



HSBC
Investment Funds (Luxembourg) S.A

VOTING RIGHTS POLICY

HSBC Investment Funds (Luxembourg) S.A.

Version: 1.1

Last update: May 2026

Next review: Q2 2027

Owner: HIFL Regulatory Compliance

REVISION HISTORY

Date / version	Drafted by	Reviewed / approved by	Comments
JUN21/ v 0.2	HIFL Regulatory Compliance	HIFL Local Management Committee	Approved by LMC members by email on 25NOV20 and formally adopted / ratified on LMC held on 26NOV20.
JUN21/ v 0.2	HIFL Regulatory Compliance	HIFL Board of Directors	Approved by the Board of Directors during the meeting held on 24 June 2021
May24/ v 1.0	HIFL Regulatory Compliance	HIFL Board of Directors	Approved by the Board of Directors on May 2024. The policy was reviewed and updated with support from HSBC Asset Management Stewardship to align with principles set out in HSBC Asset Management Engagement Policy, Stewardship Plan and Voting Guidelines which are applied across our investment offices and include among other ESG factors.
May25/ v 1.0	HIFL Regulatory Compliance	HIFL Board of Directors	Approved by the Board of Directors on 13 May 2025 No significant changes have been made to the document since this was last approved.

May26/ v 1.1	HIFL Regulatory Compliance	HIFL Board of Directors	Approved by the LMC on 30 March 2026 Approved by the Board of Directors on Reference to the branches (Ireland and UAE) has been included.
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Background

HSBC Investment Funds (Luxembourg) S.A. ("HIFL") is a Management Company authorised under Chapter 15 of the amended Law of 17 December 2010 on undertakings for collective investment (the "2010 Law"), and authorised under Chapter 2 of the amended Law of 12 July 2013 on Alternative Investment Fund Managers (the "2013 Law").

HIFL acts as the appointed Management Company of several undertakings for collective investment in transferable securities ("UCITS") within the meaning of Directive 2009/65/EC of the European Parliament and of the Council on the coordination of laws, regulations and administrative provisions relating to UCITS (the "UCITS Directive").

HIFL also acts as an Alternative Investment Fund Manager of alternative investment funds ("AIFs") within the meaning of Directive 2011/61/EU of the European Parliament and of the Council on alternative investment fund managers (the "AIFMD Level 1").

As an HSBC Group entity, HIFL is also subject to Group requirements.

This policy is aligned to meet the following requirements:

- CSSF Circular 18/698, Section 5.5.10
- CSSF Regulation 10-04, Article 23
- Luxembourg Law of 1 August 2019
- [HSBC Asset Management - Voting Guidelines](#);
- [HSBC Asset Management - Engagement Policy](#); and
- [HSBC Asset Management Stewardship Plan](#).

HIFL must ensure that it applies all local regulations internally as well as through its delegated functions such as entities to which the portfolio management function has been delegated ("Portfolio Managers").

Voting Rights

2.1. Scope

This policy is applicable to all funds managed by HIFL in Luxembourg, Ireland, and the UAE.

2.2. Application

Article 23 of CSSF Regulation 10-4 requires HIFL to develop and maintain adequate and effective strategies for determining when and how voting rights attached to instruments held in the managed portfolios are to be exercised, to the exclusive benefit of the UCITS concerned.

The voting strategy shall concern:

- Monitoring relevant corporate events
- Ensuring that the exercise of voting rights is in accordance with the investment objectives and policy of the relevant UCITS.
- Preventing or managing any conflicts of interest arising from the exercise of voting rights.

The details of the voting policy shall be made available to investors. Furthermore, details of the actions taken on the basis of those strategies shall be made available to the investors free of charge and on their request.

The voting process for holdings within the funds has been delegated to the Portfolio Manager appointed to manage the sub-funds. All Portfolio Managers are HSBC Asset Management (“AM”) entities.

2.3. HSBC Asset Management Engagement Policy and Global Voting Guidelines

The [EU Directive 2017/828](#) issued on the 17 May 2017 (“*Shareholders Rights Directive II*”, or “*SRD II*”) sets out relevant requirements on asset owners and asset managers to develop and publicly disclose an **engagement policy**. It also requires them to disclose annually how this policy has been implemented.

Among others, **the engagement policy** referred to above **must describe how the entity integrates shareholder engagement in its investment strategy, monitors investee companies on relevant matters, conducts dialogues with investee companies, exercises voting and other rights, and manages actual and potential conflicts of interest.** The **annual disclosure of the policy’s implementation must include a general description of voting behaviour, an explanation of the most significant votes and any use of proxy adviser services**, where appropriate.

In order to comply with those requirements, **HSBC Asset Management** has developed the [Engagement Policy](#), [Stewardship Plan](#) and [Voting Guidelines](#).

Our Voting Guidelines are applied across our investment offices to which HIFL has delegated the portfolio management activity.

In particular, the Voting Guidelines describe how HSBC monitors investee companies on exercise voting rights, including ESG factors. In particular, the Guidelines set out the HSBC Asset Management approach on key voting issues and engagement activity with Boards of investee companies, including, but not limited to, in relation to Board composition and independence, Board remuneration, Disclosure or Shareholder rights.

2.4 ISS Voting and tracking system.

To enable efficient proxy voting operations, we collaborate with the Institutional Shareholder Services (“ISS”) which provides research, a voting platform and disclosure services. Our Voting Guidelines, together with our own research, inform more granular voting policy instructions, based on which ISS provide us with custom voting recommendations for each shareholder meeting.

We monitor the application of our voting policy by ISS and have regular communications to seek to ensure quality of services delivered.

2.5 Public disclosure

The **Engagement Policy, Stewardship Plan and Voting Guidelines** referred to above are made available on the [HSBC Asset Management website](#) and on the dedicated [site for Luxembourg](#) to facilitate all investors having access to the information.

In addition, in terms of “**Voting Activity Disclosures**”, for all voting through the ISS platform, we publish full voting records through the [Proxy Voting Dashboard](#) on our website. We also offer clients detailed reports on our voting activity.

Appendix 1 - How does the firm make investment decisions based on evaluation of medium to long-term performance of an investee company, including non-financial performance?

For our actively managed strategies financial analysis underpins all of our investment decisions and drives our investment processes. We believe that markets are not fully efficient, they are complex and hard to beat.

They are prone to misbehaviour and mis-pricings. This creates opportunities for long-horizon investors who focus on fundamentals. Anomalies can persist for a while, but ultimately there is mean-reversion to fundamentals.

Analysis of ESG factors is incorporated into our investment process, across all asset classes, alongside financial analysis, to inform our investment decisions to target sustainable long-term returns. Within the manager's report there is a section 'Fund Outlook, however perhaps more detail should be included regarding decisions based on evaluation of medium to long-term performance, including non-financial performance within the section.

For more information, related to the Shareholders Rights Directive, please refer to relevant fund literature such as the fund prospectus and annual reports.