HSBC Asset Management

`HSBC Global Investment Funds
Société d'Investissement à Capital Variable
4, rue Peternelchen, L-2370 Howald Grand-Duchy of Luxembourg
R.C.S. Luxembourg B 25.087
(the "Company")

14 April 2025

This document contains important information about the sub-fund in which you are invested. If you are in any doubt as to the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or financial adviser.

Dear Shareholder,

We, the board of directors of the Company (the "**Board**"), are writing to inform you of the forthcoming changes to HSBC Global Investment Funds – Global Lower Carbon Bond (the "**sub-fund**"), in which you own shares.

The changes affecting the sub-fund are summarised as follows:

- Change of sub-fund name to 'HSBC Global Investment Funds – Global Corporate Bond Climate Transition'
- Update to the prospectus Investment Objective and Environmental characteristics of the sub-fund
- Addition of Climate Transition Benchmark ("**CTB**") exclusions
- Change of Reference Benchmark
- Change of Portfolio holdings (the "**Re-Positioning**") to reflect the updated objective and characteristics of the sub-fund.

These amendments are being made to ensure compliance of the sub-fund with new guidelines published by the European Securities Markets Authority ("**ESMA**") for funds which have names that include environmental, social and governance ("**ESG**") or sustainability-related terms. The main purpose of the ESMA guidelines is to enhance retail investors' protection regarding funds named in ways suggesting that they meet certain sustainability standards.

The sub-fund currently has a carbon focus and according to the ESMA guidelines, the sub-fund's current name includes an "environmental-related" term (i.e., "Lower Carbon") without any transition-related term. The ESMA guidelines lay out certain requirements for such funds (notably the exclusion of companies referred to in Article 12(1) (a) to (g) of the Commission Delegated Regulation ("**CDR**") (EU) 2020/1818 - the Paris Aligned Benchmark exclusions) which the Investment Adviser does not consider will provide a positive investment outcome for this sub-fund and therefore, not in the best interest of its shareholders. As a result, after careful analysis, the Board has decided to re-position the sub-fund so that it has a greater focus on the climate transition theme, as it is believed that this will provide a better investment outcome for the sub-fund. The sub-fund will therefore be renamed 'HSBC Global Investment Funds – Global Corporate Bond Climate Transition".

According to the ESMA guidelines, the sub-fund's new name will include an "environmental-related" term (i.e., "Climate") combined with a transition-related term (i.e., "Transition") and therefore should:

- meet an 80% threshold linked to the proportion of investments used to meet its environmental or social characteristic or sustainable investment objectives;

- exclude investments in companies referred to in Article 12(1) (a) to (c) of the CDR (EU) 2020/1818 (these are the Climate Transition Benchmark ("**CTB**") Exclusions which are detailed further in this Notice); and

- ensure that investments used to meet the 80% threshold are on a clear and measurable path to social or environmental transition.

In addition to meeting the requirements of the ESMA guidelines and reflecting the sub-fund's Re-Positioning, the other updates to the Investment Objective, the Reference Benchmark and the pre-contractual disclosures document required under SFDR of the sub-fund will provide shareholders with improved transparency. To effect these changes, the Re-Positioning will be material and further details of this are provided below in this notice.

Effective Date

The sub-fund changes noted above will take effect on 16 May 2025 (the "**Effective Date**"). Further details of the timeline are shown below.

Event	Date
Shareholder Notice Issuance	14/04/2025
Shareholder Notice Period (1 month)	From 14/04/2025 until 14/05/2025
Conversion Period (2 business days)	From 14/05/2025 until 15/05/2025 inclusive
Effective Date	16/05/2025

Change of sub-fund Name

The Change

The sub-fund's name will change from HSBC Global Investment Funds - Global Lower Carbon Bond to HSBC Global Investment Funds – Global Corporate Bond Climate Transition.

Rationale for Change

In view of the upcoming application of the ESMA guidelines to the sub-fund, the Board has decided, after discussions with the Investment Adviser, to implement the Re-Positioning of the sub-fund. The sub-fund's new name will be better aligned with the sub-fund's Re-Positioning. The investments of the sub-fund will be more focused on issuers meeting certain climate transition related criteria.

Update to Investment Objective

The Change

The sub-fund will retain its objective to have a lower carbon intensity however this will, going forward, be referenced to its new Reference Benchmark. This will be calculated as a weighted average of the carbon intensities of the sub-fund's investments versus the weighted average of the constituents of the ICE Global Corporate Climate Transition Index Hedged USD, (replacing the current benchmark, the Bloomberg Global Aggregate Corporate Diversified Hedged USD).

In addition, the sub-fund will expand its investment objective by investing in a portfolio of corporate bonds issued by issuers that are on a clear and measurable path to climate transition.

HSBC Asset Management has developed a proprietary climate transition assessment that evaluates an issuer's transition towards Net Zero. The purpose of the climate transition assessment is to determine an issuer's progress or commitment towards alignment with Net Zero pathways. For each issuer, the Investment Adviser may consider qualitative and quantitative factors, such as the issuer's Net Zero targets by the Science Based Targets Initiative and its climate governance by factors such as the executive oversight of environmental strategy and performance. The Investment Adviser considers that an issuer meets the climate transition criteria when it is categorised as Achieving Net Zero, Aligned, Aligning, Committed to Aligning or Not Aligned but with green solutions.

In addition to the existing Excluded Activities, the sub-fund will apply the following Climate Transition Benchmark ("**CTB**") exclusions (referred to in Article 12(1) (a) to (c) of CDR (EU) 2020/1818):

- Issuers involved in any activities related to controversial weapons, namely anti-personnel mines, cluster munitions, chemical weapons and biological weapons.
- Issuers involved in the cultivation and production of tobacco.
- Issuers in violation of the United Nations Global Compact (UNGC) principles or the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises.

Rationale for Change

According to the ESMA guidelines, funds using "transition-related" terms are required to commit to meet an 80% threshold linked to the proportion of investments used to meet their environmental or social characteristics or sustainable investment objectives, apply the CTB exclusions and ensure that investments used to meet the 80% threshold are on a clear and measurable path to social or environmental transition.

The investment objective has been amended to put an additional focus on investing in issuers that have a clear and measurable path to climate transition as well as lower carbon intensity relative to the reference benchmark and to cover the application of the CTB exclusions. The sub-fund will apply the CTB exclusions, in addition to the exclusions related to HSBC's Responsible Investment Policies, as detailed in Appendix 6: "Applicability of Excluded Activities" to the prospectus.

The sub-fund will invest a minimum of 80% of its net assets in fixed income securities issued by issuers meeting certain climate transition-related criteria to ensure alignment with the increased commitment to 80% (currently 70%) of the proportion of investments used to meet the environmental characteristics the sub-funds promotes as disclosed in the pre-contractual disclosures. Further information is provided under the section "Change of portfolio holdings" below.

Further information on the adoption of the new Reference Benchmark is provided below. Items considered to be material changes are detailed in Appendix 1 - Language Comparison.

Change of Reference Benchmark

The Change

The Reference Benchmark for the sub-fund will be changed from "Bloomberg Global Aggregate Corporate Diversified Hedged USD" to "ICE Global Corporate Climate Transition Index Hedged USD", which is a climate transition benchmark ("**CTB**").

Rationale for Change

Both indices track the performance of global investment grade corporate debt. The CTB maintains a minimum 30% carbon reduction compared to its parent index and aims to achieve net zero carbon emission level by 2050. It rebalances each month to achieve a minimum 7% annualised rate of reduction versus the prior rebalancing. It also excludes issuers engaged in certain activities including controversial weapons, tobacco production and UNGC non-compliance.

The sub-fund will continue to promote ESG characteristics within the meaning of Article 8 of SFDR. The sub-fund will aim to do this with a lower carbon intensity calculated as a weighted average of the carbon intensities of the sub-fund's investments, than the weighted average of the constituents of the new reference benchmark ICE Global Corporate Climate Transition Index Hedged USD. The Investment Manager believes that, as a CTB represents a reduced carbon intensity compared to the parent index and reduces carbon intensity at an annualized rate of 7% with an aim to reach net zero carbon emissions by 2050, it serves as a credible comparator on weighted average carbon intensity and carbon intensity reduction over time.

Change of portfolio holdings

The Changes

In order to meet the requirements of the ESMA guidelines and to better align with the climate transition approach of the sub-fund, the sub-fund will update some of its environmental commitments set out in its pre-contractual disclosures.

These include an increase of the committed alignment of the sub-fund to its promoted environmental characteristics to 80% (currently 70%) with a minimum 80% commitment of the portfolio in issuers with a clear and measurable transition pathway and the removal of its commitment to make sustainable investments (currently 10%) as considered under SFDR and the application of the CTB exclusions.

As part of the Re-Positioning, HSBC will be improving the disclosure of a number of items in the pre-contractual disclosures. Items considered to be material changes in the pre-contractual disclosures are detailed in Appendix 1 – Language Comparison of this notice. This will be applied to all reference documents for example, the pre-contractual notice and website disclosures at the Effective Date.

Rationale for Change

The Re-Positioning is in the interest of shareholders as it will provide a more sophisticated view of issuers direction of travel regarding their carbon position, improved transparency and clear fund positioning for net zero transitioning targets. Datasets available to the Investment Adviser have grown compared to when the sub-fund was first launched in 2017. This enables the Investment Adviser to go a step further than only reducing carbon intensity (which is focused on the current carbon emissions) and focus on forward looking carbon emissions by using various metrics such as company commitments, and projected emissions.

Impact on Shareholders

The changes expressed in this notice will require the Re-Positioning to meet the new investment objective, resulting in a turnover in holdings of the portfolio which is currently estimated to be around 66%. The cost of Re-Positioning is estimated to be 0.15% but this will depend on market conditions at the time the sub-fund is re-positioned (the "**Conversion Period**"). The cost of this will be met by shareholders of the sub-fund on 14 May 2025, the first day of the Conversion Period. During the Conversion Period the investment objective of the sub-fund may not be met, and the sub-fund may hold more cash than usual. The Conversion Period will allow the Investment Adviser to adjust the portfolio to ensure that on the Effective Date the securities within the sub-fund are appropriate for its new investment strategy. No costs associated with the changes will be charged to the sub-fund ahead of the Conversion Period. Please refer to the conversion timeline at the beginning of this Notice for key dates of the changes.

Further information in respect of these changes is detailed below. The sub-fund will not be changing the fees covered within the prospectus and any other such material where fees pertaining to HSBC Asset Management have been stated as part of the changes covered within this notice. The sub-fund will maintain its status as an Article 8 fund under SFDR.

You do not need to take any action. However, you do have three options that are explained below.

The latest prospectus, Key Information Document and/or Key Investor Information Document are available in the Fund Centre at http://www.assetmanagement.hsbc.com/fundinfo or from the registered address of the Company.

Please take a moment to review the above information. If you still have questions, please contact your local agent or HSBC Asset Management office.

For and on behalf of the Board of HSBC Global Investment Funds

Your Options

1. **Take no action.** Your investment(s) will continue with the changes as outlined above.
2. **Convert your investment to another HSBC Global Investment Funds sub-fund.** If you wish to ensure the conversion is completed before the changes become effective, instructions must be received_before 10.00 a.m. Luxembourg time on the Dealing Day prior to the Conversion Period as given in the right-hand column. Please ensure you read the Key Information Document (or for investors in the United Kingdom, the Key Investor Information Document) of the sub-fund you are considering.
3. **Redeem your investment.** If you wish to ensure your redemption is completed before the changes become effective, instructions must be received before 10.00 a.m. Luxembourg time on the Dealing Day prior to the Conversion Period as given in the right-hand column.

   Options 2. and 3. may have tax consequences. You may want to review these options with your tax adviser and your financial adviser.

   Regardless of which option you choose, you will not be charged any conversion or redemption fees by HSBC for options 2. or 3. However, please note that some distributors, paying agents, correspondent banks or intermediaries might charge switching and/or transaction fees or expenses at their own discretion.

CONVERSION DATE:
14/05/2025 – 15/05/2025

EFFECTIVE DATE:
16/05/2025

THE SUB-FUND:

Global Lower Carbon Bond

THE COMPANY

HSBC Global Investment Funds

REGISTERED OFFICE

4, rue Peternelchen L-2370 Howald, Luxembourg, Grand Duchy of Luxembourg

Registration Number B 25 087

MANAGEMENT COMPANY
HSBC Investment Funds (Luxembourg) S.A

Appendix 1 - Language comparison

Prospectus changes

Current Investment Objective	New Investment Objective (Amendments shown in red)
The sub-fund aims to provide long term total return by investing in a portfolio of corporate bonds, while promoting ESG characteristics within the meaning of Article 8 of SFDR. The sub-fund aims to do this with a lower carbon intensity calculated as a weighted average of the carbon intensities of the sub-fund's investments, than the weighted average of the constituents of the Bloomberg Global Aggregate Corporate Diversified Hedged USD (the "Reference Benchmark").	The sub-fund aims to provide long term total return ~~by investing in a portfolio of corporate bonds, while promoting~~ **and promote climate transition** as its ESG characteristics within the meaning of Article 8 of SFDR~~. The sub-fund aims~~ **at issuer level by investing in a portfolio of corporate bonds issued by issuers that are deemed** to ~~do this with~~ **be on** a ~~lower~~ **clear and measurable path to climate transition, and at portfolio level by seeking a reduction in** carbon intensity **(**calculated as a weighted average of the carbon intensities of the sub-fund's investments~~, than~~ **relative to** the weighted average of the constituents of the ~~Bloomberg~~ **ICE** Global ~~Aggregate~~ Corporate ~~Diversified~~ **Climate Transition Index** Hedged USD (the "Reference Benchmark~~").~~**")).**
The sub-fund invests (normally a minimum of 70% of its net assets) in Investment Grade and Non-Investment Grade rated fixed income and other similar securities issued by issuers meeting certain lower carbon criteria ("Lower Carbon Criteria"). The sub-fund will invest in both developed markets and Emerging Markets. Investments will be denominated in developed market and Emerging Market currencies.	The sub-fund invests (normally a minimum of ~~70~~ **80%** of its net assets) in Investment Grade and Non-Investment Grade rated fixed income and other similar securities issued ~~by issuers meeting certain lower carbon criteria ("Lower Carbon Criteria").~~ ~~The sub-fund will invest~~ in both developed markets and Emerging Markets. Investments will be denominated in developed market and Emerging Market currencies.
Lower Carbon Criteria may include, but are not limited to: • excluding issuers with high carbon intensity relative to their sector; • excluding issuers with insufficient data to establish their carbon intensity; and • including "green bonds" meeting the Green Bond Principles of the International Capital Market Association. Such green bonds are not subject to the aforementioned exclusions.	~~Lower Carbon Criteria may include, but are not limited to:~~ ~~• excluding issuers with high carbon intensity relative to their sector;~~ ~~• excluding issuers with insufficient data to establish their carbon intensity; and~~ • ~~including "green bonds" meeting the Green Bond Principles of the International Capital Market Association. Such green bonds are not subject to the aforementioned exclusions.~~
	The sub-fund will invest a minimum of 80% of net assets in fixed income securities issued by issuers that are deemed to be on a clear and measurable path by meeting certain climate transition related criteria ("Climate Transition Criteria"). **HSBC Asset Management has developed a proprietary climate transition assessment that evaluates an issuer's transition towards Net Zero. Net Zero in this context means that the total greenhouse gas emissions released into the atmosphere equal to the total greenhouse gas emissions removed from the atmosphere. The purpose of the climate transition assessment is to determine an issuer's progress or commitment towards alignment with Net Zero pathways (i.e. the projected emissions allowed to an issuer through**

to 2050 to meet the Paris Agreement goal to limit the temperature increase to 1.5 degrees Celsius compared to pre-industrial levels). Issuers are assessed for their emissions' performance, such as emission projections based on decarbonisation targets and robustness of climate governance, emission disclosures and green strategies. The outcome of the assessment currently categorises issuers as Achieving Net Zero, Aligned, Aligning, Committed to Aligning or Not Aligned.

The Investment Adviser considers that an issuer meets the Climate Transition Criteria when it is categorised as Achieving Net Zero, Aligned, Aligning, Committed to Aligning or Not Aligned but with green solutions. For example, a "Committed to Aligning" issuer would be expected to demonstrate a long-term decarbonisation goal consistent with achieving global net zero by 2050, whereas an "Aligned" issuer would be expected to have emission projections aligned to a 1.5°C pathway while demonstrating robust climate management approach, assessed through consideration of some of the following themes: emission performance that is on track of its short, medium and long-term decarbonisation targets (as evidenced by both reported and estimated data sources), climate governance such as the executive oversight of environmental strategy and performance and evidence of revenue-generating products and/or services that contribute to a low-carbon economy. A "Not Aligned but with green solutions" issuer may not have a public commitment to decarbonise but would generate at least 20% of their total revenues from products and/or services that mitigate or contribute to the removal of greenhouse gas emissions. Issuers which issue "green bonds" meeting the Green Bond Principles of the International Capital Market Association would also be considered as meeting the Climate Transition Criteria.

The assessments of issuers are reviewed periodically with updated information on the different quantitative and qualitative metrics and may result in an issuer's classification being upgraded, downgraded or staying the same. The climate transition assessment is expected to adapt over time as climate and financial data evolve, including the standards and scenarios used in the assessment. Further details on HSBC's Net Zero classifications can be found in the sustainability related disclosures required under Article 10 of SFDR for the sub-fund (ESG information) available on HSBC Asset Management's website: www.assetmanagement.hsbc.com. To access this information, you will need to select your location and then choose Funds from the main menu.

In addition, the Investment Adviser aims to construct a portfolio which aims for a lower carbon intensity, calculated as a weighted average of the carbon intensities of the sub-fund's investments, than the weighted average of the constituents of the Reference Benchmark which has been designed to achieve net zero carbon emissions by 2050.

	All issuers in the sub-fund's investment universe will be assessed for carbon intensity data and the Investment Adviser will exclude issuers with insufficient data to establish their carbon intensity.
Lower Carbon Criteria are proprietary to HSBC, subject to ongoing research and may change over time as new criteria are identified.	~~Lower Carbon~~ **Climate Transition** Criteria are proprietary to HSBC, subject to ongoing research and may change over time as new criteria are identified.
Issuers considered for inclusion within the sub-fund's portfolio will be subject to Excluded Activities in accordance with HSBC Asset Management's Responsible Investment Policies, which may change from time to time.	Issuers considered for inclusion within the sub-fund's portfolio will be subject to Excluded Activities in accordance with HSBC Asset Management's Responsible Investment Policies, which may change from time to time~~.~~**:** • **Banned Weapons - The sub-fund will not invest in issuers HSBC considers to be involved in the development, production, use, maintenance, offering for sale, distribution, import or export, storage or transportation of Banned Weapons.** • **Controversial Weapons - The sub-fund will not invest in issuers HSBC considers to be involved in the production of controversial weapons or their key components. Controversial weapons include but are not limited to anti-personnel mines, depleted uranium weapons and white phosphorous when used for military purposes.** • **Thermal Coal 1 (Expanders) - The sub-fund will not participate in primary fixed income financing by issuers HSBC considers to be engaged in the expansion of thermal coal production.** • **Thermal Coal 2 (Revenue threshold) - The sub-fund will not invest in issuers HSBC considers having more than 10% revenue generated from thermal coal power generation or extraction and which, in the opinion of HSBC, do not have a credible transition plan.** • **Arctic Oil & Gas - Sub-funds will not invest in issuers HSBC considers to have more than 10% of their revenues generated from oil & gas extraction in the Arctic region and which, in the opinion of HSBC, do not have a credible transition plan.** • **Oil Sands - Sub-funds will not invest in issuers HSBC considers to have more than 10% of their revenues generated from oil sands extraction and which, in the opinion of HSBC, do not have a credible transition plan.** • **Shale Oil - Sub-funds will not invest in issuers HSBC considers to have more than 35% of their revenues generated from the extraction of Shale Oil and which, in the opinion of HSBC, do not have a credible transition plan.** • **Tobacco – The sub-fund will not invest in issuers HSBC considers to be directly involved in the production of tobacco** • **UNGC - The sub-fund will not invest in issuers that HSBC considers to be non-compliant with United Nations Global Compact (UNGC) Principles. Where instances of potential violations of UNGC principles are identified, issuers may be subject to proprietary ESG due**

More information is provided in section 1.5. "Integration of sustainability risks into investment decisions and SFDR principles" sub-section HSBC Asset Management Responsible Investment Policies.	**diligence checks to determine their suitability for inclusion in a sub-fund's portfolio.** **Issuers will also be subject to additional exclusions relating to the EU Climate Transition Benchmark Regulation as defined in Article 12(1)(a) to (c) of CDR (EU) 2020/1818. In respect of investments in Green Bonds, the below exclusions will be applied at the level of the green bond proceeds, with the exception of the UNGC and OECD exclusions, which will be assessed at the level of the green bond issuer:** • **Controversial Weapons - The sub-fund will not invest in issuers involved in any activities related to controversial weapons, namely anti-personnel mines, cluster munitions, chemical weapons and biological weapons.** • **Tobacco - The sub-fund will not invest in issuers involved in the cultivation and production of tobacco.** • **UNGC and OECD - The sub-fund will not invest in issuers in violation of the United Nations Global Compact (UNGC) principles or the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises.** More information is provided in section 1.5. "Integration of sustainability risks into investment decisions and SFDR principles" sub-section HSBC Asset Management Responsible Investment Policies.
After identifying the eligible investment universe, the Investment Adviser aims to construct a portfolio with lower carbon intensity, calculated as a weighted average of the carbon intensities of the sub-fund's investments, than the weighted average of the constituents of the Reference Benchmark.	~~After identifying the eligible investment universe, the Investment Adviser aims to construct a portfolio with lower carbon intensity, calculated as a weighted average of the carbon intensities of the sub-fund's investments, than the weighted average of the constituents of the Reference Benchmark.~~
Lower Carbon Criteria, Excluded Activities and the need for enhanced due diligence may be identified and analysed by using, but not exclusively, HSBC's Proprietary ESG Materiality Framework and ratings, fundamental qualitative research and corporate engagement. When assessing issuers' ESG score and/or rating, Lower Carbon Criteria or their involvement in Excluded Activities, the Investment Adviser may rely on expertise, research and information provided by financial and non-financial data providers.	~~Lower Carbon~~ **Climate Transition** Criteria, **environmental and social factors, corporate governance practices and** Excluded Activities and the need for ~~enhanced~~ **ESG** due diligence may be identified and analysed by using, but not exclusively, HSBC's Proprietary ESG Materiality Framework and ~~ratings~~ **scores**, fundamental qualitative research and corporate engagement. When assessing issuers' ESG ~~score and/or rating, Lower Carbon~~ **scores, Climate Transition** Criteria**, carbon intensity,** or their involvement in Excluded Activities, the Investment Adviser may rely on expertise, research and information provided by financial and non-financial data providers.
The sub-fund may invest up to 10% of its net assets in contingent convertible securities, however this is not expected to exceed 5%.	The sub-fund may invest up to 10% of its net assets in contingent convertible securities~~, however this is not expected to exceed 5%.~~**.**
◆ **Risk Management** The global exposure relating to this sub-fund will be calculated using a relative Value-at-Risk approach benchmarked against the Bloomberg	◆ **Risk Management** The global exposure relating to this sub-fund will be calculated using a relative Value-at-Risk approach benchmarked against the ~~Bloomberg Global Aggregate Corporate Diversified Hedged USD~~

Global Aggregate Corporate Diversified Hedged USD. The average leverage of the sub-fund, under normal market conditions, calculated as the sum of the notionals of the financial derivative instruments used, is expected to be 125%, although higher levels are possible under certain circumstances, including but not limited to, during high levels of market volatility (when financial derivative instruments are generally used to manage the risk of the portfolio) or stability (when financial derivative instruments are generally used to access the relevant markets or securities in a more cost efficient way).	ICE Global Corporate Climate Transition Index Hedged USD. The average leverage of the sub-fund, under normal market conditions, calculated as the sum of the notionals of the financial derivative instruments used, is expected to be 125%, although higher levels are possible under certain circumstances, including but not limited to, during high levels of market volatility (when financial derivative instruments are generally used to manage the risk of the portfolio) or stability (when financial derivative instruments are generally used to access the relevant markets or securities in a more cost efficient way).
Pre-contractual disclosure changes	
It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 10% of sustainable investments.	**It promotes E/S characteristics, but will not make any sustainable investments.**
Original Language	**Proposed Language (amendments shown in red)**
What environmental and/or social characteristics are promoted by this financial product?	
The environmental and/or social characteristics promoted by this sub-fund are: 1. Active consideration of low carbon intensity investments compared to the Reference Benchmark. 2. Responsible business practices in accordance with UN Global Compact and OECD Principles for businesses. 3. Identification and analysis of an issuer's environmental characteristics including, but not limited to, physical risks of climate change and human capital management. 4. Active consideration of environmental issues through engagement where HSBC Asset Management considers it appropriate to do so. Excluding activities covered by HSBC Asset Management's Responsible Investment Policies the "Excluded Activities") as listed below. The Bloomberg Global Aggregate Corporate Diversified Hedged USD will be used to measure the sub-fund's carbon intensity, but has not been designated for the purpose of attaining the environmental or social characteristics of the sub-fund.	The environmental and/or social characteristics ("**E/S characteristics**") promoted by this sub-fund are: ~~1. Active consideration of low carbon intensity investments compared to the Reference Benchmark.~~ **1. The Investment Adviser will construct a portfolio that is on a clear and measurable path to decarbonise overtime.** **2. The sub-fund identifies which issuers are on a clear and measurable transition pathway as informed by HSBC Asset Management's proprietary climate transition assessment to determine an issuer's progress or commitment towards alignment with "Net Zero" pathways.** **3. Consideration of responsible** ~~Responsible~~ business practices in accordance with ~~UN~~ **United Nations** Global Compact **("UNGC")** and OECD ~~principles~~ **Guidelines for Multinational Enterprises** ~~businesses~~ ("OECD") principles. **Where instances** of ~~an issuer's environmental characteristics including, but not limited to, physical risks~~ **potential violations** of ~~climate change and human capital management.~~ **UNGC principles are identified, companies will be subject to HSBC's proprietary ESG due diligence checks to determine their suitability for inclusion in the sub-fund's portfolio and, if deemed unsuitable, excluded.** ~~4. Active consideration of environmental issues through engagement where HSBC Asset Management considers it appropriate to do so.~~ **4. A minimum proportion of the sub-fund shall meet minimum ESG standards, with the issuers that the sub-**

fund invests in meeting minimum ESG and E, and S and G score levels.

5. Excluding activities covered by HSBC Asset Management's Responsible Investment Policies **(the "HSBC Excluded Activities") and the EU Climate Transition Benchmark exclusions (the "CTB Excluded Activities") (together referred to as** the "Excluded Activities") as listed below.

~~The Bloomberg Global Aggregate Corporate Diversified Hedged USD will be used to measure the sub-fund's carbon intensity, but~~ **The attainment of the E/S characteristics are measured using the sustainable indicators below, some of which are measured against the ICE Global Corporate Climate Transition Index Hedged USD which is a climate transition benchmark designed to achieve net zero carbon emissions by 2050 (the "Reference Benchmark") for the sub-fund. However, this benchmark** has not been designated for the purpose of ~~attaining~~ **achieving** the ~~environmental or social~~ **E/S** characteristics ~~of~~ **promoted by** the sub-fund.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

Sustainability indicators are a key consideration in our investment decision making process.

The primary sustainability indicator is the use of HSBC Asset Management's Proprietary ESG scoring system, to measure the attainment of the ESG characteristics promoted by the sub-fund, which includes:

- Carbon Intensity Score, relative to the benchmark or its sector
- E, S and G Pillar Scores, relative to the benchmark or its sector
- ESG Score, relative to the benchmark or its sector

Principal Adverse Impacts are also considered by the sub-fund are:

- Greenhouse gas emissions (Scope 1 & Scope 2)
- Carbon footprint (Scope 1 & Scope 2)
- Greenhouse gas intensity of investee companies (Scope 1 & Scope 2)
- Violation of UNGC and OECD principles
- Share of investment involved in controversial weapons

Sustainability indicators **measure the attainment of each promoted E/S characteristic and** are **therefore** a key consideration in ~~our~~ **the Investment Adviser's** investment decision making process.

~~The primary sustainability indicators are alignment with a clear and measurable transition pathway, and carbon intensity data sourced from well-established financial data providers. They are used to measure the attainment of the environmental characteristics promoted by the sub-fund which includes:~~

- ~~Carbon Intensity by revenue (scope 1 and 2), relative to the benchmark or its sector~~
- ~~E, S and G Pillar Scores, relative to the benchmark or its sector~~
- ~~ESG Score, relative to the benchmark or its sector~~

~~The sub-fund also considers the Principal Adverse Impacts that are listed below:~~

- ~~Greenhouse gas intensity of investee companies (Scope 1 & Scope 2)~~
- ~~Violation of UNGC and OECD principles~~
- ~~Share of investment involved in controversial weapons~~

	Environmental/Social characteristic	**Sustainability indicator**
1	Portfolio on a clear and measurable path	Portfolio decarbonisation over a clear and measurable path to climate transition, demonstrated with a weighted average carbon intensity of the portfolio, compared to the weighted average carbon intensity of

			the constituents of the Reference Benchmark.
	2	Issuers are on a clear and measurable transition pathway	Issuers that are positively categorised within the HSBC Asset Management proprietary climate transition assessment. The Investment Adviser considers that for a sub-fund that is decarbonising at a portfolio level, it may consider the following classifications for Issuers on a clear and measurable pathway, Achieving Net Zero, Aligned, Aligning, Committed to Aligning or Not Aligned with Green Solutions
	3	Responsible business practice in line with UNGC and OECD principles	All investments are assessed against the ten principles of the UNGC and the OECD. Companies that are flagged as having violated one of the ten principles of the UNGC or OECD guidelines are systematically excluded, unless they have gone through an ESG due diligence assessment, undertaken by HSBC, and are determined not to be in breach of the principles or guidelines.
	4	Minimum ESG Standards	At least 80% of the sub-fund's investments shall meet minimum ESG standards i.e., the issuers that the sub-fund invests in are required to meet minimum ESG and E, and S and G score levels.
	5	Excluded Activities	Exclusion of companies that are not in compliance with Excluded Activities.

What investment strategy does this financial product follow?

NOTE: Changes to this section are largely those noted in the prospectus Investment objective above, however the following paragraphs have also been inserted.

The sub-fund will have a minimum proportion of the investments that meet minimum ESG standards with the issuers that the sub-fund invests in meeting minimum ESG and E and S and G score levels. The required ESG standards are measured via a minimum ESG total score as well as minimum E, and S and G scores for each separate sub-component. These scores represent the management of ESG risks or opportunities that are relevant to the sector in which the issuer operates. The issuers that have very low scores are deemed to have poor management of ESG risks and opportunities and are therefore excluded from contributing to promotion of environmental and social factors and corporate governance practices of the sub-fund.

Climate Transition Criteria, environmental and social factors, corporate governance practices and Excluded Activities and the need for ESG due diligence may be identified and analysed by using, but not exclusively, HSBC's proprietary ESG Materiality Framework and scores, fundamental qualitative research and corporate engagement. When assessing issuers' ESG scores, Climate Transition Criteria, carbon intensity, or their involvement in Excluded Activities, the Investment Adviser may rely on expertise, research and information provided by financial and non-financial data providers.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics are:

- The sub-fund aims for an improvement in the weighted average carbon intensity reduction versus the Reference Benchmark.
- The sub-fund invests in normal market conditions a minimum of 70% of its net assets in fixed income securities issued by issuers meeting Lower Carbon Criteria.

Lower Carbon Criteria may include, but are not limited to:

- excluding issuers with high carbon intensity relative to their sector; and
- excluding issuers with insufficient data to establish their carbon intensity; and
- including "green bonds" meeting the Green Bond Principles of the International Capital

Market Association. Such green bonds are not subject to the aforementioned exclusions.

Lower Carbon Criteria are proprietary to HSBC, subject to ongoing research and may change over time as new criteria are identified.

Issuers considered for inclusion within the sub-fund's portfolio will be subject to Excluded Activities including, but are not limited to:

- Banned Weapons - the sub-fund will not invest in issuers HSBC considers to be involved in the development, production, use, maintenance, offering for sale, distribution, import or export, storage or transportation of Banned Weapons.
- Controversial Weapons - the sub-fund will not invest in issuers HSBC considers to be involved in the production of controversial weapons or their key components. Controversial weapons include but are not limited to anti-personnel mines, depleted uranium weapons and white phosphorous when used for military purposes.
- Thermal Coal (Expanders) - the sub-fund will not participation in initial public offerings ("IPOs") or primary fixed income financing by

The binding elements of the investment strategy used to select the investments to attain each of the ~~environmental or social~~ **E/S** characteristics are:

- ~~The sub-fund aims for an improvement in the weighted average carbon intensity reduction versus the Reference Benchmark.~~
- The sub-fund invests in normal market conditions a minimum of ~~70%~~ **80%** of its net assets in fixed income securities issued by issuers ~~meeting Lower Carbon Criteria~~ **with a clear and measurable pathway as informed by HSBC Asset Management's proprietary climate transition assessment that evaluates an issuer's transition towards Net Zero**

~~Lower Carbon Criteria may include, but are not limited to:~~

- ~~excluding issuers with high carbon intensity relative to their sector; and~~
- ~~excluding issuers with insufficient data to establish their carbon intensity; and~~
- ~~including "green bonds" meeting the Green Bond Principles of the International Capital~~

~~Market Association. Such green bonds are not subject to the aforementioned exclusions.~~

~~Lower Carbon Criteria are proprietary to HSBC, subject to ongoing research and may change over time as new criteria are identified.~~

- **The sub-fund commits to have a minimum of 80% investments that are aligned with the E/S characteristics promoted by the sub-fund**
- **The sub-fund will have a lower carbon intensity (calculated over a rolling 12-month period), calculated as a weighted average of the carbon intensities of the sub-fund's investments, than the weighted average of the constituents of the Reference Benchmark.**

Issuers considered for inclusion within the sub-fund's portfolio will be subject to Excluded Activities including, but ~~are~~ not limited to:

HSBC Excluded Activities	**Details**
Banned Weapons	**The sub-fund will not invest in issuers HSBC considers to be involved in the development, production, use, maintenance, offering for sale, distribution, import or export, storage or transportation of Banned Weapons**

issuers HSBC considers to be engaged in the expansion of thermal coal production.

- Thermal Coal (Revenue threshold) - the sub-fund will not invest in issuers HSBC considers to have more than 10% revenue generated from thermal coal power generation or extraction and which, in the opinion of HSBC, do not have a credible transition plan.
- Arctic Oil & Gas - the sub-fund will not invest in issuers HSBC considers to have more than 10% of their revenues generated from oil & gas extraction in the Arctic region and which, in the opinion of HSBC, do not have a credible transition plan.
- Oil Sands - the sub-fund will not invest in issuers HSBC considers to have more than 10% of their revenues generated from oil sands extraction and which, in the opinion of HSBC, do not have a credible transition plan.
- Shale Oil - the sub-fund will not invest in issuers HSBC considers to have more than 35% of their revenues generated from the extraction of Shale Oil and which, in the opinion of HSBC, do not have a credible transition plan.
- Tobacco - the sub-fund will not invest in issuers HSBC considers to be directly involved in the production of tobacco.
- UNGC - the sub-fund will not invest in issuers that HSBC considers to be non-compliant with United Nations Global Compact (UNGC) Principles. Where instances of potential violations of UNGC principles are identified, issuers may be subject to proprietary ESG due diligence checks to determine their suitability for inclusion in a sub-fund's portfolio.

Consideration will also be made on the products sustainability indicators a continuous basis.

Further details of HSBC's Responsible Investment Policies can be found at:

www.assetmanagement.hsbc.com/about-us/responsible-investing

Controversial Weapons	**The sub-fund will not invest in issuers HSBC considers to be involved in the production of controversial weapons or their key components. Controversial weapons include but are not limited to anti-personnel mines, depleted uranium weapons and white phosphorous when used for military purposes.**
Thermal Coal 1 (Expanders)	**The sub-fund will not participate in initial public offerings ("IPOs") or primary fixed income financing by issuers HSBC considers to be engaged in the expansion of thermal coal production.**
Thermal Coal 2 (Revenue threshold)	**The sub-fund will not invest in issuers HSBC considers having more than 10% revenue generated from thermal coal power generation or extraction and which, in the opinion of HSBC, do not have a credible transition plan.**
Arctic Oil & Gas	**Sub-funds will not invest in issuers HSBC considers to have more than 10% of their revenues generated from oil & gas extraction in the Arctic region and which, in the opinion of HSBC, do not have a credible transition plan**
Oil Sands	**Sub-funds will not invest in issuers HSBC considers to have more than 10% of their revenues generated from oil sands extraction and which, in the opinion of HSBC, do not have a credible transition plan.**
Shale Oil	**Sub-funds will not invest in issuers HSBC considers to have more than 35% of their revenues generated from the extraction of Shale Oil and which, in the opinion of HSBC, do not have a credible transition plan.**
Tobacco	**The sub-fund will not invest in issuers HSBC considers to be directly involved in the production of tobacco.**
UNGC	**The sub-fund will not invest in issuers that HSBC considers to be non-compliant with United Nations Global Compact (UNGC) Principles. Where instances of potential violations of UNGC principles are identified, issuers may be subject to proprietary ESG due diligence checks to determine their suitability for inclusion in a sub-fund's portfolio.**

In addition, HSBC apply the CTB Excluded Activities regarding investments in issuers for this sub-fund. In respect of investments in Green Bonds, the below exclusions will be applied at the level of the green bond proceeds, with the exception of the UNGC and OECD

	exclusions, which will be assessed at the level of the green bond issuer:

Additional CTB Excluded Activities	**Details**
Controversial weapons	**The sub-fund will not invest in issuers involved in any activities related to controversial weapons, namely anti-personnel mines, cluster munitions, chemical weapons and biological weapons.**
Tobacco	**The sub-fund will not invest in issuers involved in the cultivation and production of tobacco.**
UNGC and OECD	**The sub-fund will not invest in issuers in violation of the United Nations Global Compact (UNGC) principles or the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises.**

~~Consideration will also be made on the products sustainability indicators a continuous basis.~~

~~Further details of HSBC's Responsible Investment Policies can be found at:~~

~~www.assetmanagement.hsbc.com/about-us/responsible-investing~~

What is the asset allocation planned for this financial product?

The sub-fund promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 10% of sustainable investments (#1A Sustainable). The sub-fund will have a minimum proportion of 70% of investments that are aligned with the environmental or social characteristics promoted by the financial product (#1 Aligned with E/S Characteristics). (#2 Other) includes liquid assets (ancillary liquid assets, bank deposits, money market instruments and money market funds) and financial derivatives instruments which may be used for efficient portfolio management	The sub-fund ~~promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 10%~~ **does not commit to holding a minimum percentage of sustainable investments (#1A Sustainable).** The sub-fund will have a minimum proportion of ~~70%~~ **80%** of investments that are aligned with the ~~environmental or social~~ **E/S** characteristics ~~promoted by the financial product~~ **it promotes** (#1 Aligned with E/S Characteristics). (#2 Other) includes liquid assets (ancillary liquid assets, bank deposits, money market instruments and money market funds) and financial derivatives instruments which may be used for efficient portfolio management

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The sub-fund invests at least 10% in sustainable investments, with an environmental objective that are not aligned with the EU Taxonomy.	~~The sub-fund invests at least 10% in sustainable investments, with an environmental objective that are not aligned with the EU Taxonomy.~~ **Not applicable for this sub-fund.**