

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

HSBC Global Funds ICAV – Euro Lower Carbon Government 1-3 Year Bond UCITS ETF

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

30 April 2025

This Supplement forms part of the Prospectus dated 17 November 2023 (the “**Prospectus**”) in relation to HSBC Global Funds ICAV (the “**ICAV**”) for the purposes of the UCITS Regulations. Unless otherwise provided for in this Supplement, all capitalised terms shall have the same meaning herein as in the Prospectus. This Supplement should be read in the context of, and together with, the Prospectus and contains information relating to the HSBC Global Funds ICAV – Euro Lower Carbon Government 1-3 Year Bond UCITS ETF (the “**Sub-Fund**”) which is a separate sub-fund of the ICAV, represented by the HSBC Global Funds ICAV – Euro Lower Carbon Government 1-3 Year Bond UCITS ETF series of shares in the ICAV (the “**Shares**”). Please see the List of Sub-Funds Supplement for a list of the other Sub-Funds of the ICAV.

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

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

Prospective investors should refer to the Annex to this Supplement regarding the Sub-Fund’s regarding the Fund’s environmental and / or social characteristics.

Investors should note that, where cash is the method of payment, a Direct Dealing (Cash Transaction) Fee of up to 3% of subscription and redemption monies may be applicable when dealing in ETF Shares directly with the Sub-Fund. The difference at any one time between the subscription and redemption price of ETF Shares in the Sub-Fund as a result of the Direct Dealing (Cash Transaction) Fee means that the investment should be viewed as medium to long term.

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A full disclaimer is provided in the Prospectus.

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GENERAL

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

Base Currency	Euro
Index	Bloomberg Euro Treasury 1-3 Year Carbon Tilted Index
Profile of a Typical Investor	<p>The Sub-Fund is designed for investors with a focus on income and who are planning to invest for at least 3 years. The Sub-Fund may appeal to investors who:</p> <ul style="list-style-type: none"> (i) are looking for a core fixed income investment; and (ii) are interested in low-cost exposure to the European government bond market.
Risk Management Method	Commitment approach. Detail on the commitment approach, including the leverage limits that apply, is set out in the Prospectus under Section “Risk Management Process.”
Dealing Deadline	12.00 pm (Irish time) on the relevant Dealing Day.
Portfolio Transparency	The portfolio holdings file, being the statement illustrating the breakdown of the securities held by the Sub-Fund, shall be published daily on www.assetmanagement.hsbc.com .
Settlement Date for Subscriptions	Within two Business Days after the Dealing Day or such other day as the Management Company may determine and notify to Shareholders.
Settlement Date for Redemptions	Within two Business Days after the Dealing Day or such other day as the Management Company may determine and notify to Shareholders.
Valuation Point	11.00 p.m. (Irish time) on each Dealing Day after the Dealing Deadline.
Initial Offer Price	The initial offer price for Shares in the Sub-Fund is 10.00 (or in the case of Japanese Yen, 100.00) in the Reference Currency of the relevant Share Class. After the Initial Offer Period, Shares will be issued at the Subscription Price.
Initial Offer Period	From 9.00 a.m. (Irish time) on 1 May 2025 to 5.00 p.m. (Irish time) on 31 October 2025 or such later or earlier date and time as the Directors may determine. Any extension or shortening of the initial offer period will be in accordance with the Central Bank's requirements.

INVESTMENT OBJECTIVE AND POLICY

Investment Objective: To achieve regular income and capital growth.

Investment Policy: To track the performance of the Index, while minimising as far as possible the tracking error between the Sub-Fund performance and that of the Index and promoting environmental, social and governance ("ESG") characteristics within the meaning of Article 8 of SFDR. In tracking the performance of the Index, the Sub-Fund promotes certain environmental, social and/or governance characteristics (as set out below under the heading "Index Description") and has been categorised as an Article 8 fund for the purpose of the SFDR, and accordingly the Index has been designated as the Sub-Fund's reference benchmark under Article 8 of SFDR.

The Sub-Fund may invest in European government/agency/supranational bonds (developed and emerging markets) which are Index constituents and will not embed a derivative and/or leverage. As of the date of this Supplement, less than 1% of Index constituents are issued by emerging market issuers. If the overall portfolio matches the characteristics of the Index, the Sub-Fund may also invest in the following assets which are not Index constituents for the purpose of assisting in tracking the Index: 1) securities which are no longer or not yet part of the Index, or other securities that provide similar performance and risk profile to securities in the Index; 2) bonds with a Credit Rating of Ba1 / BB+ / BB+ and below, which may be callable, may be held for EPM in order to prevent forced selling of Index constituents in the event of a credit downgrade below Investment Grade; 3) cash and money market instruments including bills, commercial paper and certificates of deposits for ancillary liquidity purposes; and 4) units or shares of CIS for hedging, EPM and cash management purposes.

Credit Ratings of the underlying securities may vary from time to time and will typically be at least Investment Grade.

The average Credit Rating of the investments comprising the Sub-Fund's portfolio is expected to be approximate to the average Credit Rating of those comprising the Index as set out below under the heading "Index Description." Where the Credit Rating of any bond security forming part of the Index is downgraded by any Recognised Rating Agency, the Investment Manager will determine whether, after any such downgrading, the bond should continue to be held by the Sub-Fund.

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

Investment Approach: The Sub-Fund will use Optimisation techniques which consider tracking error, trading costs and availability of Index constituents when constructing the portfolio. Further detail on Optimisation is set out in the Section "Investment Techniques" in the Prospectus.

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

The FDIs which the Sub-Fund may use are financial futures, foreign exchange contracts (including currency swaps, spot, and forward contracts) and credit default swaps.

Financial futures may be used for duration management which allows the Sub-Fund to track, as closely as possible, the sensitivity of the Index's underlying asset prices to movements in yields. Foreign exchange contracts may be used for share class currency hedging or to convert the currency of the underlying investments of the Sub-Fund into the Base Currency. Credit default swaps may be used for credit exposure management to enable the Sub-Fund to track closely the overall credit risk of the Index.

It is the intention of the Sub-Fund that all the above FDIs will be used for hedging and EPM purposes only with the objective to reduce the tracking error between the Sub-Fund's performance and that of the Index.

Securities Financing Transactions and/or Total Return Swaps: The Sub-Fund may engage in securities lending subject to the requirements of the Securities Financing Transactions Regulation, the UCITS Regulations and the Central Bank UCITS Regulations. This is more particularly described in the Prospectus under Section "Portfolio Investment Techniques". Less than 30% of the Sub-Fund's net assets may be subject to securities lending arrangements at any one time, however the amount subject to securities lending arrangements is generally expected to range from 0% to 25% of the Sub-Fund's net assets. Subject to the limitations referred to above, any of the assets of the Sub-Fund may be subject to Securities Financing Transactions.

The Sub-Fund will not enter into Total Return Swaps or Securities Financing Transactions, other than securities lending.

Investment in Funds: The Sub-Fund will not invest more than 10% of its net assets in CIS which may include units or shares of CIS that are managed directly or indirectly by the Investment Manager. Further information is provided in the Prospectus under Section "Fees, Charges and Expenses," "Costs of Investing in Units in Other Collective Investment Schemes." The Sub-Fund may invest in the units or shares of CIS which mainly invest in securities included in the Index to gain indirect exposure to such securities.

Tracking Error: The tracking error is the annualised standard deviation of the difference between the monthly (or daily) returns of the Sub-Fund and the Index. A series of factors may give rise to tracking error, as disclosed in the Prospectus in the Section "Tracking Error". As at the date of this Supplement, the Anticipated Tracking Error for the Sub-Fund is expected to be up to 0.40% per annum in normal market conditions.

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

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

INVESTMENT RISKS

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

Risks mainly associated with ordinary market conditions are as follows:

Index Tracking Risk
Investment Techniques
The Index
Tracking Error
Hedged Share Classes
Currency Risk
Emerging Markets Risk
Investment Fund Risk
Reliance on the Investment Manager
Market Risk
Fixed Income Securities Risk
Securities Handling Risk
Particular Risks of Financial Derivative Instruments
ESG Scoring Risk
SFDR Categorization and ESG Data

Risks mainly associated with unusual market conditions are as follows:

Counterparty Risk
Liquidity Risk

Operational Risk

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

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

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

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

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

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

SHARE CLASSES

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

Investment Minima

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

FEES AND EXPENSES

Share Class Ongoing Charge*

A	B	H	IT	S	S1
Up to 0.50%	Up to 0.50%	Up to 1.00%	Up to 0.20%	Up to 0.50%	Up to 0.50%
S2	S3	S4	S5	S6	S7
Up to 0.50%	Up to 0.50%	Up to 0.50%	Up to 0.50%	Up to 0.50%	Up to 0.50%
S8	S9	S10	W	X	Z

Up to 0.50%	Up to 0.50%	Up to 0.50%	Up to 0.50%	Up to 0.50%	Up to 0.50%
ETF					
Up to 0.50%					

* Ongoing charges are fixed and include the Management Fee, Operating, Administrative and Servicing Expenses.

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

INDEX DESCRIPTION

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

General

The Index consists of fixed-rate, investment-grade sovereign debt from member states of the European Union that also participate in the European Monetary Union. The Index only includes securities with maturities between 1-3 years. The Index seeks to achieve an improvement in carbon emissions against that of the Bloomberg Euro Aggregate Treasury 1-3 Year Index (the “**Parent Index**”). The currency of the Index is EUR and returns are unhedged. The Index is measured by total return, is market value weighted and rebalanced monthly.

The Index is based on the Bloomberg Index Methodology which applies an eligibility criterion based on a set of fundamental core design principles (namely securities that are representative of the market, replicable, relevant, objective and transparent) which are designed to accurately and comprehensively measure the underlying Index constituents. The Index is priced daily, except on market holidays, using Bloomberg’s evaluated pricing service, BVAL, with certain securities priced by third party sources.

The index also applies a carbon tilt towards countries with lower carbon per capita levels relative to the Parent Index. The index applies carbon tilts to ensure that country allocations are generally aligned with those of the Parent Index, in addition to limiting overexposure to small markets with limited liquidity. The carbon tilt factors are constructed for each country/region, independent of any index universe, using a logistic function. The function takes into account the “intensity score per capita”, a score ranging from 0-10, derived from normalising the carbon per capita levels. The carbon tilt factors are used to define the final index weights.

Publication of the Index

Further information about the Index, its composition, calculation and rules for periodical review and about the general methodology behind the Bloomberg indices, including its ESG methodology, can be found on <https://www.bloomberg.com/professional/products/indices/esg-climate/fact-sheets-publications/>.

The Index methodology may be amended from time to time by the Index Provider. Information on the Index methodology is available on https://assets.bbhub.io/professional/sites/27/Bloomberg_Methodology_38894.pdf

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852).

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The EU Taxonomy is a classification system laid down in Regulation (EU) 2020/852, establishing a list of environmentally sustainable economic activities. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☒ ☒ ☐ Yes

☒ ☐ ☒ No

☐ It will make a minimum of sustainable investments with an environmental objective:_%

- ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of sustainable investments with a social objective:_%

☐ 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 0.00% of sustainable investments

- ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- ☐ with a social objective

☒ It promotes E/S characteristics, but will not make any sustainable investments



What environmental and/or social characteristics are promoted by this financial product?

In tracking the performance of the Bloomberg Euro Treasury 1-3 Year Carbon Tilted Index (the "Index"), the Sub-Fund promotes the following environmental and/or social characteristic:

- Supporting the transition to a lower carbon economy by targeting an improvement in the carbon emissions profile against that of the Bloomberg Euro Aggregate Treasury 1-3 Year Index (the "Parent Index").

The Sub-Fund seeks to achieve the promotion of this characteristic by tracking the performance of the Index, which applies a carbon tilt towards countries with lower carbon per capita levels relative to the Parent Index. The index applies carbon tilts to achieve an improved carbon profile versus the Parent Index, in addition to limiting overexposure to small markets with limited liquidity. The carbon tilt factors are constructed for each country/region, independent of any index universe, using a logistic function. The function takes into account the "intensity score per capita", a score ranging from 0-10, derived from normalising the carbon per capita levels. The carbon tilt factors are used to define the final index weights.

The Index has been designated as a reference benchmark for the purpose of attaining the environmental and/or social characteristics promoted by the Sub-Fund.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

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

The below sustainability indicator is used to measure the attainment of the environmental and social characteristics promoted by the Sub-Fund, specifically measuring:

- CO2 per Capita of the Sub-Fund, relative to the Parent Index, whereby the CO2 per Capita of the Sub-Fund is expected to be lower than that of the Parent Index.

- **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

Not applicable.

- **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

Not applicable.

How have the indicators for adverse impacts on sustainability factors been taken into account?

Not applicable.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

Not applicable.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti- corruption and anti- bribery matters.

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

- ☒ Yes, the eligible universe of constituents applies a carbon tilt, designed to reduce exposure to GHG intensity (PAI 15) of investee countries and ultimately reduce fossil fuel exposure.

No optional indicators are taken into account.

- ☐ No



What investment strategy does this financial product follow?

The Sub-Fund is passively managed and will aim to track the performance of the Index while minimising as far as possible the tracking error between the Sub-Fund’s performance and that of the Index and promoting environmental and social characteristics within the meaning

of Article 8 of SFDR. The Sub-Fund will use Optimisation techniques which consider tracking error, trading costs and availability of Index constituents when constructing the portfolio. Further detail on Optimisation is set out in the Section “Investment Techniques” in the Prospectus.

The Index consists of fixed-rate, investment-grade sovereign debt from member states of the European Union that also participate in the European Monetary Union. The Index only includes securities with maturities between 1-3 years. The Index seeks to achieve an improvement in carbon emissions against that of the Bloomberg Euro Aggregate Treasury 1-3 Year Index (the “Parent Index”). The currency of the Index is EUR and returns are unhedged. The Index is measured by total return, is market value weighted and rebalanced monthly.

The Index is based on the Bloomberg Index Methodology which applies an eligibility criterion based on a set of fundamental core design principles (namely securities that are representative of the market, replicable, relevant, objective and transparent) which are designed to accurately and comprehensively measure the underlying Index constituents. The Index is priced daily, except on market holidays, using Bloomberg’s evaluated pricing service, BVAL, with certain securities priced by third party sources.

The index also applies a carbon tilt towards countries with lower carbon per capita levels relative to the Parent Index. The index applies carbon tilts to achieve an improved carbon profile versus the parent, in addition to limiting overexposure to small markets with limited liquidity. The carbon tilt factors are constructed for each country/region, independent of any index universe, using a logistic function. The function takes into account the “intensity score per capita” for each country, a score ranging from 0-10, derived from normalising the carbon per capita levels. The carbon tilt factors are used to define the final index weights.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

● **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 element of the investment strategy is to track the performance of the Index while minimising as far as possible the tracking error between the Sub-Fund’s performance and that of the Index.

In tracking the performance of the Index, the Index methodology is bindingly applied to the construction of the Sub-Fund’s portfolio, such that:

1. The securities in which the Sub-Fund invests consist of fixed-rate, investment-grade sovereign debt from member states of the European Union that also participate in the European Monetary Union and only include securities with maturities between 1—3 years. The Sub-Fund seeks to achieve an improvement in carbon emissions against that of the Bloomberg Euro Aggregate Treasury 1-3 Year Bond Index (the “Parent Index”).
2. The securities in which the Sub-Fund invests are selected by the Index Provider based on the Bloomberg Index Methodology which applies an eligibility criterion based on a set of fundamental core design principles (namely securities that are representative of the market, replicable, relevant, objective and transparent) which are designed to accurately and comprehensively measure the underlying Index constituents.
3. The securities in which the Sub-Fund invests have a carbon tilt applied by the Index Provider in favour of countries with lower carbon per capita levels relative to the Parent Index in order to achieve an improved carbon profile versus the parent, in addition to limiting overexposure to small markets with limited liquidity. The carbon tilt factors are constructed for each country/region, independent of any index universe, using a logistic function. The function takes into account the “intensity score per capita” for each country, a score ranging from 0-10, derived from normalising the carbon per capita levels. The carbon tilt factors are used to define the final index weights.

Further information on the Index methodology is available from the Index Provider’s

website detailed in the “Where can the methodology used for the calculation of the designated index be found?” section of this document.

Good governance

practices include sound management structures, employee relations, remuneration of staff and tax compliance



Asset allocation

describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- turnover

reflecting the share of revenue from green activities of investee companies

- capital expenditure

(CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.

- operational expenditure

(OpEx) reflecting green operational activities of investee companies.

- **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

The Sub-Fund does not have a committed minimum rate to reduce the scope of investments.

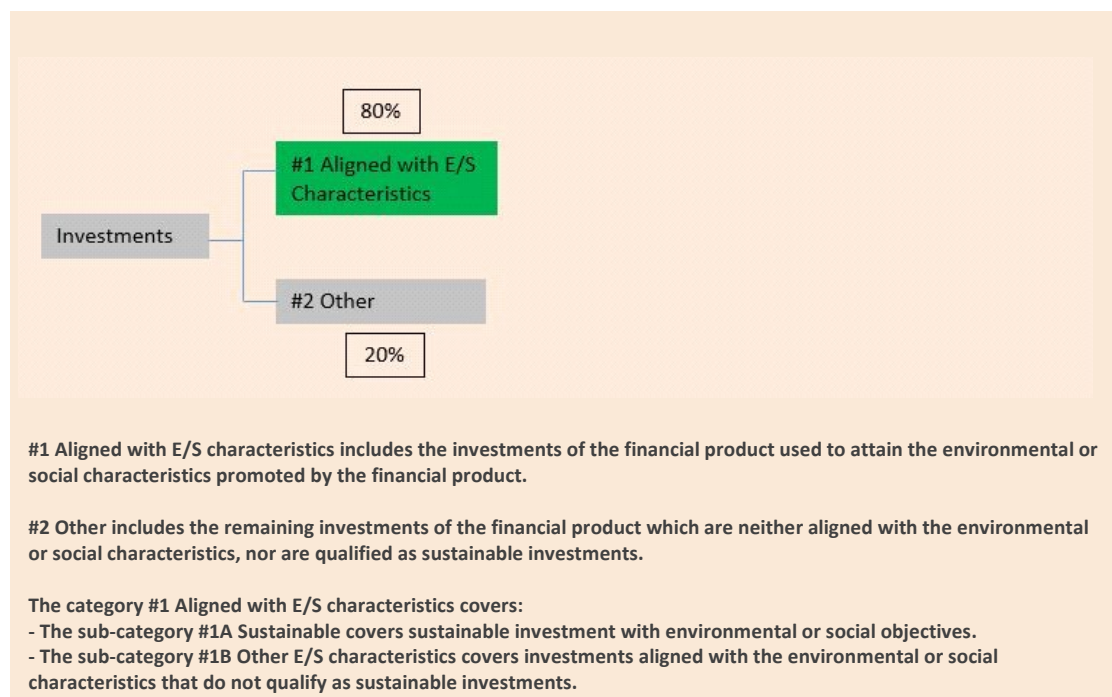
- **What is the policy to assess good governance practices of the investee companies?**

Not applicable as the Sub-Fund invests in sovereign debt securities and not companies.

What is the asset allocation planned for this financial product?

In seeking to achieve its investment objective, the Fund will aim to invest in the constituents of the Index in generally the same proportions in which they are included in the Index. As such, it is expected that at least 80% of the Fund's assets will be invested in either securities within the Index or in securities that meet the ESG criteria of the Index (“#1 Aligned with E/S characteristics”). The Fund may invest up to 20% of its assets in other investments (“#2 Other”).

At each index rebalance, the portfolio of the Fund will be rebalanced in line with the Index so that at least 80% of the Fund's assets will be aligned with the ESG criteria of the Index. The Sub-Fund promotes environmental and/or social characteristics but does not aim to make sustainable investments.



- **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

The Sub-Fund will not use derivatives to attain the environmental and/or social characteristics of the Sub-Fund.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

N/A. The Sub-Fund does not intend to commit to a minimum share of sustainable investments with an environmental objective that are aligned with the EU Taxonomy.

- Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy? ¹

☐ yes

☐ in fossil gas

☐ In nuclear energy

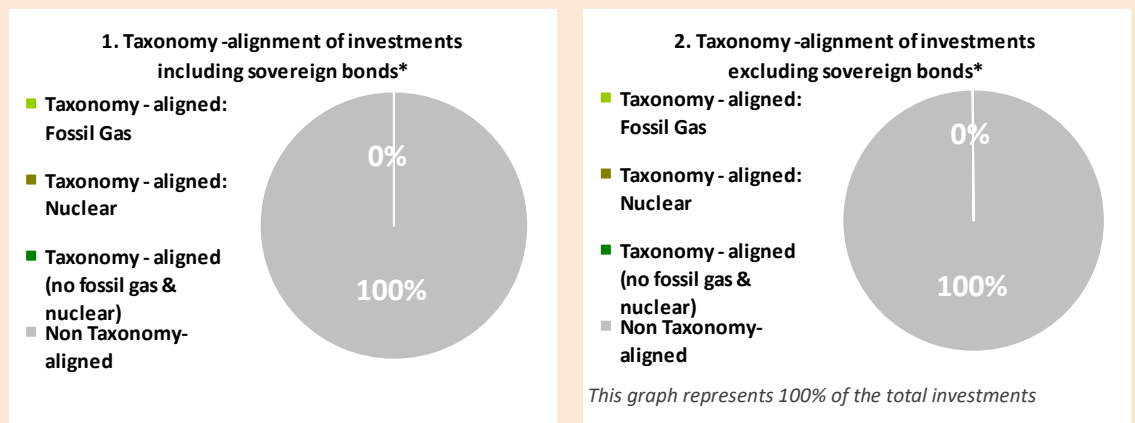
☒ No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective –see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Enabling activities

directly enable other activities to make a substantial contribution to an environmental objective.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

- What is the minimum share of investments in transitional and enabling activities?

N/A.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy.



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

N/A.



What is the minimum share of socially sustainable investments?

N/A.



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

Cash and other instruments such as Eligible Collective Investment Schemes and/or financial derivative instruments may be used for liquidity, hedging and efficient

portfolio management in respect of which there are no minimum environmental and/or social safeguards.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Yes.

The investment objective of the Sub-Fund is to track the performance of the Bloomberg Euro Treasury 1-3 Year Carbon Tilt Index

Reference benchmarks

are indexes to measure whether the financial product attains the environmental or social characteristics that they promote

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

The benchmark is continuously aligned to the characteristics it promotes through its incorporation of the carbon tilt factor on all issuers within the index, which tilts towards countries with lower carbon per capita levels relative to the Parent Index.

- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

In seeking to achieve its investment objective, the Sub-Fund will aim to invest in the constituents of the Index in generally the same proportions in which they are included in the Index. The composition of the Index is rebalanced on a monthly basis and carried out according to the published rules governing the management of the Index as determined by Bloomberg.

- **How does the designated index differ from a relevant broad market index?**

The Index consists of fixed-rate, investment-grade sovereign debt from member states of the European Union that also participate in the European Monetary Union. The Index only includes securities with maturities between 1-3 years. The Index seeks to achieve an improvement in carbon emissions against that of the Bloomberg Euro Aggregate Treasury 1-3 Year Index (the "Parent Index"). The currency of the Index is EUR and returns are unhedged. The Index is measured by total return, is market value weighted and rebalanced monthly.

The Index is based on the Bloomberg Index Methodology which applies an eligibility criterion based on a set of fundamental core design principles (namely securities that are representative of the market, replicable, relevant, objective and transparent) which are designed to accurately and comprehensively measure the underlying Index constituents. The Index is priced daily, except on market holidays, using Bloomberg's evaluated pricing service, BVAL, with certain securities priced by third party sources.

The index also applies a carbon tilt towards countries with lower carbon per capita levels relative to the Parent Index. The index applies carbon tilts to achieve an improved carbon profile versus the parent, in addition to limiting overexposure to small markets with limited liquidity. The carbon tilt factors are constructed for each country/region, independent of any index universe, using a logistic function. The function takes into account the "intensity score per capita" for each country, a score ranging from 0-10, derived from normalising the carbon per capita levels. The carbon tilt factors are used to define the final index weights.

- **Where can the methodology used for the calculation of the designated index be found?**

<https://www.bloomberg.com/professional/products/indices/fixed-income/>

The Index methodology may be amended from time to time by the Index provider. Information on the Index methodology is available on the website above.



Where can I find more product specific information online?

More product specific information on this and all other HSBC funds can be found on the website. Go to: www.assetmanagement.hsbc.com and select your type of investor and country/location. Please select 'Funds' from the main navigation page, where you can use the search or filter functions to find your particular fund.