HSBC Asset Management

HSBC Global Investment Funds
Société d'Investissement à Capital Variable
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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 Equity Sustainable Healthcare (the "**sub-fund**"), in which you own shares.

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

- Update to the Investment Objective including the addition of Paris Aligned Benchmark ("**PAB**") exclusions.
- Update to the social commitments of the sub-fund including:
  - Sustainable investment commitment increasing to 51% (10% currently)
  - Commitment that 80% (70% currently) of the sub-fund's investments will meet the social characteristics promoted by the sub-fund.

These amendments are being made to ensure compliance of the sub-fund with new guidelines published by the European Securities and Markets Authority (the "**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.

According to the ESMA guidelines, the sub-fund's name includes a "sustainability-related" term (i.e., "Sustainable") 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 (g) of the Commission Delegated Regulation ("**CDR**") (EU) 2020/1818 (i.e. the PAB exclusions) and

- commit to invest meaningfully in sustainable investments referred to in Article 2(17) of the SFDR ("**Sustainable Investments**").

In addition to meeting the requirements of the ESMA guidelines, the other updates to the Investment Objective and the pre-contractual disclosures required under SFDR of the sub-fund are intended to provide shareholders with improved transparency of the ESG related commitments of the sub-fund and clearer positioning of the sub-fund.

Effective Date

The sub-fund updates 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
Effective Date	16/05/2025

Update to Investment Objective

The Changes

The sub-fund will invest a minimum of 80% (currently 70%) of its net assets in equities and equity equivalent securities of Healthcare Companies which are domiciled in, based in, carry out business activities in, or are listed on a Regulated Market in, any country including both developed and Emerging Markets.

The Sustainable Healthcare Products will also cover the healthcare services which may include, but are not limited to, hospitals, distributors, or laboratories.

Companies with –1 (currently 0) to positive Sustainable Healthcare Scores will be considered for investment by the Investment Adviser. Companies with a neutral to positive Sustainable Healthcare Scores will then subject to the principle of 'do no significant harm' (as considered by SFDR) to environmental or social objectives and good governance screens before being considered as Sustainable Investments.

The sub-fund will be adopting the Parisaligned Benchmarks ("**PAB**") exclusions referred to in Article 12(1) (a) to (g) of Commission Delegated Regulation ("**CDR**") (EU) 2020/1818 as detailed below.

Additional PAB Excluded Activities	Details
Controversial weapons	Companies involved in any activities related to controversial weapons, namely antipersonnel mines, cluster munitions, chemical weapons and biological weapons.
Tobacco	Companies involved in the cultivation and production of tobacco.
UNGC and OECD	Companies in violation of the United Nations Global Compact (UNGC) principles or the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises.
Hard coal and lignite	Companies that derive 1% or more of revenue from exploration, mining extraction, distribution or refining of hard coal and lignite.
Oil fuels	Companies that derive 10% or more of their revenues from the exploration, extraction, distribution or refining of oil fuels.
Gaseous fuels	Companies that derive 50% or more of their revenues from the exploration, extraction, manufacturing or distribution of gaseous fuels.
Electricity generation	Companies that derive 50 % or more of their revenues from electricity generation with a GHG intensity of more than 100 g CO2 e/kWh.

Rationale for Changes

According to the ESMA guidelines, funds using "sustainability-related" terms are required to commit to meet an 80% threshold linked to the proportion of investments used to meet its environmental or social characteristic or sustainable investment objectives, apply the PAB exclusions and to invest meaningfully in Sustainable Investments.

The sub-fund will invest a minimum of 80% (currently 70%) of its net assets in equities and equity equivalent securities of Healthcare Companies. This is to ensure alignment with the increased commitment to 80% (currently 70%) of the proportion of investments used to meet the social characteristic the sub-fund promotes as disclosed in the pre-contractual disclosures. Further information is provided under the section entitled 'Update of social commitments of the sub-fund' below.

The inclusion of companies with –1 (currently 0) to positive Sustainable Healthcare Scores for investment by the Investment Adviser is to support the increase of investment in equities and equity equivalent securities of Healthcare Companies to 80% (currently 70%). This will allow for the sub-fund's portfolio and investment process to remain unchanged. The securities with a score of –1 are companies that the Investment Adviser considers as having a high likelihood of moving to neutral in the near future. This change will therefore have no impact on the sub-fund's investment philosophy.

The sub-fund will apply the PAB 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 also continue to apply specific exclusions in relation to Human Germline Manipulations.

Update of social commitments of the sub-fund

To meet the requirements of the ESMA guidelines, the sub-fund will update some of its social commitments set out in its pre-contractual disclosures.

Sustainable investment commitment increasing to 51% (10% currently)

The Change

The sub-fund will increase its minimum Sustainable Investments commitment from 10% to 51%.

Rationale for Change

As well as meeting the requirements of the ESMA guidelines, the updated commitment provides shareholders with further certainty regarding the minimum level of Sustainable Investments that will be held within the sub-fund. The updated commitment is also a result of the Investment Adviser enhancing its current approach to the measurement of Sustainable Investments. This change will be documented in the pre-contractual disclosure at the Effective Date.

Commitment that 80% of the sub-fund's investments will meet the social characteristics promoted by the sub-fund

The Change

The sub-fund will also increase its commitment of the proportion of investments used to meet the social characteristics that the sub-fund promotes from 70% to 80%. The investment process and philosophy of the sub-fund will remain focused on investment in companies that aim to improve clinical outcomes for patients and aim to improve the affordability of medicine over time.

Rationale for Change

According to the ESMA guidelines, funds using "sustainability-related" terms must commit to meet an 80% threshold linked to the proportion of investments used to meet its environmental or social characteristics or sustainable investment objectives.

Impact on Shareholders

The Board would like to assure Shareholders that the sub-fund's investment objective and/or the way it is managed and/or its risk rating will not change. There will be no change to the charges and expenses relating to the sub-fund following these changes.

Actions to be taken

The changes detailed above are sent to you for your information only.

The latest prospectus, Key Information Document and/or Key Investor Information Document are available in the Fund Centre at 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

Appendix 1 - Language comparison

Investment Objective in prospectus

Original Language	Proposed Language
The sub-fund will invest a minimum of 70% of its net assets in equities and equity equivalent securities of Healthcare Companies, as listed below, which are domiciled in, based in, carry out business activities in, or are listed on a Regulated Market in, any country including both developed and Emerging Markets. Sustainable Healthcare Products may include, but are not limited to, drugs which help reduce the days a patient spends in an intensive care unit, diagnostic tests which enable early detection and treatment, disease prevention, operational improvements and deployment of technology. The sub-fund may be relatively concentrated in equities of companies domiciled in the USA.	The sub-fund will invest a minimum of ~~70%~~ **80%** of its net assets in equities and equity equivalent securities of Healthcare Companies, as listed below, which are domiciled in, based in, carry out business activities in, or are listed on a Regulated Market in, any country including both developed and Emerging Markets. Sustainable Healthcare Products may include, but are not limited to, drugs which help reduce the days a patient spends in an intensive care unit, diagnostic tests which enable early detection and treatment, disease prevention, operational improvements and deployment of technology **or healthcare services which may include, but are not limited to, hospitals, distributors or laboratories**. The sub-fund may be relatively concentrated in equities of companies domiciled in the USA.
Companies with zero to positive Sustainable Healthcare Scores (proprietary analysis is used to determine Sustainable Healthcare Scores, also explained below in further detail) are considered for investment by the Investment Adviser.	Companies with ~~zero~~ **-1** to positive Sustainable Healthcare Scores (proprietary analysis is used to determine Sustainable Healthcare Scores, also explained below in further detail) are considered for investment by the Investment Adviser. **Companies with a neutral to positive Sustainable Healthcare Scores are then subject to the principle of 'do no significant harm' (as considered by SFDR) to environmental or social objectives and good governance screens before being considered as sustainable investments.**
When assessing companies' Sustainable Healthcare Scores, the Investment Adviser may rely on expertise, research and information provided by financial and non-financial data providers (when available) and/or its own proprietary research. Companies considered for inclusion within the sub-fund's portfolio will be subject to Excluded Activities	~~When assessing companies' Sustainable Healthcare Scores, the Investment Adviser may rely on expertise, research and information provided by financial and non-financial data providers (when available) and/or its own proprietary research.~~ 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**

in accordance with HSBC Asset Management's Responsible Investment Policies, which may change from time to time.

- **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.**
- **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.**
- **Arctic Oil & Gas - The sub-fund will not invest in companies HSBC considers to have more than 10% of their revenues generated from oil & gas extraction in the Arctic region and which, in the opinion of HSBC, do not have a credible transition plan.**
- **Oil Sands - The sub-fund will not invest in companies HSBC considers to have more than 10% of their revenues generated from oil sands extraction and which, in the opinion of HSBC, do not have a credible transition plan.**
- **Shale Oil - The sub-fund will not invest in companies HSBC considers to have more than 35% of their revenues generated from the extraction of Shale Oil and which, in the opinion of HSBC, do not have a credible transition plan.**
- **Tobacco - The sub-fund will not invest in 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 checks to determine their suitability for inclusion in a sub-fund's portfolio.**

Companies will also be subject to additional exclusions relating to the Paris-aligned Benchmarks as defined in Article 12(1) (a) to (g) 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.**
- **Hard coal and lignite - The sub-fund will not invest in companies that derive 1% or more of revenue from exploration, mining extraction, distribution or refining of hard coal and lignite.**
- **Oil fuels - The sub-fund will not invest in companies that derive 10 % or more of their revenues from the exploration, extraction, distribution or refining of oil fuels.**
- **Gaseous fuels - The sub-fund will not invest in companies that derive 50 % or more of their revenues from the exploration, extraction, manufacturing or distribution of gaseous fuels.**

- **Electricity Generation - The sub-fund will not invest in companies that derive 50 % or more of their revenues from electricity generation with a GHG intensity of more than 100 g CO2 e/kWh.**

The sub-fund will also **not invest in companies involved in the use of genetic manipulations affecting the germline of humans.**

- **Human germline manipulations - The use of genetic manipulations affecting the germline of humans. The revenue exposure threshold will depend on the specific Excluded Activity but will not be higher than 30% of the relevant company's total revenue.**

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. In addition, the sub-fund will not invest in companies involved in the use of genetic manipulations affecting the germline of humans.	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. ~~In addition, the sub-fund will not invest in companies involved in the use of genetic manipulations affecting the germline of humans.~~
Sustainable Healthcare Products, 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 or their involvement in Excluded Activities, the Investment Adviser may rely on expertise, research	Sustainable Healthcare Products, Excluded Activities and the need for ~~enhanced~~ **ESG** due diligence may be identified and analysed by using, but not exclusively, HSBC's Proprietary ESG Materiality Framework and ~~ratings~~ **scores**, fundamental qualitative research and corporate engagement. When assessing companies' ESG score ~~and/or rating~~ or their involvement in Excluded Activities, the Investment Adviser may rely on expertise, research and information provided by financial and non-financial data providers.

and information provided by financial and non-financial data providers.	

Pre-contractual disclosure

Original Language	**Proposed Language**
It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 10% of sustainable investments	It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ~~10~~**51%** of sustainable investments

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. Investment into in a concentrated portfolio of equities of companies that may benefit from increasingly constrained healthcare budgets world-wide. 2. Responsible business practices in accordance with UN Global Compact Principles for businesses. 3. Identification and analysis of a company's social characteristics, including but not limited to patient access to care. 4. Active consideration of social issues through engagement and proxy voting. Excluding activites covered by HSBC Asset Management's Responsible Investment	The environmental and/or social characteristics **("E/S characteristics")** promoted by this sub-fund are: 1. Investment into in a concentrated portfolio of equities of companies that may ~~benefit from~~ **support** increasingly constrained healthcare budgets world-wide, **including patient accessibility to care and affordability**. **2. 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.** 3. **Consideration of** responsible business practices in accordance with 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 due diligence checks to determine their suitability for inclusion in the sub-fund's portfolio and, if deemed unsuitable, excluded**. ~~4. Identification and analysis of a company's social characteristic, including but not limited to patient access to care.~~ ~~5. Active consideration of social issues through engagement and proxy voting~~ 6. ~~Exclude~~ **Excluding** activities covered by HSBC Asset Management's Responsible Investment Policies **(the "HSBC Excluded Activities") and the Paris-aligned Benchmark exclusions (the "PAB Excusions")** (**together referred to as the** "**Excluded Activities**") as listed below.

Policies, the "**Excluded Activities**") as listed below.

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 sub-fund will invest in companies with current and/or expected revenue exposure to sustainable healthcare products in line with the social focus of the sub-fund ("Sustainable Healthcare Products"). The sub-fund's social focus is to improve the affordability of healthcare, aiming to alleviate the budgetary pressures of providing healthcare. Such Sustainable Healthcare Products have the potential to improve value for money of healthcare spending through improved clinical benefits (e.g. improved clinical efficacy, safety) and/or cost savings through innovation (e.g. a reduction in treatment costs, reduction in ongoing hospitalisation costs). Such companies, in line with the social focus of the sub-fund ("Healthcare Companies"), are determined based on a HSBC proprietary analysis process including sustainable healthcare scores ("Sustainable Healthcare Scores").

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

- 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 sub-fund will invest in companies with current and/or expected revenue exposure to sustainable healthcare products in line with the social focus of the sub-fund ("Sustainable Healthcare Products"). The sub-fund's social focus is to improve the affordability of healthcare, aiming to alleviate the budgetary pressures of providing healthcare. Such Sustainable Healthcare Products have the potential to improve value for money of healthcare spending through improved clinical benefits (e.g. improved clinical efficacy, safety) and/or cost savings through innovation (e.g. a reduction in treatment costs, reduction in ongoing hospitalisation costs). Such companies, in line with the social focus of the sub-fund ("Healthcare Companies"), are determined based on a HSBC proprietary analysis process including sustainable healthcare scores ("Sustainable Healthcare Scores").~~

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

- ~~Violation of UNGC and OECD principles~~
- ~~Share of investment involved in controversial weapons~~

~~The sub-fund's aims are also aligned with goal three of the UN Sustainable Development Goals, which is a social goal focused on good health and well-being.~~

Social characteristic	**Sustainability indicator**
1. Investing in companies that support improve affordable, healthcare with improved patient outcomes	**Cost savings** **Clinical outcomes**
2. Minimum ESG standards	**At least 80% of the sub- fund's investments shall meet minimum ESG standards i.e. companies that the sub-fund invests in are required to meet a minimum ESG and E, and S and G score levels.**
3. Responsible business practice in line with UNGC and OECD principles	**All investments are assessed against the ten principles of the UNGC and the OECD. Companies that are flagged as having violated one of the ten principles of the UNGC or OECD guidelines are systematically excluded, unless they have gone through an ESG due diligence assessment, undertaken by HSBC, and**

The sub-fund's aims are also aligned with goal three of the UN Sustainable Development Goals, which is a social goal focused on good health and well-being.		**are determined not to be in breach of the principles or guidelines**
	4. Excluded Activities	**Exclusion of companies that are not in compliance with Excluded Activities**

~~The sub-fund's aims are also aligned with goal three of the UN Sustainable Development Goals, which is a social goal focused on good health and well-being.~~

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 paragraph has also been inserted.

The sub-fund will have a proportion of its 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.

Sustainable Healthcare Products, 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 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 will invest a minimum of 70% of its net assets in equities and equity equivalent securities of Healthcare Companies.

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 will invest a minimum of ~~70%~~**80%** of its net assets in equities and equity equivalent securities of Healthcare Companies.

- T**he sub-fund commits to have a minimum of 80% of investments that are aligned with the social characteristics promoted by the sub-fund.**

- **The sub-fund will invest a minimum 51% of its net assets in sustainable investments.**

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

- the use of genetic manipulations affecting the germline of humans. The revenue exposure threshold will depend on the specific Excluded Activity but will not be higher than 30% of the relevant company's total revenue.
- **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

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

Bespoke excluded Activity	Details
Human Germline manipulations	The use of genetic manipulations affecting the germline of humans. The revenue exposure threshold will depend on the specific Excluded Activity but will not be higher than 30% of the relevant company's total revenue.

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 participatie 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 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.
Arctic Oil & Gas	The sub-fund will not invest in companies HSBC considers to have more than 10% of their revenues generated from oil & gas extraction in the Arctic region and which, in the opinion of HSBC, do not have a credible transition plan.
Oil Sands	The sub-fund will not invest in companies HSBC considers to have more than 10% of their revenues generated from oil sands extraction and which, in the opinion of HSBC, do not have a credible transition plan.
Shale Oil	The sub-fund will not invest in companies HSBC considers to have more than 35% of their revenues generated from the extraction of Shale Oil and which, in the opinion of HSBC, do not have a credible transition plan.
Tobacco	The sub-fund will not invest in 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 checks to determine their suitability for inclusion in a sub-fund's portfolio.

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.
- **Arctic Oil & Gas** - the sub-fund will not invest in companies HSBC considers to have more than 10% of their revenues generated from oil & gas

In addition, HSBC apply the PAB Excluded Activities regarding investments in companies for this sub-fund:

Additional PAB Excluded Activities	Details
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.
Hard coal and lignite	The sub-fund will not invest in companies that derive 1% or more of revenue from exploration, mining extraction, distribution or refining of hard coal and lignite.
Oil fuels	The sub-fund will not invest in companies that derive 10% or more of their revenues from the exploration, extraction, distribution or refining of oil fuels.
Gaseous fuels	The sub-fund will not invest in companies that derive 50% or more of their revenues from the exploration, extraction, manufacturing or distribution of gaseous fuels.
Electricity generation	The sub-fund will not invest in companies that derive 50% or more of their revenues from electricity generation with a GHG intensity of more than 100 g CO2 e/kWh.

extraction in the Arctic region and which, in the opinion of HSBC, do not have a credible transition plan.

- **Oil Sands** - the sub-fund will not invest in companies HSBC considers to have more than 10% of their revenues generated from oil sands extraction and which, in the opinion of HSBC, do not have a credible transition plan.
- **Shale Oil** - the sub-fund will not invest in companies HSBC considers to have more than 35% of their revenues generated from the extraction of Shale Oil and which, in the opinion of HSBC, do not have a credible transition plan.
- **Tobacco** - the sub-fund will not invest in 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 checks to determine their suitability for inclusion in a sub-fund's portfolio.

What is the asset allocation planned for this financial product?

The sub-fund promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 10% of sustainable investments with a social objective (#1A Sustainable).

The sub-fund will have a minimum proportion of 70% of investments that are aligned with the environmental or social characteristics promoted by the financial product (#1 Aligned with E/S Characteristics). (#2 Other) includes liquid assets (ancillary liquid assets, bank deposits, money market instruments and money market funds) and financial derivatives instruments which may be used for efficient portfolio management.

The sub-fund promotes E/S characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ~~**10**~~ **51%** of sustainable investments with a social objective (#1A Sustainable).

The sub-fund will have a minimum proportion of ~~**70**~~ **80%** of investments that are aligned with the 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.