HSBC Asset Management

14 April 2025

This document contains important information about the sub-fund(s) which is(are) Recognised Scheme(s) in which you are invested. This document is provided to the sub-fund's(s') distributor(s) for its(their) onward dissemination to its(their) customer(s) whom is(are) the sub-fund's(s') shareholder(s).

HSBC Global Asset Management (Singapore) Limited
10 Marina Boulevard
Marina Bay Financial Centre
Tower 2 Level 48-01
Singapore 018983
www.assetmanagement.hsbc.com/sg

Dear Shareholder,

We, HSBC Global Asset Management (Singapore) Limited (**"AMSG"**), are the appointed Singapore Representative and Singapore Distributor of HSBC Global Investment Funds – Global Lower Carbon Equity (the "**Sub-Fund**") which is registered as Recognised Scheme(s) in Singapore.

Please refer to the attached notice for more information on the proposed changes to the Sub-Fund.

The latest Singapore prospectus is available in our Fund Centre at https://www.assetmanagement.hsbc.com.sg/en/individual-investor/funds.

If you have any questions or require any further clarifications, please contact our appointed distributors or AMSG.

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

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 forthcoming changes to HSBC Global Investment Funds – Global Lower Carbon Equity (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 Equity Climate Transition'
- Update to the prospectus Investment Objective and associated SFDR pre-contractual disclosures
- Addition of Climate Transition Benchmark ("**CTB**") exclusions
- 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 has currently an ESG and 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 a 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 this will provide a better investment outcome for the sub-fund. The sub-fund will therefore be renamed "HSBC Global Investment Funds – Global Equity 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 and the pre-contractual disclosures document required under SFDR of the sub-

Terms not defined in this letter will have the same meaning as those defined in the current prospectus of HSBC Global Investment Funds. The Board accepts responsibility for the accuracy of the information contained in this letter as at the date of the mailing.

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 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 Equity to HSBC Global Investment Funds - Global Equity 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 companies that the Investment Adviser believes are on a clear and measurable transition pathway.

Update to Investment Objective

The Changes

The sub-fund will retain its objective to have a lower carbon intensity which will be calculated as a weighted average of the carbon intensities of the sub-fund's investments, relative to the weighted average of the constituents of the MSCI World (the "**Reference Benchmark**") however, the sub-fund will no longer aim to achieve a higher ESG score than the Reference Benchmark.

In addition, the sub-fund will expand its investment objective by aiming to have a focus on investments that have a clear and measurable path to climate transition.

The sub-fund will invest a minimum of 80% of its net assets in companies that the Investment Adviser believes are on a clear and measurable transition pathway as informed by HSBC Asset Management's proprietary climate transition assessment that evaluates a company's transition towards Net Zero ("Climate Transition Strategy") (currently 90% in companies in accordance with the Lower Carbon Strategy).

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 Changes

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 companies 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 not retain the objective to have a higher ESG score relative to the Reference Benchmark to allow the sub-fund to focus on its climate transition approach and to reflect that companies in transition may not always score well from an ESG perspective at the start of their journey to Net Zero.

The sub-fund will invest a minimum of 80% of its net assets in companies in accordance with the Climate Transition Strategy to ensure alignment with the increased commitment to 80% (currently 70%) of the proportion of investments used to meet the environmental characteristic the sub-fund promotes as disclosed in the pre-contractual disclosures. Further information is provided under section "Change of portfolio positioning" below.

Items considered to be material changes are detailed in Appendix 1 - Language Comparison.

Change of Portfolio Positioning

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 investments with a clear and measurable transition pathway and the application of the CTB exclusions. The sub-fund will retain its commitment to have a minimum proportion of 10% of sustainable investment.

Items considered to be material changes in the pre-contractual disclosures are detailed in the Appendix 1 - "Language Comparison" section of this notice. This revised wording 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 believed to be in the best interest of shareholders of the sub-fund as it will provide a more sophisticated view of investee companies' direction of travel regarding their carbon emissions. Data available to the Investment Adviser has improved compared to when the sub-fund was first launched in 2017. This enables the Investment Adviser to focus not only on reducing carbon intensity (which is focused on the current carbon emissions) but also consider forward looking carbon emissions by using various metrics such as company commitments, projected emissions, and implied temperature rise.

Impact on Shareholders

The changes expressed in this notice will require the Re-Positioning to meet the new investment objective and the turnover in holdings of the portfolio is currently estimated to be around 58%. The cost of Re-Positioning is estimated to be 0.2% 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 above for key dates of the changes.

The sub-fund will maintain its existing benchmark MSCI World (the "Reference Benchmark"). In addition, there will be no change to the charges and expenses relating to the sub-fund covered within the prospectus. The sub-fund will maintain its status as an Article 8 fund under SFDR.

Further information in respect of these changes is detailed below.

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 PERIOD:
14/05/2025 – 15/05/2025

EFFECTIVE DATE:
16/05/2025

THE SUB-FUND:

Global Lower Carbon Equity

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 equities, while promoting ESG characteristics within the meaning of Article 8 of SFDR. The sub-fund aims to do this with a lower carbon intensity and higher environmental, social and governance (“ESG”) score, calculated respectively as a weighted average of the carbon intensities and ESG scores of the sub-fund’s investments, than the weighted average of the constituents of the MSCI World (the “Reference Benchmark”).	The sub-fund aims to provide long-term total return by investing in a portfolio of equities, while promoting ESG characteristics within the meaning of Article 8 of SFDR. The sub-fund aims to do this with a **focus on investments that have a clear and measurable path to climate transition, as well as** a lower carbon intensity ~~and higher environmental, social and governance (“ESG”) score~~**, (**calculated ~~respectively~~ as a weighted average of the carbon intensities ~~and ESG scores~~ of the sub-fund’s investments, ~~than~~ **relative** to the weighted average of the constituents of the MSCI World (the “Reference Benchmark~~”).~~**”)).**
The sub-fund invests in normal market conditions a minimum of 90% of its net assets in accordance with the Lower Carbon Strategy as described below, in equities and equity-equivalent securities of companies which are domiciled in, based in, carry out the larger part of their business activities in, or are listed on a Regulated Market in developed markets.	The sub-fund invests in normal market conditions a minimum of ~~90~~ **80%** of its net assets ~~in accordance with the Lower Carbon Strategy as described below,~~ in equities and equity-equivalent securities of companies which are domiciled in, based in, carry out the larger part of their business activities in, or are listed on a Regulated Market in developed markets.
The sub-fund aims for lower exposure to carbon intensive businesses through portfolio construction.	~~The sub-fund aims for lower exposure to carbon intensive businesses through portfolio construction.~~
	The sub-fund will invest a minimum of 80% of its net assets in companies that the Investment Adviser believes are on a clear and measurable transition pathway as informed by HSBC Asset Management’s proprietary climate transition assessment that evaluates a company’s transition towards Net Zero (“Climate Transition Strategy”). 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 a company’s progress or commitment towards alignment with Net Zero pathways (i.e. the projected emissions allowed to a company through to 2050 to meet the Paris Agreement goal to limit the temperature increase to 1.5 degrees Celsius by 2050 compared to pre-industrial levels). Companies are assessed for their emission’s 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 companies as Achieving Net Zero, Aligned, Aligning, Committed to Aligning or Not Aligned, with the first and last categories not counting towards a clear and measurable path to climate transition given that companies that are categorized as ‘Achieving Net Zero’, have already transitioned, while those that are ‘Not Aligned’ are not showing sufficient evidence of the

requisite reduction in emissions. 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" company 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. The assessments of companies are reviewed periodically with updated information on the different quantitative and qualitative metrics and may result in a company'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.

The sub-fund uses a multi-factor investment process, based on five factors (value, quality, momentum, low risk and size), to identify and rank stocks in its investment universe with the aim of maximising the portfolio's risk-adjusted return. Although the investment process currently uses these five factors, it is subject to ongoing research regarding the current and potential additional factors. In order to lower exposure to carbon intensive businesses and raise the sub-fund's ESG score, all holdings in the portfolio are assessed for their individual carbon intensity and ESG scores (the "Lower Carbon Strategy"). A HSBC proprietary systematic investment process is then used to create a portfolio which:

- maximizes exposure to higher ranked stocks, and
- aims for a lower carbon intensity and higher ESG score calculated respectively as a weighted average of the carbon intensities and ESG scores of the sub-fund's investments, than the weighted average of the constituents of the Reference Benchmark.

The sub-fund uses a multi-factor investment process, based on five factors (value, quality, momentum, low risk and size), to identify and rank stocks in its investment universe with the aim of maximising the portfolio's risk-adjusted return. Although the investment process currently uses these five factors, it is subject to ongoing research regarding the current and potential additional factors. ~~In order to lower exposure to carbon intensive businesses and raise the sub-fund's ESG score, all holdings in the portfolio are assessed for their individual carbon intensity and ESG scores (the "Lower Carbon Strategy"). A HSBC~~ **HSBC's** proprietary systematic investment process is then used to create a portfolio which:

- maximizes exposure to higher ranked stocks, ~~and~~
- **aims to overweight companies that are on a clear and measurable transition pathway demonstrating progress or commitment to reduce their carbon intensity as evaluated by the climate transition assessment, described above, (companies classified as Aligned, Aligning or Committed to Aligning are considered to be on a clear and measurable pathway), and/or companies that facilitate the reduction of carbon and/or enable the transition through involvement in green solutions as assessed based on available individual or industry level information about their products and/or services or based on the generation of at least 20% of their total revenue from climate mitigation activities*, and**
- aims for a lower carbon intensity ~~and higher ESG score~~ calculated ~~respectively~~ as a weighted average of the carbon intensities ~~and ESG scores~~ of the sub-fund's investments, than the weighted average of the constituents of the Reference Benchmark.

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***Companies assessed under the Net Zero pathways to be Achieving Net Zero or Not Aligned but with green solutions may be held in the sub-fund's portfolio but will be limited to 20% of its net assets.**

Further details on HSBC's Net Zero classifications and green solutions 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.

The resulting portfolio will demonstrate a higher exposure to companies assessed as transitioning towards a low carbon economy, as well as a lower carbon intensity than the Reference Benchmark.

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<td>Companies 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.</td>
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Companies 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 companies 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 companies 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") HSBC considers to be engaged in the expansion of thermal coal production.**
- **Thermal Coal 2 (Revenue threshold) - The sub-fund will not invest in companies 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.**
- **Tobacco – The sub-fund will not invest in companies HSBC considers to be directly involved in the production of tobacco.**
- **UNGC - The sub-fund will not invest in companies that HSBC considers to be non-compliant with United Nations Global Compact (UNGC) Principles. Where**

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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.	**instances of potential violations of UNGC principles are identified, companies may be subject to proprietary ESG due diligence checks to determine their suitability for inclusion in a sub-fund's portfolio.** **Companies 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:** • **Controversial Weapons - The sub-fund will not invest in companies 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 companies involved in the cultivation and production of tobacco.** • **UNGC and OECD - The sub-fund will not invest in companies 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.
	All companies in the sub-fund's investment universe will be assessed for carbon intensity and climate transition data relying on a combination of external data sources and internal analysis.
Lower Carbon Strategy, 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 companies' ESG score and/or rating, Lower Carbon Strategy 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** Strategy, **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~~ **proprietary** ESG Materiality Framework and ~~ratings~~ **scores**, fundamental qualitative research and corporate engagement. When assessing companies' ESG ~~score and/or rating, Lower Carbon~~ **scores, Climate Transition** Strategy or their involvement in Excluded Activities, the Investment Adviser may rely on expertise, research and information provided by financial and non-financial data providers.

Pre-contractual disclosure changes

Current 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 and higher ESG scores compared to the index. 2. Responsible business practices in accordance with UN Global Compact. 3. Identification and analysis of a company's environmental and social characteristics including, but not limited to, physical risks of climate change and human capital management. 4. Active consideration of environmental and social issues through engagement and proxy voting. 5. Excluding activities covered by HSBC Asset Management's Responsible Investment Policies, (the "Excluded Activities") as listed below. The MSCI World Index is the "Reference Benchmark" for the sub-fund and will be used to measure the sub-fund's carbon intensity and ESG scores, 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. The sub-fund identifies which companies are on a clear and measurable climate transition pathway as informed by HSBC Asset Management's proprietary climate transition assessment to determine a company's progress or commitment towards alignment with "Net Zero" pathways**. **2.** ~~Active consideration of low~~ **The sub-fund will have a lower** carbon intensity ~~investments and higher ESG scores~~ compared to the Reference Benchmark. **3. The sub-fund identifies revenues of investee companies that are considered to be providing Green Solutions. For example revenues that are linked to technologies, services and tools that mitigate or eliminate or contribute to the removal of Greenhouse gasses.** **4. Consideration of r**~~R~~esponsible business practices in accordance with ~~UN Global Compact~~ **United Nations Global Compact ("UNGC") and OECD Guidelines for Multinational Enterprises ("OECD") principles. Where instances of potential violations of (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.** **5. A minimum proportion of the sub-fund's investments shall meet minimum ESG standards, i.e., the companies that the sub-fund invests in are required to meet minimum ESG and E, and S and G score levels.** ~~6. Identification and analysis of a company's environmental and social characteristics including, but not limited to, physical risks of climate change and human capital management.~~ ~~7. Active consideration of environmental and social issues through engagement and proxy voting.~~ **8.** Excluding activities covered by HSBC Asset Management's Responsible Investment Policies, (the "Excluded Activities") **and the EU Climate Transition Benchmark exclusions (the "CTB Excluded Activities") (together referred to as the "Excluded Activities")** as listed below. **The attainment of the E/S characteristics, are measured using the sustainable indicators below, some of which are measured against the** MSCI World as the "Reference Benchmark" for the sub-fund ~~and will be used to measure the sub-fund's carbon intensity and ESG scores, but~~. **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 indicators are ESG scores and carbon intensity data sourced from well-established financial data providers. They are used to measure the attainment of the environmental and social 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

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

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, **which comprise of:**

~~The primary sustainability indicators are ESG scores and carbon intensity data sourced from well-established financial data providers. They are used to measure the attainment of the environmental and social 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~~

~~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	**Clear and measurable transition pathway**	**Companies that are positively categorised within the HSBC Asset Management proprietary climate transition assessment as either, Aligned, Aligning, or Committed to Aligning.** **Implied Temperature Rise (scope 1, 2 and 3 Carbon Emissions) relative to Reference Benchmark**
2	**Lower carbon intensity**	**Lower Carbon Intensity by revenue (scope 1 & scope 2 Carbon Emissions), relative to the Reference Benchmark**
3	**Green Solutions**	**Higher proportion of green solutions relative to the Reference Benchmark (calculated as a**

		percentage weighted average of the green solutions of the sub-fund's investments, relative to the percentage weighted average of green solutions of the constituents of the Reference Benchmark)
4	Responsible business practice in line with UNGC	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.
5	Minimum ESG practices / standards	At least 80% of the sub-fund's investments shall meet minimum ESG standards – i.e., the companies that the sub-fund invests in are required to meet minimum ESG and E, and S and G score levels
6	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 proportion of the investments that meet minimum ESG standards, with the companies 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 company operates. The companies 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 Strategy, 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 companies' ESG scores, Climate Transition Strategy 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 a reduction in the weighted average carbon intensity versus the Reference Benchmark.

- The sub-fund aims for an improvement in the weighted average ESG score versus the Reference Benchmark.

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

- Thermal Coal (Revenue threshold) - the sub-fund will not invest in companies 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.

- Tobacco - the sub-fund will not invest in companies HSBC considers to be directly involved in the production of tobacco.

- UNGC - the sub-fund will not invest in companies that HSBC considers to be non-compliant with United Nations Global Compact (UNGC) Principles. Where instances of potential violations of UNGC principles are identified, companies may be subject to proprietary ESG due diligence

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 ESG score versus the Reference Benchmark.~~

- **The sub-fund will invest a minimum 80% of its net assets in companies with a clear and measurable transition pathway as informed by HSBC Asset Management's proprietary climate transition assessment.**

- **The sub-fund commits to have a minimum of 80% of investments that are aligned with the E/S characteristics promoted by the sub-fund.**

- **The sub-fund will invest a minimum 10% of its net assets in sustainable investments.**

- The sub-fund ~~aims for a reduction in the weighted average~~ **will consider the** carbon intensity ~~versus the Reference Benchmark.~~ **of companies in which the sub-fund invests.**

Companies 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 companies 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 companies 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 companies HSBC considers to be engaged in the expansion of thermal coal production.**

checks to determine their suitability for inclusion in a sub-fund's portfolio.	<table><tr><td>Thermal Coal 2 (Revenue threshold)</td><td>The sub-fund will not invest in companies 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.</td></tr><tr><td>Tobacco</td><td>The sub-fund will not invest in companies HSBC considers to be directly involved in the production of tobacco.</td></tr><tr><td>UNGC</td><td>The sub-fund will not invest in companies that HSBC considers to be non-compliant with United Nations Global Compact (UNGC) Principles. Where instances of potential violations of UNGC principles are identified, companies may be subject to proprietary ESG due diligence checks to determine their suitability for inclusion in a sub-fund's portfolio.</td></tr></table> **In addition, HSBC apply the CTB Excluded Activities regarding investments in companies for this sub-fund:** <table><tr><th>Additional CTB Excluded Activities</th><th>Details</th></tr><tr><td>Controversial weapons</td><td>The sub-fund will not invest in companies involved in any activities related to controversial weapons, namely anti-personnel mines, cluster munitions, chemical weapons and biological weapons.</td></tr><tr><td>Tobacco</td><td>The sub-fund will not invest in companies involved in the cultivation and production of tobacco.</td></tr><tr><td>UNGC and OECD</td><td>The sub-fund will not invest in companies in violation of the United Nations Global Compact (UNGC) principles or the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises.</td></tr></table>

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	The sub-fund promotes ~~Environmental/Social~~ **E/S**~~)~~ characteristics and while it does not have as its objective a sustainable

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.	investment, it will have a minimum proportion of 10% of sustainable investments (#1A Sustainable). The sub-fund will have a minimum proportion of ~~70%~~ **80%** of investments that are aligned with the ~~Environmental/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.