation;

Economic or Trade Sanctions

financial restrictions such as asset freezing measures, prohibitions on providing economic resources or financial assistance, or similar restrictions placed by governmental authorities or intergovernmental or regional bodies, international bodies (such as the United Nations Security Council) or regional multilateral bodies (such as the EU) on trade or financial dealings with specified territories, governments, entities and individuals;

EEA

European Economic Area;

Eligible Collective Investment Schemes

schemes established in Member States which are authorised as UCITS and which may be listed on a regulated market in the EU and/ or any of the following open-ended collective investment schemes:

- (a) schemes established in Guernsey and authorised as Class A schemes;
- (b) schemes established in Jersey as recognised funds;
- (c) schemes established in the Isle of Man as authorised schemes;
- (d) retail investor alternative investment funds authorised by the Central Bank provided such investment funds comply in all material respects, with the provisions of the UCITS Regulations and the Central Bank UCITS Regulations;
- (e) alternative investment funds authorised in a member state of the EEA, the UK, the US, Jersey, Guernsey or the Isle of Man and which comply, in all material respects, with the provisions of the UCITS Regulations and the Central Bank UCITS Regulations; and
- (f) such other schemes as may be permitted by the Central Bank and set out in this Prospectus.

Eligible Investor	any person, corporation or entity other than a US Person and/or that does not meet the “ Distribution and Selling Restrictions ” as provided for in this Prospectus. An application form and supporting anti-money laundering documentation must be completed by each new investor and received by the Company in accordance with the details set out in the subscription application form. The Company retains the right to refuse any application in whole or in part;
Entity Status information	any information relating to a business, non-profit or other entity, including but not limited to, its “substantial owners” or “controlling persons” (as appropriate) (as defined under local or foreign laws, regulatory guidance or intergovernmental agreements or intergovernmental cooperation agreements), its place of organisation, tax residence status, forms W9, W8-BEN-E as appropriate, a “self-certification” form (as defined under local law or foreign laws, regulatory guidance, or intergovernmental agreement or intergovernmental cooperation agreements), or other documentation as may be required to establish the entity’s status;
ESG	means Environmental Social and Governance factors which can be considered non-financial performance indicators which include ethical, sustainable and corporate government issues;
ESMA	means the European Securities and Markets Authority, or such replacement or successor authority as may be appointed from time to time;
ETF Shares	means a Class issued by the Company in respect of a Fund which is traded throughout the day on at least one regulated market or multilateral trading facility with at least one market maker which takes action to ensure that the stock exchange value of the Class does not vary significantly from its NAV;
€ or Euro or EUR	the single currency of participating member states of the European Monetary Union introduced on 1 January 1999;
EU	European Union;

Exempt Investor

any of the following Irish Residents:

- (i) a pension scheme which is an exempt approved scheme within the meaning of Section 774 of the TCA 1997, or a retirement annuity contract or a trust scheme to which Section 784 or Section 785 of the TCA 1997, applies;
- (ii) a company carrying on life business within the meaning of Section 706 of the TCA 1997;
- (iii) an investment undertaking within the meaning of Section 739B(1) of the TCA 1997, or an investment limited partnership within the meaning of Section 739J of the TCA 1997;
- (iv) a special investment scheme within the meaning of Section 737 of the TCA 1997;
- (v) a charity being a person referred to in Section 739D(6)(f)(i) of the TCA 1997;
- (vi) a qualifying management company within the meaning of Section 739B(1) of the TCA 1997;
- (vii) a unit trust to which Section 731(5)(a) of the TCA 1997 applies;
- (viii) a person who is entitled to exemption from income tax and capital gains tax under Section 784A(2) of the TCA 1997 where the Shares held are assets of an approved retirement fund or an approved minimum retirement fund;
- (ix) a person who is entitled to exemption from income tax and capital gains tax by virtue of Section 787I of the TCA 1997, and the Shares are assets of a PRSA;
- (x) a credit union within the meaning of Section 2 of the Credit Union Act, 1997;
- (xi) the National Asset Management Agency
- (xii) the National Treasury Management Agency or a Fund investment vehicle (within the meaning of section 37 of the National Treasury Management Agency (Amendment) Act 2014) of which the Minister for Finance of Ireland is the sole beneficial owner or Ireland acting through the National Treasury Management Agency;
- (xiii) a company within the charge to corporation tax in accordance with Section 110(2) of the TCA 1997 (securitisation companies);
- (xiv) in certain circumstances, a company within the charge to corporation tax in respect of payments made to it by the Company; or

- (xv) any other person who is resident or ordinarily resident in Ireland who may be permitted to own Shares under taxation legislation or by written practice or concession of the Revenue Commissioners without giving rise to a charge to tax in the Company or jeopardising the tax exemptions associated with the Company.

provided that a Declaration is in place;

Financial Crime Risk Management Activity	(a) the detection and prevention of money laundering, terrorist financing, proliferation financing, corruption, tax evasion, fraud, and/or violations, or attempts to circumvent or violate laws, regulations, and/or directives, and fulfilling Compliance Obligations relating to the same; (b) the detection and prevention of the provision of financial and/or other services or support to any persons or entities which may be subject to Economic or Trade Sanctions, and fulfilling Compliance Obligations relating to the same; (c) the interception and investigation of any payment, communication, drawdown request or instruction or any other information otherwise related to any application for Services in connection with any payment screening requirements; and/or (d) the performance of Shareholder due diligence;
Fund	a portfolio of assets established by the Directors (with the prior approval of the Depositary and the Central Bank) and constituting a separate fund represented by a separate series of Shares and invested in accordance with the investment objective and policies applicable to such Fund;
Fund Supplement	a document containing information relating to each Fund;
GBP	Sterling;
Global Distributor	HSBC Investment Funds (Luxembourg) S.A.;
HKD	Hong Kong Dollar;
HSBC Group	collectively and individually, HSBC Holdings plc, its affiliates, subsidiaries, associated entities and any of their branches and offices, and any member of the HSBC Group;
Index	any financial index which a Fund will aim to track, pursuant to its investment objective and in accordance with its investment policies, as specified in the relevant Fund Supplement;
Index Provider or Index Sponsor	in relation to a Fund, the entity or person who by itself or through a designated agent compiles, calculates and publishes information on an Index as specified in the relevant Fund Supplement;
Index Securities	those securities constituting the Index;
Initial Offer Period	the period during which Shares in a Fund are first offered for subscription as specified in the relevant Fund Supplement;

Initial Offer Price	the price at which a Class of Shares is first offered as set out in the relevant Fund Supplement;
In-Kind Transaction Fee	the fee amount payable by an Authorised Participant in the currency specified in the relevant Fund Supplement, in addition to the value of the Creation and Redemption Units subscribed for, or deducted from the value of the Creation and Redemption Units redeemed in the case of in-kind subscriptions and redemptions respectively. This fee reflects the transfer fees, depositary or sub-custodian charges, governmental charges, registration fees and all other costs and expenses of the relevant Fund incurred either in receiving the requisite securities and cash on a subscription for Creation and Redemption Units, or in delivering the requisite securities and cash on a redemption of Creation and Redemption Units, and will not exceed the amount notified to investors in the manner specified in the relevant Fund Supplement;
Investment Manager	HSBC Global Asset Management (UK) Limited or such other company as may from time to time be appointed to provide investment management services to the Company in accordance with the requirements of the Central Bank;
Irish Resident	any company resident, or other person resident or ordinarily resident, in the Republic of Ireland for the purposes of Irish tax. Please see the “ Taxation ” section below for the summary of the concepts of residence and ordinary residence issued by the Irish Revenue Commissioners;
JPY	Japanese Yen;
Listing Stock Exchange	such selected exchanges as the Directors may determine from time to time in respect of each Fund and which are specified in Appendix A;
Loss	claims, charges, costs (including, but not limited to, any legal or other professional costs), damages, debts, expenses, taxes, liabilities, and any other payments or losses of any kind (including, but not limited to, any currency or exchange loss), obligations, allegations, suits, actions, demands, causes of action, proceedings or judgments of any kind however calculated or caused, and whether direct or indirect, consequential, punitive or incidental;
Luxembourg Law	the Luxembourg Law of 17 December 2010 on undertakings for collective investment, implementing UCITS IV Directive 2009/65/EC into the Luxembourg Law;
Management Company	HSBC Investment Funds (Luxembourg) S.A.;
Member State	a member state of the European Union;
Minimum Initial Subscription	for any ETF Shares, the value of one Creation and Redemption Unit or such other amount as the Directors may determine and notify to Shareholders;

For any non-ETF Shares, the minimum initial subscription (if any) as specified herein.

Minimum Holding	For any non-ETF Shares, the minimum number or value of Non-ETF Shares (if any) which must be held by Shareholders as specified herein.
Net Asset Value	the net asset value of a Fund calculated as described in the " Determination of Net Asset Value " section of this Prospectus;
Net Asset Value per Share	the net asset value of a Share in any Fund, including a Share of any Class of Shares issued in a Fund calculated as described in the " Determination of Net Asset Value " section of this Prospectus;
Non-ETF Shares	a Class issued by the Company in respect of a Fund which is not a Class of ETF Shares;
NZD	New Zealand Dollar;
OECD	the Organisation for Economic Co-Operation and Development;
Online Portal	Evolve or any other system developed and implemented by either the Administrator or the Investment Manager in due course, the details of which will be communicated to Authorised Participants.
OTC	over-the-counter;
Optimisation	where the relevant Fund will use optimisation techniques which take account of tracking error and trading costs when constructing a portfolio. Consequently a Fund may not hold each of the underlying Index constituents or hold Index constituents close to their Index weights. Furthermore, a Fund may hold securities which are not Index constituents but which are expected to provide similar performance and risk characteristics to certain Index constituents;
Personal Data	any information relating to an individual or an entity which can identify that individual or entity, and which can include sensitive personal data;

Portfolio Composition File

the statement identifying each of the securities and the quantities thereof which the Company will expect to be delivered to it when one Creation and Redemption Unit is subscribed for, or delivered by it, when one Creation and Redemption Unit is redeemed. Such statement will be available upon request from the Investment Manager. Ordinarily the Portfolio Composition File will be the same for subscriptions and redemptions; however, in certain circumstances, it may be different for subscriptions and redemptions on a given day for one or more Funds. The Portfolio Composition File will comprise securities in which the Fund may invest in accordance with its investment objective, investment policies and restrictions;

Portfolio Deposit

, the securities comprising the Portfolio Composition File, plus or minus (as the case may be) the Cash Portion, to be delivered to the Company in subscribing for one Creation and Redemption Unit or to be delivered by the Company in redeeming one Creation and Redemption Unit;

Portfolio Holdings File

the statement illustrating a breakdown of the constituents held by a Fund subject to any applicable restrictions under the licence which the Investment Manager has in place with the relevant benchmark index providers. Such statement will be published as outlined in the relevant Fund Supplement;

Primary Market

a market on which the Shares of a Fund are subscribed or redeemed (off exchange) directly with the Company;

PRIIPs KID

means the Packaged Retail Investment and Insurance-Based Products Key Information Document in accordance with Regulation (EU) 2021/2259 (including, where in the context requires, such regulation as it applies in the United Kingdom pursuant to the European Union (Withdrawal) Act 2018 as amended from time to time) issued in respect of a Fund or a Class;

Prospectus

this document, Appendix A, Appendix B, Appendix C, the relevant Fund Supplement for any Fund and any other supplement or addendum designed to be read and construed together with and to form part of this document, as each may be amended or replaced from time to time;

Publication Time

the time on each Dealing Day by which the Portfolio Composition File(s) applicable for subscriptions and redemptions in-kind during that Dealing Day is or are first published, as specified for each Fund in the relevant Fund Supplement;

Recognised Clearing and Settlement System

any clearing system for the settlement of transactions in relation to securities designated by the Irish Revenue Commissioners of Ireland as a recognised clearing system for the purposes of Chapter 1(a) of Part 27 of the Taxes Consolidation Act, 1997 which at the date hereof comprise Clearstream Banking SA, Clearstream Banking AG, Euroclear, National Securities Clearing System, Sicovam SA, SIS Sega Intersettle AG and NECIGEF;

Recognised Market

any recognised exchange or market listed or referred to in

	Schedule I to this Prospectus and such other markets as Directors may from time to time determine in accordance with the UCITS Regulations and specify in Schedule I to this Prospectus;
Recognised Rating Agency	Standard & Poor's Ratings Group (" S&P "), Moody's Investors Services (" Moody's "), Fitch IBCA or an equivalent rating agency;
Redemption Dividend	a dividend paid in respect of Shares which are the subject of a valid application for redemption;
Relevant Institution	(a) a credit institution authorised in the EEA (Member States, Norway, Iceland, Liechtenstein); (b) a credit institution authorised within a signatory state (other than an EEA member state) to the Basle Capital Convergence Agreement of July 1988 (Switzerland, Canada, Japan, United States); or (c) a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand;
Relevant Stock Exchange	the stock exchange(s) on which Shares of a Fund will be listed and/or admitted to trading;
Replication	where the relevant Fund will aim to invest in the constituents of the Index in generally the same proportions in which they are included in the Index. However, there may be circumstances when it is not possible or practicable for a Fund to invest in all constituents of the Index. Such circumstances may include (but are not limited to): (i) a limited availability of the Index constituents; (ii) trading suspensions on constituents of the Index; (iii) cost inefficiencies; (iv) if the assets under management of a Fund are relatively small, or (v) where there are internal or regulatory driven trading restrictions (as detailed in the "Investment Restrictions" and "Investment Restrictions - Other Restrictions" sections above) that apply to a Fund or Investment Manager but not the Index;
RMB	Renminbi;
RMP Statement	any risk management process statement adopted by the Management Company, from time to time, in accordance with the requirements of the Central Bank;
Sanctions Laws	international legal sanctions regimes including: <ul style="list-style-type: none"> (a) any EU Regulation adopted under Article 215 of the Treaty on the Functioning of the European Union, and any legal act adopted by a Member State of the EU to implement, establish penalties in relation to or otherwise give full effect to such a Regulation; (b) any sanctions resolution passed pursuant to Chapter VII of the United Nations Charter by the United Nations Security Council, and any trade, financial or economic sanctions law or embargo giving legal effect to such a sanctions resolution; and (c) any other trade, financial or economic sanctions law or regulation made by a relevant authority of the United States, the United Kingdom, the EU, the Hong Kong

Secondary Market	Monetary Authority or other applicable government, including US secondary sanctions. a regulated market on which shares are traded via a Recognised Market or OTC market;
Securities Financing Transactions Regulation	Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012, as such may be amended, supplemented or replaced from time to time;
SEK	Swedish Krona;
Services	(a) the opening and maintaining of the Shareholder's accounts, (b) the provision of credit facilities and other banking products and services to the Shareholder, including broker, agency, depository, clearing or technology procuring services, (c) investment advisory or other services to the Company and (d) the maintenance of the Investment Manager's overall relationship with the Shareholder, including marketing or promoting the Services or other financial services or related products to the Shareholder;
Service Provider	any entity that provides services to the Fund;
SFDR	Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector as amended, supplemented, consolidated, superseded or otherwise modified from time to time; Under SFDR sub-funds are classified as either Article 6, Article 8 or Article 9. See the relevant Supplement for further details;
SGD	Singapore Dollar;
Share or Shares	a share or shares of whatsoever Class in the capital of the Company (other than Subscriber Shares) entitling the holders to participate in the profits of the Company attributable to the relevant Fund as described in this Prospectus;
Shareholder	a person registered in the register of members of the Company as a holder of Shares;
Shareholder Information	means Personal Data, Confidential Information and/or Tax Information;
Subscriber Shares	the issued share capital of two (2) subscriber shares of no par value issued at €1 each and initially designated as " Subscriber Shares " and which are held by HSBC group companies but which do not entitle the holders to participate in the profits of the Company;
Subscription Account	the subscription account at umbrella level in the name of the Company;

Sterling	the lawful currency of the United Kingdom;
Subscriber Shareholder	a person registered in the register of members of the Company as a holder of Subscriber Shares;
Tax Authorities	domestic or foreign tax, revenue, fiscal or monetary authorities;
Tax Information	<p>(a) In respect of an individual Shareholder, any documentation or information relating to an individual, an individual's identity or tax status including but not limited to an individual's name(s), residential address(es), age, date of birth, place of birth, nationality, citizenship, tax residence, domicile for tax purposes, tax identification number (if appropriate) personal and marital status, and shall include where applicable Forms W9 and W8-BEN, as issued by the Internal Revenue Service of the United States of America as amended, supplemented or substituted from time to time, or a self-certification form as defined under local or foreign laws, regulatory guidance, intergovernmental agreements or intergovernmental cooperation agreements; or</p> <p>(b) In respect of a Shareholder that is an entity, any documentation or information for the entity or the entity's individual beneficial owner, "substantial owners" or "controlling persons" relating, directly or indirectly, to (i) Entity Status Information; or (ii) an individual or an individual's identity or tax status (where such individual is a "controlling person", "substantial owner" (as defined above) or beneficial owner of a designated account), including but not limited to such individual's name(s), residential address(es), age, date of birth, place of birth, nationality, citizenship, tax residence, domicile for tax purposes, tax identification number (if appropriate) personal and marital status (and where applicable Forms W9 and W8-BEN, as issued by the Internal Revenue Service of the United States of America as amended, supplemented or substituted from time to time);</p>
Taxonomy Regulation	means the Regulation EU 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment as amended, supplemented, consolidated, superseded or otherwise modified from time to time;
TCA 1997	the Taxes Consolidation Act, 1997 (of Ireland) as amended;
UCITS	an undertaking for collective investment in transferable securities within the meaning of the UCITS Regulations;
UCITS KIID	the key investor information document as may be issued in respect of each relevant Class as may be amended from time to time;
UCITS Regulations	the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended) and all applicable Central Bank regulations or guidance made or conditions imposed or derogations granted thereunder;

UK or United Kingdom	the United Kingdom of Great Britain and Northern Ireland, its territories and possessions;
Umbrella Cash Account	any single umbrella cash account for each currency in which a Share Class is denominated in the name of the Company;
US or United States	The United States of America (including the States and the District of–Columbia), its territories, possessions and all other areas subject to its jurisdiction;
US\$ or USD or US Dollars	the lawful currency of the United States of America;
USD Foreign Exchange Market	the USD foreign exchange market is a market in which participants are able to buy, sell and exchange US Dollars. Foreign exchange markets are made up of banks, commercial companies, central banks, investment management firms, hedge funds, and retail foreign exchange brokers and investors;
US Law	the laws of the United States. US Law shall additionally include all applicable rules and regulations, as supplemented and amended from time to time, as promulgated by any US regulatory authority, including, but not limited to, the Securities and Exchange Commission, the Commodity Futures Trading Commission and the Internal Revenue Service;
US Person	as defined in this Prospectus under “ RESTRICTIONS ON OFFERS AND SALES TO US PERSONS ”;
Valuation Point	means the time specified for each Fund in the relevant Fund Supplement or such other time as the Directors may determine from time to time and notify to Shareholders. For the avoidance of doubt, the time at which the Net Asset Value is determined will always be after such time as the Directors shall determine as the dealing deadline;
Website	www.etf.hsbc.com the website for each Fund as specified in the relevant Fund Supplement, on which the Net Asset Value per Share and any other relevant information relating to any Fund will be published and on which this Prospectus and any other information in respect of the Company, including various shareholder communications, may be published.