

HSBC ASSET MANAGEMENT LAUNCHES EURO ESG MONEY MARKET FUND

March 21 - HSBC Asset Management (HSBC AM) announces the launch of the **HSBC Euro ESG Liquidity Fund**, its latest ESG money market fund (MMF).

The new fund builds on the success of the HSBC Sterling ESG Liquidity and HSBC US Dollar ESG Liquidity funds – launched in October 2021 and October 2022 – which have grown rapidly to over £1.94billion¹ and \$735million² AUM, respectively.

The HSBC Euro ESG Liquidity Fund will invest in a portfolio of issuers that have an A1, P1 or F1 rating, or long term equivalent, and that HSBC AM has identified as being demonstrably better at addressing ESG risks than other issuers in the investable universe. This will be achieved by applying HSBC AM's robust ESG scoring system and relative ESG filters that are appropriate for the money market investable universe. The fund enables institutional investors – including large corporates, pension funds, insurers and others – to focus their cash investments in a solution that is aligned to their sustainability objectives.

Issuer engagement is a key component of the fund's approach, including a client change orientated engagement programme. HSBC AM will encourage issuers to address identified shortcomings in how they manage ESG risks. This ensures that companies are aware that their ESG performance is factored into decisions on whether their short term debt issuance is eligible to be purchased by the fund. By doing so, it aims to increase the focus on better management of ESG risks and achieve more sustainable outcomes.

The climate change orientated engagement program will focus on the emissions trajectory of bank issuers. It will advocate for their participation in the Net Zero Banking Alliance and urge them to improve the quality and availability of their scope 3 carbon data. Any improvement HSBC AM can achieve will ultimately enhance the assessment of climate risk on portfolios.

Jonathan Curry, Global Liquidity CIO, HSBC AM said: *"We are committed to delivering market-leading solutions to meet the responsible investment objectives of our clients and are pleased to see the expansion of our ESG MMF strategy."*

"The fund has resonated strongly with investors seeking to align their cash investment activity with their organisations overall sustainability objectives. We look forward to building on the growing scale and breadth of our ESG funds."

"By expanding the currencies we offer, we can reach a more diverse group of global investors and enable them to invest in issuers that better manage ESG risks. Through our investment influence, we anticipate issuers of short-term debt will improve their ESG practices."

HSBC AM currently manages liquidity assets in 11 global currencies and has USD146 billion in liquidity strategies (as at end of December 2022).

ends/more

Media enquiries to:

Ellis Ford – ellis.ford@hsbc.com

Notes to editors

^[1] As at 28th February 2023

^[2] As at 28th February 2023

For journalists only and should not be distributed to or relied upon by any other persons.

Approved for issue in the UK by HSBC Global Asset Management (UK) Limited, which is authorised and regulated by the Financial Conduct Authority.

www.assetmanagement.hsbc.com/uk

Copyright © HSBC Global Asset Management (UK) Limited 2023. All rights reserved.

Notes to investors

The information contained in this press release does not constitute an offer or solicitation for, or advice that you should enter into, the purchase or sale of any security or fund. Any views expressed are subject to change at any time.

This document is not intended for distribution to or use by any person or entity in any jurisdiction or country where such distribution or use would be contrary to law or regulation. This document is not and should not be construed as an offer to sell or the solicitation of an offer to purchase or subscribe to any investment.

Any views expressed were held at the time of preparation and are subject to change without notice. While any forecast, projection or target where provided is indicative only and not guaranteed in any way. HSBC Global Asset Management (UK) Limited accepts no liability for any failure to meet such forecast, projection or target. **The value of investments and any income from them can go down as well as up and investors may not get back the amount originally invested. Where overseas investments are held the rate of currency exchange may also cause the value of such investments to fluctuate. Investments in emerging markets are by their nature higher risk and potentially more volatile than those inherent in some established markets.**

HSBC Asset Management

HSBC Asset Management should be referred to either in full or as HSBC AM to avoid confusion with any other financial services firms.

HSBC Asset Management, the investment management business of the HSBC Group, invests on behalf of HSBC's worldwide customer base of retail and private clients, intermediaries, corporates and institutions through both segregated accounts and pooled funds. HSBC Asset Management connects HSBC's clients with investment opportunities around the world through an international network of offices in 23 countries and territories, delivering global capabilities with local market insight. As at 31 December 2022, HSBC Asset Management managed assets totalling US\$617bn on behalf of its clients. For more information see <http://www.global.assetmanagement.hsbc.com/>

HSBC Asset Management is the marketing name for the asset management businesses of HSBC Holdings plc.

HSBC Holdings plc

HSBC Holdings plc, the parent company of HSBC, is headquartered in London. HSBC serves customers worldwide from offices in 62 countries and territories in its geographical regions: Europe, Asia, North America, Latin America, and Middle East and North Africa. With assets of US\$2,967bn at 31 December 2022, HSBC is one of the world's largest banking and financial services organisations.

ends/all