UCITS under
European Directive 2009/65/EC

PROSPECTUS

I General characteristics

Form of the fund

▶ Name: HSBC EURO GVT BOND FUND

▶ Legal form and Member State in which the fund was established:

Mutual fund (FCP) governed by French law.

▶ Date of inception and expected life span:

Established on 17 December 1998 for a duration of ninety-nine (99) years.

▶ Summary of the investment management offer:

	ISIN	Target subscribers	Minimum initial 1st subscription	Initial net asset value	Subscription fee	Appropriation of distributable amounts	Currency	Minimum subsequent subscription
HC	FR0000971293	All subscribers, especially institutional investors	1 thousandth of a unit	€1,524.49	2% maximum	Net income and net realised gains: Accumulated	Euro	1 thousandth of a unit
HD	FR0000971301	All subscribers, especially institutional investors	1 thousandth of a unit	€1,524.49	2% maximum	Net income: Distributed Net realised gains: Accumulation and/or distributed, upon decision of the management company each year	Euro	1 thousandth of a unit
SC	FR0013216199	For institutional investors only	€20,000,000	€1,000	2% maximum	Net income and net realised gains: Accumulated	Euro	1 thousandth of a unit
SD	FR0013216173	For institutional investors only	€20,000,000	€1,000	2% maximum	Net income: Distributed Net realised gains: Accumulation and/or distributed, upon decision of the management company each year	Euro	1 thousandth of a unit
ZC	FR0013216165	Reserved for UCIs and mandates of the HSBC Group	1 thousandth of a unit	€1,000	6% maximum paid to the management company	Net income and net realised gains: Accumulated	Euro	1 thousandth of a unit
BC	FR0013270436	Subscription for this unit is subject to the existence of a specific remuneration agreement between the subscriber and the	1 thousandth of a unit	€1,000	2% maximum	Net income and net realised gains: Accumulated	Euro	1 thousandth of a unit

BD	FR0013313939	distributor or the portfolio manager				Net income: Distributed Net realised gains: Accumulation and/or distributed, upon decision of the management company each year		

UCIs and mandates managed by an HSBC Group entity are exempted from subscription fees.

▶ Where to obtain the most recent annual and interim reports:

The most recent annual reports and the asset inventory statement will be sent out within eight business days at the investor's written request sent to the management company

HSBC Global Asset Management (France)
E-Mail: hsbc.client.services-am@hsbc.fr

II - Service Providers

▶ Management company:

HSBC Global Asset Management (France)
Company address: Cœur Défense, 110 esplanade du Général de Gaulle - La Défense 4 - 92400 Courbevoie
Asset Management Company authorised under no. GP99026 by the Commission des Opérations de Bourse, 31 July 1999

▶ Depositary and custodian:

CACEIS Bank
Public limited company, credit institution approved by the CECEI, Bank providing investment services
Company address: 89-91 rue Gabriel Péri – 92120 Montrouge
Postal address: 12 place des États-Unis - CS 40083 - 92549 Montrouge CEDEX

The depositary's duties cover the tasks, as defined by the applicable regulations, of safekeeping of assets, verification of the validity of the management company's decisions, and monitoring of the cash flows of UCITS.

The depositary is independent of the management company.

Agents:
The description of the delegated asset custody functions, the list of delegates and sub-delegates of CACEIS Bank, and the information related to conflicts of interest that may arise out of these delegations are available on the CACEIS website: www.caceis.com

Up-to-date information is available to investors upon request.

▶ Subscription and redemption order centralisation agents appointed by the management company:

CACEIS Bank
Public limited company, credit institution approved by the CECEI, Bank providing investment services
Company address: 89-91 rue Gabriel Péri – 92120 Montrouge
Postal address: 12 place des États-Unis - CS 40083 - 92549 Montrouge CEDEX

The depositary is also responsible, as appointed by the management company, for managing the fund's liabilities, which includes centralising subscription and redemption orders for and keeping the issuing account of the fund's units.

▶ **Statutory auditor:**

PricewaterhouseCoopers Audit
Crystal Park
63 rue de Villiers – 92200 Neuilly sur Seine
Represented by Arnaud Percheron

▶ **Marketing agent:**

HSBC Global Asset Management (France)
Company address: Cœur Défense, 110 esplanade du Général de Gaulle - La Défense 4 - 92400 Courbevoie

▶ **Agent:**

Accounting manager
CACEIS FUND ADMINISTRATION
Company address: 89-91 rue Gabriel Péri – 92120 Montrouge
Postal address: 12 place des États-Unis - CS 40083 - 92549 Montrouge CEDEX

CACEIS Fund Administration, a subsidiary of the CACEIS group, is a commercial company specialising in fund accounting.
CACEIS Fund Administration will deal in particular with the valuation of the fund and the production of interim documents.

III Operation and management

III-1 General characteristics:

▶ **Characteristics of the units or shares**:

Type of rights attached to the units: each unitholder is entitled to joint ownership of the fund's assets in proportion to the number of units held.
Liability accounting is administered by CACEIS Bank.
The units are administered by Euroclear France.
Voting rights: since no voting rights are associated with the units in a mutual fund, decisions are taken by the management company.
Form of units: bearer.
Subscriptions in directly registered form are authorised only on the prior decision of the Management Company.
Fractional units: Subscriptions and redemptions are possible to the level of thousandths of units for the H, S, Z, and B units.

▶ **Closing date**:

Last valuation day of December (end of the first financial year: last trading day of December 1999).

▶ **Taxation:**

The fund is not subject to corporate tax. According to the principle of transparency, the tax administration considers that the unitholder directly holds a fraction of the financial instruments and cash held in the fund.

The tax system applicable to the amounts distributed by the fund or to the unrealised or realised gains or losses of the fund depends on the tax provisions applicable to the investor and/or the investment jurisdiction of the funds. The investor is advised to contact a specialised advisor on this matter.

A switch from one unit class to another is considered a redemption followed by a subscription and is therefore subject to tax.

III-2 Special provisions

▶ **ISIN:**

Unit Class	ISIN
HC	FR0000971293
HD	FR0000971301
SC	FR0013216199
SD	FR0013216173
ZC	FR0013216165
BC	FR0013270436
BD	FR0013313939

▶ **Classification:**

Bonds and other debt securities denominated in euros

▶ **Management objective:**

The fund promotes environmental or social characteristics within under Article 8 of Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector ("SFDR").

Information on environmental or social characteristics is available in the SFDR appendix to the annual report.

The fund's management objective is to outperform the benchmark index, the FTSE EMU Government Bond Index (EGBI) over the recommended investment period, excluding management fees*.

* *These fees correspond to 1 + 2 listed below in the table of fees invoiced to the UCITS in this prospectus.*

▶ **Benchmark:**

The benchmark is the FTSE EMU Government Bond Index (EGBI).

The FTSE EMU Government Bond Index (EGBI) is calculated in euros and coupons reinvested by CitiGroup. This benchmark consists of all the securities issued by the Member States of the eurozone with a lifetime greater than one year and more than €1 billion in assets (Bloomberg ticker code: EGBI Index)

The FTSE International Limited administrator of the FTSE EMU Government Bond Index (EGBI) does not feature on ESMA's register of index administrators.

Additional information on the benchmark index is accessible via the website of the administrator FTSE International Limited: http://www.ftserussell.com/

The management company has a procedure for monitoring benchmarks used. It describes the measures to be implemented if substantial modifications are made to an index or an index ceases to be provided.

▶ Investment strategy:

1 Strategies used:

Management will take advantage of the following sources of performance:

1- ***active management of interest rate risk,*** which involves management of yield curve strategies and sensitivity. The global sensitivity of the fund and the yield curve strategy are decided through market forecasts of the management team respectively concerning changes in interest rates (in case of interest rate spikes, the value of falling fixed-rate bonds) and the deterioration of the yield curb (exposure to special yield curve points to benefit from flattening, steepening or the curvature of yield curbs).

2- ***selection of securities*** among bonds issued or guaranteed by the Member States of the Economic and Monetary Union. The selection of securities depends on their relative value analysis carried out by the management team.

The HSBC Euro Gvt Bond Fund meets the conditions of the “Basel 3” regulations and its European transposition system (CRD IV and CRR) for the calculation of the short-term liquidity ratio (LCR ratio).

Management will draw on the aforementioned sources of performance while taking into account Environmental, Social and Governance (E, S, and G) criteria in order to improve the portfolio’s ESG (Environment/Social/Governance) rating compared to the ESG rating of its benchmark index. The portfolio's ESG rating is the sum of the issuers' ESG ratings weighted by their weight in the portfolio. Similarly, the ESG rating of the benchmark index corresponds to the sum of the ESG ratings of the issuers making up the index weighted by their weight in the index.

The non-financial analysis of the fund will cover at least 90% of the fund’s net assets.

Elements considered in establishing ESG scores may include, but are not limited to:

• environmental and social factors that may have a material impact on an issuer’s financial performance and valuation including, but not limited to, physical risks related to climate change and human capital management, which may have a material impact on an issuer’s financial performance and valuation.

ESG and/or sustainable bonds will represent a minimum of 10% of the portfolio.

ESG criteria are determined by the management company, they are subject to continuous research and may change over time with the identification of new criteria.

Enhanced due diligence is carried out on issuers considered as presenting high risks according to the management company's ESG principles. This enhanced due diligence may lead to the exclusion of the issuer.

HSBC Asset Management's responsible investment policies are available on the management company's website at www.assetmanagement.hsbc.fr.

2 Assets (excluding embedded derivatives)

The fund's assets consist of bonds denominated in euros issued or guaranteed by a Member State of the Economic and Monetary Union, UCITS invested exclusively in securities issued or guaranteed by these countries and bonds denominated in euros issued by supranational issuers.

Equities:
None

Debt securities and money market instruments:

The fund invests in securities **cumulatively** meeting the following two criteria:

- bonds denominated in euros issued or guaranteed by eurozone member states, or issued by supranational issuers held by member countries of the European Union (for example: the European Investment Bank, the Nordic Investment Bank, the Council of Europe, the European Financial Stability Facility, the European Stability Mechanism, the European Union, etc.) with the following holding ranges:
  - From 75% to 100% in fixed-rate bonds,
  - 0% to 25% in variable-rate and/or inflation-indexed bonds - 0% to 20% in bonds issued by supranational issuers.

However, depending on market conditions, the manager may choose to deviate significantly from the ranges specified above while nevertheless complying with the regulatory provisions.

ESG-labelled and/or sustainable bonds will represent a minimum of 10% of the portfolio.

- the securities are rated investment grade (minimum BBB- according to the Standard & Poor's rating scale or equivalent) at the time of acquisition or deemed equivalent by the Management Company.

- *Distribution of private/public debt*: 100% in government debt or guaranteed by the governments or debts of supranational issuers.

- *Proposed level of credit risk*: the Fund is invested exclusively in investment grade issuers: issuers rated at least BBB- by Standard & Poor's or equivalent at the time of acquisition or deemed equivalent by the management company).

- Existence of rating criteria: Yes, limited to BBB- by Standard and Poor's or equivalent at purchase or deemed equivalent by the Management Company.

  The management company does not exclusively or mechanically use ratings provided by credit rating agencies and favours its own credit risk analysis to assess the credit quality of assets and in the selection of securities to buy or sell.

Duration: no constraint is imposed on the duration of the securities chosen individually. The fund's sensitivity range is (0, +10). The sensitivity of a bond corresponds to the price variation of this bond when the interest rates vary.

UCITS, AIFs or Investment Funds governed by foreign law (up to 10% of assets): for cash management and to help achieve the investment objective.

The manager may invest in UCITS managed by an entity of the HSBC Group.

☑ European and French UCITS;
☐ French AIFs such as bonds, short-term money market or mixed funds;
☐ listed or non-listed alternative management investment funds: none;
☐ other investment funds: none.

For the categories mentioned above:

☐ Investments in the financial instruments of emerging countries (excluding OECD): none
☐ Existence of any investment restrictions imposed by the Management Company: none
☐ Existence of other criteria: none.

3 Derivatives:

Type of investment markets:
☑ regulated;
☑ organised;
☑ OTC.

Fund manager's target risks:
☐ equity;
☑ interest rate;
☐ currency;
☐ credit;
☐ other risks (specify).

Type of operations, all of which must be carried out for the sole purpose of achieving the management objective:
☑ hedging;
☑ exposure;
☑ arbitrage: simultaneous long and short positions are taken on various points of the yield curve in order to benefit from a distortion of the yield curve (flattening, steepening, and curvature) while keeping the total sensitivity of these positions at 0. Curve arbitrage operations are among the drivers of the mutual fund's performance.

The intensity of curve arbitrage decisions is measured using the methodology of risk units, which makes it possible to determine, for each portfolio, the anticipated distribution of the ex-ante tracking error by risk factor (duration, curve arbitrage, credit allocation, selection of sector, and selection of security) and the average size of active exposures necessary depending on the relative contribution of each source of performance.

☐ other type (specify).

Type of instruments used:
☑ futures (regulated markets): on European government bonds, for exposure and hedging purposes
☑ options on futures and securities (regulated markets): on European government bonds, for exposure and hedging purposes
☑ options on securities (over-the-counter markets): on European government bonds for exposure or hedging purposes
☐ swaps (over-the-counter instruments):
☐ currency forwards (OTC instruments) for the purposes of exposure and hedging;
☐ credit derivatives;
The Fund shall not use any total return swaps.

Strategy for using derivatives to achieve the management objective:
☑ general hedging of the portfolio, certain risks, securities, etc.;
☑ reconstitution of a synthetic exposure to assets and risk;
☑ increase in market exposure and accuracy of the maximum authorised leverage (up to 100% of assets, or leverage of 2);
☐ other strategy (specify).

Counterparties eligible for transactions on OTC financial futures are selected according to the procedure described in the paragraph: “Brief description of the intermediary selection procedure.”

Financial collateral used for OTC financial futures is the subject of a financial collateral policy available on the management company’s website.

These transactions may be completed with counterparties selected by the management company among financial establishments whose registered office is located in an OECD member State. These counterparties may be companies affiliated with the HSBC Group.

These counterparties must have trustworthy credit and, in any case, a minimum Standard & Poor’s rating of BBB-, the equivalent, or a rating deemed equivalent by the management company.

This financial collateral policy specifies:

- The haircut applicable to financial collateral. It relies on the volatility of the security, which is characterised by the type of assets received, the rating, the maturity of the security, etc. This haircut has the effect of requiring financial collateral greater than the market value of the financial instrument.
- The assets accepted as collateral, which may consist of cash, government bonds, short/medium-term negotiable debt securities, and bonds issued by private issuers.

Financial collateral other than cash may not be sold, reinvested, or pledged. Bonds must have maximum maturity of 50 years.

Financial collateral consisting of cash must be:

- deposited with credit institutions whose registered offices are in an OECD member country or a third country with equivalent prudential rules,
- invested in high-quality government bonds,
- invested in reverse repurchasing agreements whose counterpart is a credit establishment subject to reserve monitoring, and from which the UCITS may withdraw cash at any point,
- Invested in short-term money market UCITS.

Financial collateral delivered in the form of securities and/or cash are held in segregated accounts by the custodian.

4 Securities with embedded derivatives (warrants, credit-linked notes, EMTNs, share warrants, etc.)

Fund manager’s target risks:
☐ equity;
☑ interest rate;
☐ currency;
☑ credit;
☐ other risk (specify).

Type of operations, all of which must be carried out for the sole purpose of achieving the management objective:
☐ hedging;
☑ exposure;
☐ arbitrage;
☐ other type (specify).

Type of instruments used in puttable/callable bonds.

Embedded derivatives are used as an alternative to direct investment in pure derivatives.

5 Deposits:

With reference to the French Monetary and Financial code. Deposits contribute to the achievement of the investment objective of the mutual UCITS by allowing it to manage its cash.

6 Cash loans:

Up to 10% of net assets for cash management purposes.

7 Temporary purchases and sales of securities:

- Types of transactions used:

☑ repos and reverse repos within the meaning of the French Monetary and Financial Code;

☐ borrowed and loaned securities in reference to the French Monetary and Financial Code;
☐ other type (specify).

- Type of investments:

  Temporary purchase and sales of securities are carried out to achieve the management objective and in the best interest of the UCITS. Only fixed-income instruments may be the subject of temporary purchases and sales of securities.

  These transactions aim to:

  - For repos and reverse repos: manage UCITS residual cash flow related to subscriptions/redemptions and optimise income.
  For protection against counterparty default, temporary purchases and sales of securities may give rise to the delivery of financial collateral in the form of securities and/or cash held in separate accounts by the depositary. These conditions are stipulated in the section “Derivatives”.
  These transactions may be completed with counterparties selected by the management company among financial establishments whose registered office is located in an OECD member State. These counterparties may be companies affiliated with the HSBC Group.
  These counterparties must have trustworthy credit and, in any case, a minimum Standard & Poor’s rating of BBB-, the equivalent, or a rating deemed equivalent by the management company.

- level of use and authorised: up to 100% maximum
- potential leverage: up to 10%
- compensation: additional information is available under Charges and commissions.

▶ Risk profile:

“Your money will be invested mainly in financial instruments selected by the management company. These instruments will be affected by market movements and phenomena.”

Main risks:

- Capital loss risk: The UCITS offers no guarantee or protection of capital. It is therefore possible that the capital initially invested will not be returned in full.

- Interest rate risk: the price of fixed-rate bonds and other fixed-income securities (without associated options) varies in reverse proportion to fluctuations in interest rates. For example, in the event of an increase in interest rates, the value of these bonds will fall together with the net asset value. In addition, the fund manager may carry out rate arbitrage transactions, which involves anticipating a distortion of the yield curve. However, it is possible that the manager will not anticipate a particular type of distortion of the curve, which could lead to a significant decline in the net asset value.

- Credit risk: Credit risk is the risk of deterioration of the issuer’s financial situation, with the extreme risk being the issuer’s default. This deterioration could lead to a drop in the value of the issuer’s securities and thus a reduction in the value of the fund, and may, for example, involve the risk of non-redemption of a bond within the associated deadlines. An issuer’s credit risk is reflected in the ratings attributed to it by official rating agencies such as Moody’s or Standard & Poor’s. The fund is exposed to credit risk considered to be limited by the good quality of the portfolio's issuers (investment grade rating category at the time of purchase).

Risk related to interventions on futures markets: The UCITS may invest in futures up to 100% of its assets. This exposure to markets, assets, and indexes through financial futures may lead to significantly greater or more rapid declines in the net asset value than is observed in fluctuations in these instruments' underlying products.

Incidental risks:

- Liquidity risk: The markets in which the UCITS invests may occasionally and temporarily be affected by a lack of liquidity under specific market circumstances or configurations. These market disruptions may impact the pricing conditions under which the fund may be led to liquidate, initiate or change positions, and may therefore cause the fund's net asset value to fall.

- Counterparty risk: The UCITS is exposed to the counterparty risk resulting from the use of OTC financial futures and temporary purchases and sales of securities. This is the risk that the counterparty with which a contract has been signed does not meet its obligations, e.g., delivery, payment, repayment, etc.
In this case, the counterparty's breach may decrease the NAV of the UCITS. This risk is reduced by the establishment of financial collateral between the UCITS and the counterparty, as described in the investment strategy.

- Inflation risk: The UCITS offers no systematic protection against inflation, i.e. the rise in the general level of prices over a given period. The performance of the UCITS measured in real terms shall hence be proportionally diminished by the rate of inflation observed over the benchmark period.

- Risk of potential conflicts of interest:
The risks of conflict of interest, in connection with transactions on financial contracts and/or temporary purchases and sales of securities, may exist when the intermediary used to select a counterparty or the counterparty itself has a direct or indirect equity link to the management company (or to the depositary). The management of this risk is described in the "Conflict of interest policy" drawn up by the management company and available on its website.

Risk related to management of financial collateral:
Investors may be exposed to legal risks (in relation to legal documentation, execution of contracts, and limits of contracts), transactional risks, and risks related to the reuse of cash received as collateral. The mutual fund's net asset value may change due to fluctuations of the value of the securities purchased by investing cash received as collateral. In the event of exceptional market circumstances, the unitholder may also be exposed to liquidity risk involving, for instance, difficulties trading certain securities.

The risk factors outlined above are not exhaustive. Investors are responsible for analysing the risk inherent in such an investment and to form their own opinion independently of the HSBC Group, if necessary with the support of advisors specialising in these matters in order to ensure that this investment is appropriate for their financial position.

Integration of sustainability risks in investment decisions and likely impact of sustainability risks on performance

1. As a financial market participant, the Investment Manager is subject to Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector (or “SDFR Regulation”).

As such, it has put in place a policy for integrating sustainability risks in its investment decision-making processes.

Sustainability risks relate to an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment.

The sustainability risk policy is centred on the ten principles of the United Nations Global Compact (“UNGC”), which defines the key areas of financial and non-financial risk: human rights, labour, environment and anti-corruption. The management company relies on service providers to identify companies that perform poorly in these areas and, where potential sustainability risks are identified, it then conducts its own checks. The management company’s strategy involves monitoring sustainability risks on an ongoing basis.

The management company acts in the best interest of investors. Over time, sustainability risks can influence the funds' performance through their investments in companies, sectors, regions and asset classes. While funds have their own management strategy, the management company’s objective is to generate competitive risk-adjusted returns for investors. To do so, it conducts in-depth financial analysis and comprehensive sustainability risk assessment as part of a broader risk assessment for each fund.

The sustainability risk policy can be found on the management company's website: www.assetmanagement.hsbc.fr.

2. Companies that effectively manage sustainability risks should be better positioned to anticipate future sustainability risks and opportunities. This makes them strategically more resilient and thus able to anticipate and adapt to long-term risks and opportunities. Likewise, when they are not properly managed, sustainability risks can have negative impacts on the value of the underlying company or the competitiveness of a country that issues sovereign bonds. Sustainability risks can take different forms for the companies or governments in which the funds invest, such as: (i) a decline in revenue due to changing consumer preferences, negative impacts on the workforce, social unrest and a decline in production capacity; (ii) higher capital/operating costs; (iii) the depreciation and premature retirement of existing assets; (iv) reputational damage due to fines and court orders and the loss of licence to operate; and (v) credit and market risk on sovereign bonds. All these risks could potentially affect the funds' performance.

The potential impacts of sustainability risks on the funds' performance will also depend on these funds' investments and the materiality of the associated sustainability risks. The likelihood of sustainability risks materialising should be mitigated by integrating them into the investment decision-making process. The potential impacts of sustainability risks on the performance of funds that use ESG criteria are further mitigated. However, there is no guarantee that these measures will completely mitigate or prevent the occurrence of sustainability risks for these funds. As a result, the likely impact on the funds' performance of an actual or potential material decline in the value of an investment due to a sustainability risk will vary, depending on a number of factors.

3. The fund takes sustainability risks into consideration in the investment decision-making process. The management company integrates sustainability risks by identifying the ESG factors likely to have a material financial impact on an investment’s performance. Exposure to a sustainability risk does not necessarily mean that the management company will refrain from taking or maintaining a position. Rather, it means that the Investment Manager will take into consideration sustainability risk assessments

as well as other material factors in the context of the company in which it is investing or the issuer, the investment objective and the investment strategy of the Fund.

4. The fund may invest in derivatives. In which case, it is more difficult to take sustainability risks into account as it is not investing directly in the underlying asset. As of the date of the prospectus, no ESG integration methodology can be applied to derivatives.

5. A detailed description of the fund's consideration of the principal adverse impacts on sustainability factors is presented in the SFDR appendix to the prospectus.

The SFDR's provisions are supplemented by those of Regulation (EU) 2020/852 of 18 June 2020, known as the "Taxonomy Regulation", which establishes a European Union-wide classification system intended to provide investors and issuer companies with a common language to identify to what degree economic activities can be considered environmentally sustainable.

To be sustainable, an economic activity must meet the sustainability criteria of the Taxonomy Regulation, including doing no significant harm to any of the environmental objectives set out in this Regulation.

The "do no significant harm" principle applies only to the fund's underlying investments that take into account the European Union's criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of the fund do not take into account the European Union's criteria for environmentally sustainable economic activities.

The fund does not undertake to make investments that contribute to the environmental objectives of:

- climate change mitigation;
- climate change adaptation;
- the sustainable use and protection of water and marine resources;
- the transition to a circular economy;
- pollution prevention and control; and
- the protection and restoration of biodiversity and ecosystems

▶ Guarantee or protection:

None

▶ Target subscribers and typical investor profile:

The HC, HD, SC and SD units are intended for all subscribers, in particular institutional investors.
ZC units are intended for UCIs and mandates of the HSBC group.
Subscription for BC and BD units is subject to the existence of a specific remuneration agreement between the subscriber and the distributor or the portfolio manager

The amount which is reasonable to invest in this fund depends on your personal situation. The unitholder is therefore advised to seek the advice of a professional in order to diversify his or her investments and to determine the proportion of the financial portfolio or his or her assets to invest in this fund with regard specifically to the recommended investment period and the exposure to the aforementioned risks, and his or her personal assets, needs and objectives.

The recommended minimum investment period is three years.

Provisional measures prohibiting subscriptions to the fund from 12 April 2022:

Effective 12 April 2022, in view of the provisions of EU Regulation No. 833/2014 as amended and EU Regulation No. 765/2006 as amended, subscription for shares in this fund is prohibited to any Russian or Belarusian national, any natural person residing in Russia or Belarus, except (i) for Russian nationals if they are nationals of a Member State of the European Union (EU), a State of the

European Economic Area, or Switzerland, or natural persons holding a temporary or permanent residence permit in a Member State of the European Union (EU), a Member State of the European Economic Area, or Switzerland and (ii) for Belarusian nationals if they are nationals of a Member State of the European Union (EU) or natural persons holding a temporary or permanent residence permit in a Member State of the European Union (EU).

The mutual fund's units may not be offered to or subscribed by Non-Eligible Persons, as defined below:

- **Regulations for Automatic Exchange of Tax Information:**

"FATCA" refers to Sections 1471 to 1474 of the US Code, any current or future regulation or their official interpretations, any agreement concluded pursuant to Section 1471(b) of the US Code, or any tax regulation, law, or practice adopted pursuant to any intergovernmental agreement concluded with a view to implementing these sections of the US Code. FATCA was implemented in France through the signing of the intergovernmental agreement concluded between France and the United States on 14 November 2013 for application of the US Foreign Account Tax Compliance Act (FATCA).

"US Code" refers to the United States Internal Revenue Code of 1986;

"Common Reporting Standard (CRS)" refers to Council Directive 2014/107/EU of 9 December 2014 (the "DAC 2 Directive") amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation as well as the conventions entered into by France enabling the automatic exchange of information in tax matters. This is based on the regulations on the automatic exchange of information in tax matters drafted by the OECD.

The FATCA and CRS regulations were transposed into French law by Article 1649 AC of the French General Tax Code. They require financial institutions to formally collect information related to their clients' US Person status and tax residence of, particularly when they open a financial account.

These financial institutions must send to the French tax authorities, for transmission to the corresponding foreign tax authorities, certain information relating to the reportable financial accounts of their US Person clients and clients who are tax resident outside of France in an EU Member State or in a country with which an agreement covering the automatic exchange of information is applicable.

The determination of the financial institution upon which these obligations are incumbent depends on how the shares are held.

- Restrictions on share issuance and redemption for US Persons

Green Card Holder *means a person who is a permanent resident of the United States (even if the person does not actually reside in the United States).*

Non-Resident US Investor *means a citizen of the United States (including a Green Card holder) residing outside the United States.*

United States *means the United States of America (i.e. its states and the District of Columbia), its territories and possessions, and all other regions under its jurisdiction.*

United States Citizen *means a person born in the United States, a person with at least one parent who is a United States citizen, or a foreigner who has been naturalised as an United States citizen.*

***United States Law** means the laws of the United States, its territories, possessions, and all other areas subject to its jurisdiction. This also includes all applicable rules and regulations, which may be subject to occasional additions and amendments, and which are issued by US regulatory authorities, including but not limited to the Securities and Exchange Commission (SEC) and the Commodity Futures Trading Commission (CFTC). All references to law in this policy pertain to United States Law.*

Shares of the funds may not be offered or sold to any US person. For the purposes of this restriction, the term "US person" ("USP") refers to:

1. *A person who is a citizen of the United States or holds a Green Card who resides in the United States) under one of the laws of the United States;*

2. *A person who is a US citizen who has not officially renounced his or her US citizenship (including a person with dual or multiple nationality) or who holds a Green Card although he or she may not reside in the United States;*

3. *A company, partnership, limited liability company, collective investment vehicle, investment company, joint account, or any other firm, investment or legal entity:*

    a. that was created or organised under a law of the United States,

    b. that was, regardless of its place of inception or incorporation, incorporated mainly for passive investments (such as a company or an investment fund or a similar entity, other than an employee savings scheme or an employee savings fund); and

    I. that is held directly or indirectly by one or more "US Persons" who hold, directly or indirectly, a total interest of 10% or more, provided that such US Persons are not defined as meeting the criteria of "Qualified Eligible Person" under CFTC Regulation 4.7(a);

    II. in which a "US Person" is the general partner, a member of management, the chief executive officer, or any other person with power to direct the activities of the entity;

    III. where the entity was incorporated by or for a "US Person" primarily for the purpose of investing in securities that are not registered with the SEC, unless such entity is composed of "Accredited Investors" as defined by Regulation D, 17 CFR 230.501(a)), and none of them is a natural person; or

    IV. where more than 50% of equity securities with or without voting rights are held directly or indirectly by "US Persons".

    c. that is an agency or branch of a foreign entity located in the United States; or

    d. whose principal place of business is in the United States;

4. *A trust:*

    a. created or organised under the laws of the United States; or

    b. where, regardless of where it is incorporated or organised:

    I. a founder, trustee, or other person responsible in whole or in part for the investment decisions of the trust is a "US Person";

    II. the administration of the trust or its governing documents are under the supervision of one or more US courts; or

    III. its income is subject to US income tax, regardless of its source.

5. The estate of a deceased person:

a. who was a resident of the United States at the time of death or whose income is subject to US income tax, regardless of its source; or

b. where, regardless of the residence of the deceased during his or her lifetime, an executor or administrator with full or shared discretion over investment matters is a “US Person” or where the estate is governed by United States law.

6. A benefit or pension plan that is:

a. created and administered in accordance with the laws of the United States; or

b. created for employees of a legal entity that is a US Person or whose principal place of business is located in the United States.

7. A discretionary or non-discretionary or similar account (including a joint account) where:

a. one or more beneficial owners are USPs, or it is held for the benefit of one or more US Persons; or

b. the discretionary or similar account is held by a broker or trustee incorporated in the United States.

If, as the result of an investment in the fund, shareholders become a US Person, they shall be prohibited from (i) making additional investments in the fund, and (ii) their shares shall be the subject of a forced redemption as soon as possible by the fund (subject to the provisions of the applicable law).

From time to time, the management company may amend or waive the aforementioned restrictions.

- **Restrictions on the issuance and redemption of shares for Canadian residents**

The shares of the fund appearing in this prospectus may be distributed in Canada only through a distributor appointed by HSBC Global Asset Management (France).

Although investments initiated directly by a Canadian resident are permitted by regulation, HSBC Global Asset Management (France) has decided not to accept them.

Solicited or unsolicited subscriptions by non-residents of Canada (including legal entities) may be authorised by HSBC Global Asset Management (France) provided that the residence address is not in Canada.

Furthermore, this prospectus may not be used for solicitation purposes or constitute a solicitation to subscribe for shares in Canada unless the distributor appointed by HSBC Global Asset Management (France) makes such solicitation.

▶ Calculation and allocation of the distributable amounts:

In accordance with the applicable regulatory provisions, the net income for the financial year is equal to the amount of interest, arrears, dividends, premiums, bonuses and directors’ fees, as well as all income relating to the securities that constitute the fund’s portfolio, plus income from temporary cash holdings, minus management fees and borrowing costs.

Amounts distributable by an undertaking for collective investment in transferable securities (UCITS) consist of:

1. Net income plus retained earnings and plus or minus the balance of the accrued income account;

2. Realised gains, net of costs, minus realised losses, net of costs, recognised during the financial year, plus net gains of the same type recognised during prior financial years that

were not the subject of any distribution or accumulation, and minus or plus the balance of the accrued gains account.

The amounts indicated in points Nos. 1 and 2 above may be distributed independently of each other, entirely or partially.

Distributable amount	HC, SC, ZC and BC units	HD, SD and BD units
Net income (1)	Accumulated	Distributed
Net realised gains (2)	Accumulated	Accumulation and/or distributed, upon decision of the management company each year

The change from one category of security to another is considered to be a sale and is subject to the regime for capital gains on disposals of securities.

- **Distribution frequency:**

Annual.

- **Characteristics of the units or shares:**

Currency: Euro

Splitting of H, S, B and Z units: Thousandths of units or by amount.

The initial net asset value of H units is set at €1,524.49.

The initial net asset value of S, Z, and B units is set at €1,000.

The minimum initial subscription amount for H, Z and B units: one thousandth of a unit.

The minimum initial subscription amount for S units: €20,000,000.

- **Subscription and redemption:**

Subscriptions and redemptions are pooled each day by 12 p.m. (Paris time) at the latest. They will be executed on the basis of the next net asset value calculated using the closing prices on the date of centralisation of the requests.
Subscription and redemption requests received after 12 p.m. will be executed on the basis of the net asset value following the one referred to above.

Settlements relating to subscription and redemption requests are carried out on the first business day (D+1) following the centralisation date.

Orders are executed in accordance with the table below:

Business day D	Business day D	D: day of NAV calculation	D+1 business day	D+1 business day	D+1 business day
Centralisation of subscription orders before 12 p.m.[1]	Centralisation of redemption orders before 12 p.m.[1]	Execution of the order at the latest on D	Publication of the net asset value	Settlement of subscriptions	Settlement of redemptions

[1]*Unless a specific deadline is agreed with your financial institution.*

Existence of a mechanism to cap redemptions ("gates"):

The Fund has a redemption gate to cap redemptions. If, at the time of centralisation, combined redemption requests (net of subscriptions) from one or more unitholders account for over 5% of net assets, the management company may choose to spread these redemptions (gate) if it considers the mechanism to be relevant in the circumstances, notably to lower impact on liquidity management. This mechanism preserves the Fund's equilibrium and therefore ensures the equal treatment of unit holders.

If the management company chooses to activate the gate mechanism, redemptions (across all share classes) that were not fully honoured on the NAV of the day will be automatically carried over to the next NAV if the gate threshold is exceeded. These redemption orders shall be processed in no order of priority and in the same proportion for each order.

As the Fund includes several share classes, the trigger point is identical for all classes.

On each NAV calculation date, if total redemptions minus total subscriptions on the same NAV account for 5% or more of the Fund's net assets, the management company may lower each redemption order within the maximum redemption limit of the Fund. The management company shall then lower all redemption orders proportionally up to the maximum redemption limit. Redemption requests will therefore be reduced proportionally and expressed as a whole number of shares (rounded up).

The maximum redemption limit of the Fund on each NAV calculation date is defined as 5% of the net assets of the Fund, or a higher amount set by the management company if market liquidity permits.

Remaining redemptions over the maximum redemption limit are not cancelled and will be automatically carried forward to the next NAV and handled together with the orders on that NAV. Orders carried forward in this manner cannot be cancelled and will not have priority over subsequent redemptions.

Under such circumstances, and as soon as possible, the Centralising Agent notifies affected unit holders individually of the amount of their order carried forward, as instructed by the management company.

Information is provided on the management company's website whenever the gate mechanism is activated.

The trigger mechanism is waived in the following cases:

Redemptions followed by a subscription executed on the same day and NAV for an identical number of securities and by the same holder will not be carried forward, provided that they were expressly notified to the centralising agent.

Example of a gate mechanism

If on the centralisation date, redemption orders (net of subscriptions) account for 10% of the fund's net assets and the management company chooses to activate the redemption gate clause at 5% of the fund's net assets:

- two days after the NAV date, investors who submitted a redemption order will receive 50% (i.e. 5% divided by 10%) of the total redemption amount they requested, as an initial settlement.

- the remaining 50% will be carried over to the following NAV date.

If, on the following centralisation date, redemption orders net of subscriptions (new orders + orders carried over) account for 50% of the fund's net assets and the management company chooses to cap redemptions at 40%, all orders, including previously carried over orders, will be 80% met (40% divided by 50%).

Institutions designated to receive subscriptions and redemptions and in charge of compliance with the centralisation deadline indicated in the paragraph above:

CACEIS Bank and HSBC Continental Europe as regards clients for whom they provide custody and management services.

Unitholders are hereby notified that orders transmitted to marketing agents other than the institutions mentioned above must take into account the order transfer deadline that applies to said marketing agents with regard to CACEIS Bank. Consequently, these marketing agents may apply their own deadlines, prior to the one mentioned above, in order to account for the time necessary to transmit orders to CACEIS Bank.

Subscriptions and redemptions transmitted on the Italian Stock Exchange are consolidated and the balance is transmitted to the UCITS' depositary, CACEIS Bank, by a financial intermediary appointed by the management company and authorised by the Italian Stock Exchange.

Units shall be expressed in thousandths of units.

A switch from one unit class to another is considered a redemption followed by a subscription and is therefore subject to tax.

▶ Frequency of calculation of the net asset value:

The net asset value is calculated daily, except on Saturdays, Sundays, legal holidays in France and days when the French market is closed. The net asset value can be obtained from the Management Company.

▶ Charges and fees:

Subscription and redemption fees

The subscription and redemption fees increase the subscription price paid by the investor or reduce the redemption price. The fees earned by the UCITS are used to cover the costs that it incurs in investing or divesting its assets under management. Fees not paid to the fund are paid to the management company, marketing agent, etc.

Charges payable by the investor, deducted at the time of subscriptions and redemptions	Base	Rate rate		
Subscription fee not paid to the fund	NAV x Number of units	H, S and B units: 2% maximum	ZC unit: 6% maximum	
Subscription fee paid to the fund	NAV x Number of units	None		
Redemption fee not paid to the fund	NAV x Number of units	None		
Redemption fee paid to the fund	NAV x Number of units	None		

UCIs and mandates managed by an HSBC Group entity are exempted from subscription fees.

Fees

Financial management fees and costs of administrative services external to the management company cover all charges billed directly to the fund, with the exception of transaction fees. Transaction fees include intermediation costs (brokerage, market taxes, etc.) and the activity fee, where applicable, which may be deducted in particular by the depositary and the management company.

The following fees may be payable in addition to financial management fees and costs of administrative services external to the management company:

- *performance commissions. These remunerate the management company when the fund exceeds its objectives. They are therefore billed to the fund;*
- *activity fees billed to the UCITS;*
- *a share of income from temporary purchases and sales of securities.*

	Charges billed to the fund:	Base		Rate fee schedule			
1	Financial management fees*	Net assets	HC and HD units Maximum 0.40% incl. tax.	SC and SD units Maximum 0.25% incl. tax.	ZC unit: None	BC and BD units: Maximum 0.30 incl. tax	
2	Operating expenses and other services**		0.05% incl. tax.				
3	Maximum management fees (charges and management fees)	Net assets	Not significant*				
4	Activity fees	Deducted from each transaction	None				
5	Performance commission	Net assets	None				

** A percentage of management fees may be passed on to third-party distributors to remunerate them for marketing the fund*

*** Operating costs and other services are charged on a flat-rate basis. The flat rate may be deducted even if the actual costs are less than the flat rate. Any excess over this rate is covered by the management company.*

Operating expenses and other services include:
I. Fund registration and listing fees:
- fees related to the fund's registration in other Member States (including fees charged by advisors (lawyers, consultants, etc.) for carrying out marketing formalities with the local regulator on the asset management company's behalf);

- fees for listing the fund and publishing net asset values to keep investors informed;
- distribution platform fees (excluding retrocessions), relating to agents in foreign countries that perform a distribution function

II. Costs for keeping clients and distributors informed:
- the costs of drafting and distributing KIDs, prospectuses and regulatory reports;
- the costs of providing regulatory information to distributors;
- the costs of providing information to unitholders by all means;
- specific information for direct and indirect unitholders;
- website administration costs;
- translation costs specific to the fund.

III. Data costs:
licence costs for the benchmark used;
- costs of data used for redistribution to third parties.

IV. Depositary, legal, audit, tax fees, etc.:
- statutory audit fees;
- depositary fees;
- fees for delegation of administrative and accounting management;
- tax-related fees including those of lawyers and external consultants (recovery of withholding tax on behalf of the fund, local tax agent, etc.);
- legal fees specific to the fund;

V. Costs related to compliance with regulatory obligations and regulatory reporting:
- Costs of submitting fund-specific regulatory reports to the regulator;
- membership fees of compulsory professional associations;

**** The UCITS invests in UCIs that are below the regulatory threshold of 20%*

The following costs may be added to the above-listed charges billed to the fund:

- contributions due for the fund's management pursuant to paragraph 4 of section II of Article L. 621-5-3 of the French Monetary and Financial Code;
- exceptional and non-recurring taxes, fees, levies and government duties (in relation to the fund);
- exceptional and non-recurring costs for debt collection (e.g. Lehman) or procedures to defend rights (e.g. class action procedures).

Additional information on temporary purchases and sales of securities:

The management company receives no remuneration for these temporary purchases and sales of securities.

The revenue and income generated by temporary purchases and sales of securities is paid in full to the fund.

Operational costs and charges relating to these transactions may also be borne by the management company and may not be invoiced to the UCITS.

Brief description of the intermediary selection procedure:

The management company selects brokers or counterparties using a procedure that complies with the regulations applicable to it. When carrying out this selection process, the management company fulfils its best execution obligation at all times.

The objective selection criteria used by the management company specifically include order execution quality, rates applied and the financial solidity of each broker or counterparty.

The counterparties, investment companies and service providers of HSBC Global Asset Management (France) are selected according to a specific evaluation process intended to ensure that the company receives a high-quality service. This is a key element in the general decision-making process which incorporates the impact of the broker service quality across all our departments, from Investment Management and Financial and Credit Analysis to Trading and the Middle Office.
Entities linked to the HSBC Group or to the fund's depositary may be selected as counterparties.
The "Best execution and intermediary selection policy" is detailed on the management company's website.

IV Commercial information

All information concerning the fund may be obtained by contacting the marketing agent directly.

Information on environmental, social and governance (ESG) criteria

In accordance with Article L.533-22-1 of the French Monetary and Financial Code, the policy on considering environmental, social, and governance quality (ESG) criteria in the investment strategy is available on the management company's website at www.assetmanagement.hsbc.fr.

V Investment rules

The legal investment rules applicable to this UCITS are those governing UCITS governed by European Directive 2009/65/EC as well as those applicable to its AMF classification.

VI Overall risk

The commitment method is used to calculate the aggregate exposure on financial futures.

VII Asset valuation and accounting rules

The asset valuation rules applied by the accounting manager for the instruments held by the fund are outlined below:

The fund has adopted the euro as its reference currency.

The prices used for the valuation of securities traded on the stock exchange are the closing prices.

The prices applied to value bonds are an average of contributor prices.

UCITS are valued at the last known price.

Negotiable debt securities with a residual life of more than three months are valued at the market rate, with the exception of variable-rate or adjustable-rate negotiable debt securities not presenting any particular market sensitivity.

A simple linearisation method is estimated for negotiable debt securities with a remaining life of less than three months and having no particular sensitivity to the market, based on the crystallised three-month rate.

Repurchase agreements are valued at the contract price.

Firm and optional forward transactions and swap transactions made on OTC markets and authorised under the applicable fund regulations are measured at their market value or at an estimated value using methods chosen by the management company. Interest rate and/or currency swaps are valued at their market value based on the price calculated by discounting future cash flows (principal and interest) at the prevailing market interest and/or exchange rates.

European and foreign futures are valued using their settlement prices.

Interest rate and foreign currency swaps are valued under market conditions.

The valuation of interest-rate swaps against share performance is carried out:
- under market conditions for the fixed income branch
- according to the underlying security rate for the equity branch.

The valuation of Credit Default Swaps (CDS) stems from a model used by the spreads market.

Off-balance sheet commitments in European and foreign futures markets are calculated as follows:

- FUTURES
(Qty x Nominal x Daily price x Contract currency)

- OPTIONS
(Qty x delta) x (Nominal of underlying instrument x Daily price of underlying instrument x Contract currency).

As far as swaps are concerned, the off-balance sheet commitment corresponds to the nominal value of the contract plus or minus the interest differential and the unrealised gain or loss noted on the closing date.

Interest is recognised using the accrued interest method.

Items entered in the portfolio are entered at their acquisition price minus costs.

Transaction fees are recognised in accounts specific to the fund and are not added to the price.
Purchases and sales of securities are booked excluding expenses.

Financial instruments whose price was not noted on the valuation date or was subsequently adjusted are valued at their probable trading value under the management company's responsibility. These valuations and the associated justification are provided to the statutory auditor for auditing purposes.

Valuation of financial guarantees
Collateral is valued daily at the market price (mark to market).
Haircuts can be applied to collateral received in the form of securities according to the level of risk.
Margin calls occur daily unless otherwise indicated in the master agreement covering these transactions on in case of agreement between the management company and the counterparty on the application of a trigger point.

Swing pricing mechanism
The Management Company has implemented a swing pricing mechanism to adjust the Fund's net asset value once a trigger point is reached in order to protect the interests of the Fund's unitholders.

Under this mechanism, investors bear the portfolio adjustment costs — including transaction fees, bid/offer spreads and taxes or fees applicable to the UCI — relating to investments or disinvestments when there are significant numbers of subscriptions and redemptions.

When the net balance of investor subscription and redemption orders exceeds a predefined threshold, called the "trigger point", the NAV is adjusted.
The NAV is adjusted up or down if the balance of subscriptions/redemptions is respectively positive or negative, so as to take into account the readjustment costs attributable to the net subscription and/or redemption orders.

The trigger point is expressed as a percentage of the fund's net assets.
The parameters for the trigger point and the NAV adjustment factor are determined by the Management Company and periodically reviewed.

The adjusted ("swung") NAV is the fund's only NAV and is therefore the only NAV published and communicated to unitholders.

By applying swing pricing with a trigger threshold, it is possible that the UCI's volatility will not come from only the volatility of the financial instruments in the portfolio.

In accordance with the regulatory provisions, the management company does not communicate the trigger points and ensures that internal communication channels are restricted so as to safeguard the confidential nature of the information.

<u>Alternative practical methods in exceptional circumstances</u>

Since the net asset value is calculated by delegation to a service provider from outside the management company, any potential issues with information systems used by the management company will not affect the fund's capacity to have its net asset value calculated and published.

In the event of an issue with the service provider's systems, the service provider's backup plan will be implemented to ensure that the net asset value continues to be calculated without interruption. As a last resort, the management company has the necessary means and systems to temporarily accommodate issues with the provider and determine the fund's net asset value under its own responsibility.

However, redemption by the fund of its units and issuance of new units may be temporarily suspended by the management company under Article L.214-8-7 of the French monetary and financial code in exceptional circumstances and if required by the interest of the unitholders.

Exceptional circumstances are defined in particular as any period during which:

a) Trading on one of the markets on which a significant proportion of the fund's investments is generally traded is suspended, or one of the methods generally used by the management company or its agents to value investments or determine the fund's net asset value is temporarily unavailable, or

b) For another reason, valuation of the financial instruments held by the fund cannot, according to the management company, be completed in a reasonable, quick and fair manner, or

c) According to the management company, it is not reasonably possible to sell all or some of the assets in the fund or to trade in the investment markets of the fund, or this is not possible without seriously harming the interests of the fund's unitholders, particularly in case of force majeure that temporarily deprives the management company of its management systems, or

d) The fund transfer transactions required for the sale or payment of assets in the fund or for the execution of subscriptions or redemptions of units in the fund are postponed or, according to the management company, cannot be carried out quickly at normal exchange rates.

In all cases of suspension, with the exception of ad hoc market communications, the unitholders shall be informed as soon as possible by means of a press notification. The information shall be provided beforehand to the French AMF.

VIII Remuneration

The management company, HSBC Global Asset Management (France), has put in place a remuneration policy that is tailored to its structure and business activities.

This policy aims to provide a framework for the various methods of remunerating employees with decision-making, oversight, or risk-taking authority within the group.

This remuneration policy has been defined to reflect the economic strategy, objectives, values, and interests of the HSBC Group management company, its managed funds and these funds' unitholders and shareholders.

The objective of the policy is to discourage risk-taking that is excessive in light of the risk profile of the managed funds.

The management company has implemented appropriate measures to prevent conflicts of interest.

The remuneration policy is adapted and monitored by the Remuneration Committee and the Board of Directors of HSBC Global Asset Management (France)

The remuneration policy is available online at www.assetmanagement.hsbc.fr or free of charge by written request to the management company.

• *Approved by the COB on:*	*14 December 1998*
• *Creation date:*	*17 December 1998*
• *Updated on:*	*16 April 2026*

FUND REGULATIONS
HSBC EURO GVT BOND FUND

TITLE I

ASSETS AND UNITS

ARTICLE I - JOINTLY OWNED UNITS

The rights of joint owners are expressed in units, with each unit corresponding to an identical share of the fund's assets. Each unitholder is entitled to joint ownership of the fund's assets in proportion to the number of units held.

The term of the fund is 99 years from the date of its inception, unless it is wound up early or extended pursuant to these regulations.

The characteristics of the various unit classes and their access conditions are set out in the prospectus
The various unit classes may:

- be eligible for different income distribution methods (distribution or accumulation);
- be denominated in different currencies;
- incur different management charges;
- be charged different subscription and redemption fees;
- have different nominal values;
- be systematically hedged against risk, either partially or in full, as set out in the prospectus. This hedging is achieved using financial instruments that minimise the impact of hedging transactions on the fund's other unit classes,
- be reserved for one or more distribution networks.

Units may be divided, grouped, or split, on the decision of the management company's Board of Directors, into thousandths of units, called fractional units, with the exception of IT units.

The provisions of the regulations governing the issue and redemption of units shall also apply to fractional units, whose value will always be proportionate to that of the unit that they represent. Unless otherwise stated, all other provisions of the regulations relating to units shall apply to fractional units without any need to make a specific provision.

Lastly, the management company's Board of Directors or Chairman may decide, at its/his/her sole discretion, to split the units by creating new units that are allocated to unitholders in exchange for the former units.

ARTICLE II - MINIMUM ASSET AMOUNT

Units may not be redeemed if the assets fall below €300,000; where net assets remain below that level for 30 days, the Management Company shall take the necessary measures to wind up the UCITS in question or to perform one of the transactions listed in Article 411-16 of the AMF General Regulations (transfer of the UCITS).

ARTICLE III - ISSUANCE AND REDEMPTION OF UNITS

Units may be issued at any time at the request of the unitholders on the basis of their net asset value plus subscription fees if applicable.

Subscriptions and redemptions shall be completed under the terms and conditions set forth in the prospectus.

Fund units may be traded in accordance with the applicable regulations.

The initial subscription for H, Z and B units is one thousandth of a unit. The initial subscription for S units is €20,000,000.

Subscriptions must be fully paid up on the day when the net asset value is calculated. They may be made in cash and/or by the contribution of financial instruments. The management company may turn down the securities offered. In which case, it must announce its decision within seven days of them being deposited. In the event of acceptance, the contributed securities shall be valued according to the rules set forth in Article IV, and the subscription shall be carried out on the basis of the first net asset value following the acceptance of the securities concerned.

Redemptions shall be carried out exclusively in cash except in the case of the liquidation of the fund when the unitholders have notified their agreement to be reimbursed in securities. They shall be settled by the account keeper within a maximum period of five days following the date of valuation of the unit.
However, if, under exceptional circumstances, the redemption requires the prior sale of fund assets, this period may be extended but shall not exceed 30 days.

Except in the event of inheritance or inter vivos distribution, the disposal or transfer of units between unitholders, or from unitholders to a third party, is equivalent to a redemption followed by a subscription. If a third party is involved, the amount of the disposal or transfer must, where applicable, be supplemented by the beneficiary in order to reach the minimum subscription level required by the fund's prospectus.

Pursuant to Article L. 214-8-7 of the French financial and monetary code, the redemption of units by the mutual fund as well as the issue of new units may be temporarily suspended by the management company in exceptional circumstances and if this is considered to be necessary to protect the interests of the unitholders.

The management company's Board of Directors may restrict or prevent the holding of units of the fund by any person or entity prohibited from holding units of the fund (hereafter "Non-Eligible Person"), as defined in the "Target subscribers and typical investor profile" section of the prospectus.

To this end, the management company's Board of Directors may:

(i) Refuse to issue any unit when it appears such issue would or could mean that said unit(s) is (are) directly or indirectly held for a Non-Eligible Person;

(ii) At any time, require from a person or entity whose name appears in the account keeper's register that it be provided with any information accompanied by a sworn statement that it would consider necessary for the purposes of determining whether the beneficial owner of the units in question is a Non-Eligible Person;

(iii) In the event of failure to provide the information mentioned in (ii), or when a unitholder proves to be a Non-Eligible Person, provide information about the investor concerned to the competent tax authorities of the country or countries with which France has entered into an information exchange agreement; and

(iv) When it appears that a person or entity is (i) a Non-Eligible Person and (ii) alone or jointly, the beneficial owner of the units, prohibit any new subscription of units in the fund by the unitholder, compel the unitholder to sell his/her interest in the fund, or, in certain cases, proceed with the forced redemption of all the units held by such a unitholder.

The forced redemption must be carried out by the account keeper of the Non-Eligible Person, on the basis of the net asset value following the formal decision of the management company, minus any applicable charges, duties and fees, which shall remain payable by the Non-Eligible Person.

The formal decision of the management company shall be preceded by a period of discussion suitable for the case in question but no less than ten days, during which the beneficial owner of the units may submit remarks to the competent body of the management company.

If the fund's net assets fall below the minimum regulatory requirement, no units may be redeemed.

The fund may cease issuance of units pursuant to Article L. 214-8-7(3) of the French Monetary and Financial Code, temporarily or permanently, partially or fully, in objective situations resulting in the closing of subscriptions, such as a maximum number of units issued, a maximum amount of assets reached or the end of a fixed subscription period. The triggering of this mechanism shall be subject to a disclosure by any means to the existing unitholders regarding its activation, as well as the threshold and the objective situation having led to the decision of partial or total closure. In case of partial closure, this disclosure by any means shall explicitly stipulate the terms and conditions under which the existing unitholders may continue to subscribe for the duration of this partial closure. Unitholders shall also be informed by any means of the decision by the fund or the management company either to end the total or partial closure of subscriptions (once they have fallen below the trigger point) or not to end it (in the event of a change of threshold or change in the objective situation leading to activation of this mechanism). A modification of the objective situation put forward or of the mechanism's trigger point must always be made in the interest of the unitholders. The disclosure by any means shall stipulate the exact reasons for such modification.

Pursuant to Articles L. 214-7-4 of the French Monetary and Financial Code and 411-20-1 of the AMF General Regulation, the management company may decide to cap redemptions in exceptional circumstances and if deemed necessary to protect the interests of unitholders.

The maximum duration of the capping mechanism is set at 20 NAVs over a maximum of three months and a maximum capping period of one month. By the set deadline at the latest, the management company must end the gate and consider another exceptional solution, which may include the suspension of redemptions or the liquidation of the collective investment undertaking.

This maximum period will not be valid after the enforcement of the Commission Delegated Regulation (EU) 2026/466 of 17/11/25 in France.

The Management Company may implement a mechanism for adjusting the net asset value, known as the Swing Pricing mechanism, with a trigger threshold in order to protect current unitholders from portfolio restructuring costs caused by liability movements.

These mechanisms and how they operate are described in the prospectus.

ARTICLE IV - CALCULATION OF THE NET ASSET VALUE

The net asset value of the units shall be calculated in accordance with the valuation rules indicated in the prospectus.

TITLE II

OPERATION OF THE FUND

ARTICLE V.I - THE MANAGEMENT COMPANY

The fund shall be managed by the management company in accordance with the guidelines defined for the fund.

The management company must act in the sole interest of the unitholders at all times and shall alone exercise the voting rights attached to the securities in the fund's portfolio.

ARTICLE V.II - OPERATING RULES

The prospectus describes the instruments and deposits eligible for inclusion in the fund's assets as well as the investment rules.

ARTICLE V TER - ADMISSION TO TRADING ON A REGULATED MARKET AND/OR A MULTILATERAL TRADING SYSTEM

The units may be admitted to trading on a regulated market and/or multilateral trading system in accordance with the regulations in force. If a fund whose units are traded on a regulated market has an objective based on an index, the fund must take steps to ensure that the price of its units does not deviate significantly from its net asset value.

ARTICLE VI - DEPOSITARY

The depositary shall perform the duties for which it is responsible in accordance with the legal and regulatory provisions in force and those contractually entrusted to it by the management company. In particular, it must ensure that the management company's decisions are lawful. Where applicable, it must take any protective measures that it deems useful. It shall inform the AMF of any dispute it has with the management company.

ARTICLE VII - STATUTORY AUDITOR

A statutory auditor shall be appointed by the Board of Directors of the management company for a term of six financial years after approval from the AMF.

It shall certify that the accounts are true and fair.

Its term of office may be renewed.

The statutory auditor shall be required to notify the AMF, as soon as practicable, of any fact or decision concerning the fund of which it has become aware in the performance of its duties that could:

1. constitute an infringement of laws or regulations applicable to the fund that could have a significant effect on its financial situation, earnings or assets
2. adversely affect the conditions or the continuity of its business
3. result in a qualified opinion or a refusal to certify the accounts.

Asset valuations and the determination of exchange rates used in currency conversions, mergers and or demergers shall be audited by the statutory auditor,

It shall be responsible for the valuation of all contributions in kind.

It shall verify the accuracy of the asset inventory and other information before publication.

The statutory auditor's fees shall be set by mutual agreement with the management company's Board of Directors, in accordance with a work schedule specifying the checks deemed necessary.

The statutory auditor's fees shall be included in the costs of administrative services outside the management company.

The statutory auditor shall certify the circumstances underlying any interim distributions.

ARTICLE VIII - ACCOUNTS AND MANAGEMENT REPORT

At the end of each financial year, the management company shall draw up summary documents and shall establish a fund management report for the financial year ended.

At least once every six months and under the depositary's supervision, the management company shall prepare an inventory of the fund's assets.

The management company shall hold these documents available for consultation by the unitholders for a period of four months from the year-end and inform them of their revenue entitlement. These documents shall be either sent by post, at the express request of the unitholders, or made available to them at the management company.

TITLE III

APPROPRIATION OF DISTRIBUTABLE AMOUNTS

ARTICLE IX - APPROPRIATION OF DISTRIBUTABLE AMOUNTS

Net earnings for the year are equal to the amount of interest, arrears, dividends, premiums and bonuses as well as all income relating to the securities that constitute the fund's portfolio, plus income from temporary cash holdings, minus management fees, any depreciation or amortisation charges and borrowing costs.

Amounts distributable by an undertaking for collective investment in transferable securities (UCITS) consist of:

(1) Net income plus retained earnings and plus or minus the balance of the accrued income account;

(2) Realised gains, net of costs, minus realised losses, net of costs, recognised during the financial year, plus net gains of the same type recognised during prior financial years that were not the subject of any distribution or accumulation, and minus or plus the balance of the accrued gains account.

The amounts indicated in points 1) and 2) above may be distributed independently of each other, in whole or in part.

The appropriation of distributable amounts is detailed in the prospectus.

TITLE IV

MERGER - DEMERGER - DISSOLUTION - LIQUIDATION

ARTICLE X - MERGER - DEMERGER

The management company may either invest all or part of the Fund's assets in another UCI it manages or split the fund into two or more mutual funds.

Such mergers or demergers may only be carried out after unitholders have been notified. They shall result in the issuance of a new certificate stating the number of units held by each unitholder.

ARTICLE XI - DISSOLUTION - EXTENSION

If the Fund's assets remain below the minimum level set in Article 2 above for 30 consecutive days, the management company shall notify the AMF and either arrange a merger with another mutual fund or dissolve it.

The management company may dissolve the Fund early. In this case, it shall inform the unitholders of its decision, and subscription and redemption requests shall no longer be accepted after that date.

The management company shall dissolve the fund if it receives a request to redeem all its units, if the depositary ceases to operate and no other depositary has been appointed, or on expiry of the fund's term, if it is not extended.

The management company shall inform the AMF by post of the planned dissolution date and procedure. It shall then send the statutory auditor's report to the AMF.

The management company may decide to extend the Fund with the agreement of the depositary. The decision must be taken at least three months before expiry of the fund's scheduled term and reported to the unitholders and the AMF.

ARTICLE XII - LIQUIDATION

In the event of dissolution, the management company or the depositary, with its consent, shall assume the role of liquidator. If this is not possible, a liquidator shall be appointed by the court at the request of any interested party. To perform its duties, the liquidator shall be granted the broadest authority to sell the assets, pay any creditors and distribute the remaining balance among the unitholders in cash or in securities.

The Statutory Auditor and the depositary shall continue in office until all liquidation operations have been completed.

TITLE V

DISPUTES

ARTICLE XIII - COMPETENCE - ELECTION OF DOMICILE

Any disputes relating to the fund that arise during its operating term or at the time of its liquidation either between unitholders or between the unitholders and the management company or the depositary shall be subject to the jurisdiction of the competent courts.

• *Approved by the COB on:*	*14 December 1998*
• *Creation date:*	*17 December 1998*
• *Updated on:*	*16 April 2026*

Product name:
HSBC EURO GVT BOND FUND

Legal entity identifier:
9695008B49FJ4QA9GZ24

Environmental and/or social characteristics

Sustainable investment refers to an investment in an economic activity that contributes to an environmental or social objective, provided that it does not cause significant harm to any of those objectives and that investee companies apply best governance practices.

The EU taxonomy is a classification system established by Regulation (EU) 2020/852 which sets out a list of environmentally sustainable economic activities. This regulation does not include a list of socially sustainable economic activities Sustainable investments with an environmental objective are not necessarily aligned with the taxonomy.

Does this financial product have a sustainable investment objective?

☐ Yes	☒ No
☐ **The product 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 promotes environmental/social (E/S) characteristics and while it does not have sustainable investment as its objective, it will have a minimum percentage of net assets in 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 will make a minimum of sustainable investments with a social objective:_%	☐ **It promotes E/S characteristics, but will not make sustainable investments**

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

The fund promotes E, S and G characteristics by investing principally in Euro-denominated bonds issued or guaranteed by a Member State of the Economic and Monetary Union, UCITS invested exclusively in securities issued or guaranteed by these governments, and Euro-denominated bonds issued by supranational issuers.

The analysis of issuers' ESG criteria is integrated to the fund's investment process. Based on a 'ratings improvement' approach, the fund selects the stocks that allow the portfolio to display a higher ESG rating than the FTSE EMU Government Bond Index (EGBI), the fund's benchmark.

In addition, at least 70% of investments must meet a minimum ESG rating.

The portfolio's ESG rating is the sum of the issuers' ESG ratings, weighted according to the size of each position in the portfolio. Similarly, the index E.S.G. rating is the sum of component companies' E.S.G ratings, weighted according to their size in the index.

Furthermore, the fund does not invest in issuers that HSBC Asset Management considers to be non-compliant with UNGC principles and OECD Guidelines for Multinational Enterprises. Where potential breaches of UN Global Compact principles are identified, non-sovereign issuers may undergo enhanced due diligence conducted by the manager/analyst to determine whether it is appropriate to include or exclude these securities from the fund.

The achievement of the E/S characteristics is measured using the sustainability indicators described in the next section, some of which are tracked against the FTSE EMU Government Bond Index, which is the fund's benchmark. However, this indicator has not been designated to achieve the E/S characteristics promoted by the 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 used to check whether the financial product complies with the environmental or social characteristics promoted by the financial product.

The fund promotes all pillars (E, S and G). Consequently, the main sustainability indicator used to measure the ESG performance of the portfolio is the ESG score. The fund aims to display a better ESG rating than the FTSE EMU Government Bond Index (EGBI), its benchmark.

In addition, at least 70% of investments must meet a minimum ESG rating.

The fund also uses violations of UN Global Compact Principles and OECD Guidelines for Multinational Enterprises as additional sustainability indicators.

- *What objectives set by the sustainable investments does the financial product intend to pursue and how are sustainable investments contributing to these objectives?*

Sustainable investments within the fund contribute to the achievement of environmental and/or social objectives.

To determine whether a sovereign bond is a sustainable investment, we apply the following criteria:
-positive contribution assessed using countries' SDG performance or their positive contribution to climate change mitigation,
-compliance with the DNSH principle, including a minimum rating according to the Human Development Index(1), the Corruption Perceptions Index(2) and greenhouse gas (GHG) emissions per capita,
-Income-adjusted approach: the assessment is adjusted to income based on SDG performance and per capita greenhouse gas (GHG) emissions. -good governance: assessed using a national governance score usually provided by an external data provider.

The fund may invest in euro-denominated bonds guaranteed by a Member State of the Economic and Monetary Union. Three criteria are applied to determine whether a non-governmental issuance is a sustainable investment: positive contribution, absence of material harm, and good governance practices.

HSBC Asset Management's sustainable investment methodology applied to non-government issuers is available on the management company's website: www.assetmanagement.hsbc.fr

(1)The Human Development Index or HDI is a composite statistic aimed at measuring the human development level of any country. For more information, please visit the following website: Human Development Index | Human Development Reports
(2)Since 1995, the Transparency International NGO has published an annual Corruption Perceptions Index (CPI) ranking countries by their perceived levels of public sector corruption.

Principal adverse impacts refer to the most significant negative impacts of investment decisions on sustainability factors related to environmental, social and personnel issues, regarding respecting human rights and fighting against corruption and acts of corruption.

- To what extent do the sustainable investments that the financial product intends to pursue in particular not cause significant harm to an environmental or social sustainable investment objective?

  The fund's sustainable investments are assessed against the "do no significant harm" (DNSH) principle to ensure that they do not cause significant harm to environmental or social objectives. The DNSH principle applies only to the fund's underlying sustainable investments.

  The assessment process includes the consideration of principal adverse impacts (PAIs). PAIs are a set of environmental and social indicators including greenhouse gas (GHG) emissions, water discharges, and the gender pay gap for non-sovereign issuers.

  For sovereign instruments, the DNSH principles include a minimum ranking on the Human Development Index, the corruption ranking and GHG emissions per capita.

How were negative impact indicators taken into account?
All mandatory PAI criteria, as defined in Table 1 of Annex 1 to the regulatory technical standards for Regulation 2019/2088, are used to assess whether the fund's sustainable investments do not cause significant harm to environmental or social objectives.
To carry out the DNSH assessment, absolute and relative minimum thresholds were established for the 14 mandatory PAIs used for non-governmental emissions.
In the event of a disagreement regarding data provided by an external data provider, or when the data is insufficient, the investment teams may conduct a qualitative or quantitative assessment in collaboration with the Responsible Investment team in order to reach a final decision. If there is evidence that an issuer causes or contributes to significant harm, the security may still be held in the fund, but will not be taken into account in the fund's "sustainable investments" segment.
A description of HSBC's sustainable investment methodology is available on the company's website: www.assetmanagement.hsbc.fr

To what extent are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and with the UN Guiding Principles on Business and Human Rights? An external data provider is used to monitor non-governmental issuers and detect controversies that may indicate potential violations of the principles of the United Nations Global Compact (UNGC). These principles are aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. These ten Guiding Principles include the assessment of non-financial risks such as human rights, labour standards, environment, and anti-corruption. Issuers that have been flagged for potential violations of the principles of the United Nations Global Compact are excluded, unless enhanced ESG due diligence confirms that they have not breached these principles.
HSBC Asset Management is also a signatory of the United Nations Principles for Responsible Investment.

The EU taxonomy establishes a principle consisting of "do no significant harm", by virtue of which the investments aligned with the taxonomy should not cause significant harm to the objectives of the EU taxonomy. It also comes with a set of criteria specific to the EU.

The "do not significant harm" principle only applies to the fund's underlying sustainable investments that take into account the EU criteria with respect to environmentally sustainable business activities. The investments underlying the remaining portion of the fund do not take into account the European Union's criteria for environmentally sustainable economic activities.

Any other sustainable investment must also not cause significant harm to environmental or social objectives.

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

☒ Yes, the main adverse impacts of investments are taken into account in the management of the fund.

To support investment decision-making, the manager has chosen an indicator referring to environmental and social indicators.

Indicators		Indicator measurement
Environmental	GHG intensity (PAI 15*)	GHG intensity of investee countries
Human Rights	Investee Countries subject to social violations (PAI 16*)	Number of investee countries experiencing social violations as per international treaties and conventions, UN principles or, where applicable, national law.

*As per Table 1 of Annex 1 to Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022.

Information on the main adverse impacts taken into account by the fund will be published in the SDFR annex attached to the fund's annual report.

What is the investment strategy applied to this financial product ?

The fund is managed actively and aims to outperform its benchmark over the recommended investment horizon: FTSE EMU Government Bond Index (EGBI).

Within the investment universe, securities are selected based on a combination of financial and extra-financial analysis. The fund therefore invests in a selection of euro-denominated bonds issued or guaranteed by a Member State of the Economic and Monetary Union, UCITS invested exclusively in securities issued or guaranteed by these States and Euro-denominated bonds issued by supranational issuers that meet economic, environmental, social and governance (ESG) criteria.

From an extra-financial point of view, the stock selection process is based on: - integrated issuer analysis based on ESG criteria. Based on a 'ratings improvement' approach, the fund selects the stocks that allow the portfolio to display a higher ESG rating than the FTSE EMU Government Bond Index (EGBI), the fund's benchmark.

In addition, at least 70% of investments must meet a minimum ESG rating

The portfolio's E.S.G. rating is the sum of the E.S.G. ratings of issuers weighted according to the size of each position in the portfolio. Similarly, the FTSE EMU Government Bond index E.S.G. rating is the sum of component companies' E.S.G ratings, weighted according to their size in the index.

Factors used to determine E.S.G. ratings may include, but are not limited to: - environmental and social factors, including but not limited to physical risks related to climate change and human capital management, which may have a material impact on an issuer's financial performance and valuation.
- The sovereign Governance pillar examines the quality of institutions, political stability, the regulatory framework, citizen participation, transparency and risk management. These criteria determine how a country's governance influences its economic and social stability.

In addition, the fund commits to carrying out enhanced due diligence on issuers considered to carry high risks due to a poor ESG assessment from the management company. This enhanced due diligence may lead to the exclusion of the issuer. The opportunity to carry out enhanced due diligence can be identified and analysed using, among other items, the analytical framework, the management company's ESG scores and its qualitative fundamental analysis.

The fund aims to increase exposure to ESG and/or sustainability bonds.

Information on the social, environmental and governance quality criteria applied to the fund's investment policy can be found in the fund's annual report.

The list of external ESG data providers is available in the ESG Information section of the mutual fund on our website.

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

- ***What are the stock selection constraints set out in the investment strategy that will help attain each of the environmental or social characteristics promoted by this financial product?***

  The investment constraints applicable to the strategy are as follows:
  - the fund does not invest in issuers that HSBC Asset Management considers to be non-compliant with the United Nations Global Compact principles and

the OECD Guidelines for Multinational Enterprises. Where potential breaches of the principles of the UN Global Compact are identified, non-sovereign issuers may undergo enhanced due diligence by the manager/analyst to determine whether it is appropriate to include or exclude them from the fund.

- ***By what minimum proportion does the financial product commit to reduce its investment scope prior to the application of this investment strategy?***

  There is no minimum commitment rate.

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

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

  The fund may invest in bonds issued by non-sovereign issuers (supranational, local authorities, agencies, etc.). The fund's investments are evaluated to determine whether they meet the minimum best governance standards, in keeping with the UN Global Compact Principles. Furthermore, best governance practices are examined through ESG and G pillar ratings. Governance is assessed based on criteria including, but not limited to, ethics, culture and values, corporate governance, and anti-corruption. Issuers that meet sustainable investment criteria are identified through minimum governance ratings and lack of exposure to severe ESG controversies. HSBC Asset Management believes that strong corporate governance ensures that companies are managed in accordance with the long-term interests of investors.

Asset allocation refers to the percentage of investments assigned to specific assets.

What is the asset allocation planned for this financial product ?

HSBC EURO GVT BOND FUND includes euro-denominated bonds issued or guaranteed by a Member State of the Economic and Monetary Union, UCITS invested exclusively in securities issued or guaranteed by these States and Euro-denominated bonds issued by supranational issuers. The fund invests in securities that meet both of the following criteria:
- Bonds denominated in Euros issued or guaranteed by Member States of the Eurozone, or issued by supranational issuers held by member countries of the European Union, based on the following allocation brackets:
- from 75% to 100% in fixed-rate bonds,
- from 0% to 25% in floating rate and/or inflation-linked bonds
- from 0% to 20% in bonds issued by supranational issuers.

However, depending on market conditions, the manager may choose to deviate significantly from the ranges specified above while nevertheless complying with the regulatory provisions.
- the securities are rated investment grade (minimum BBB- according to the Standard & Poor's rating scale or equivalent) at the time of acquisition or deemed equivalent by the Management Company.

The minimum proportion of investments used to achieve the environmental or social characteristics promoted by the fund is 70%. Details on the investments that make up the remaining 30% are provided in the section shown below: "investments included in category" # 2 Other ".

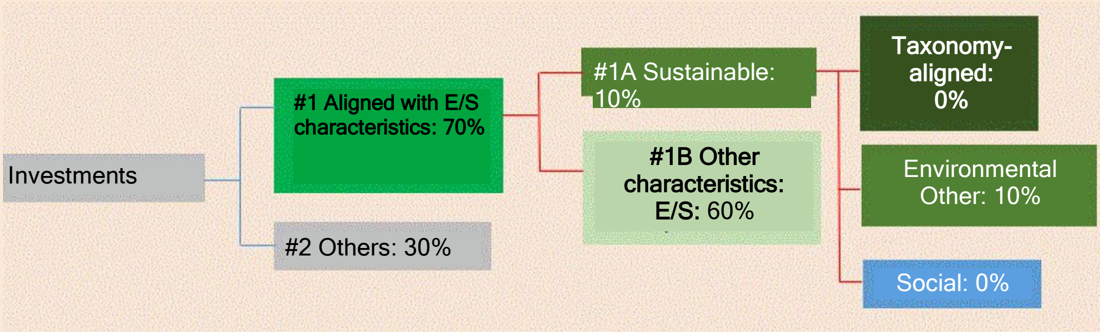
Although the fund does not have sustainable investment as its objective, it will invest a minimum of 10% of its net asset value in sustainable investments.

Taxonomy-aligned activities are expressed as a percentage of:

- revenue
to reflect the share of revenue derived from "green activities" operated by investee companies;

- capital expenditure (CapEx) to highlight the "green investments" made by investee companies to support the transition to a green economy;

- operating expenses (OpEx) to reflect the "green" operating activities of investee companies.



The #1 category - Aligned with E/S characteristics - includes the investments made by the fund to achieve the environmental or social characteristics promoted by the financial product.

The #2 category - Other - includes the remaining investments made by the financial product that are neither aligned with the environmental or social characteristics, nor considered to be sustainable investments.

Category #1 Aligned with E/S characteristics includes:

- #1A sub-category - Sustainable - covering sustainable investments with environmental or social objectives;

- #1B sub-category - Other E/S characteristics - covering investments aligned with environmental or social characteristics that are not considered to be sustainable investments.

- How does the use of derivatives help to achieve the environmental or social characteristics promoted by the financial product?

  The use of derivatives will not contribute to the attainment of the fund's environmental or social characteristics.

To comply with the EU Taxonomy, the criteria for fossil gas include limits on emissions and switching to renewable power or low-carbon fuels by the end of 2035. Regarding nuclear power, criteria include comprehensive rules on nuclear safety and waste management.

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

The fund does not commit to a minimum proportion of sustainable investments with an environmental objective aligned with the European Union's taxonomy.

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

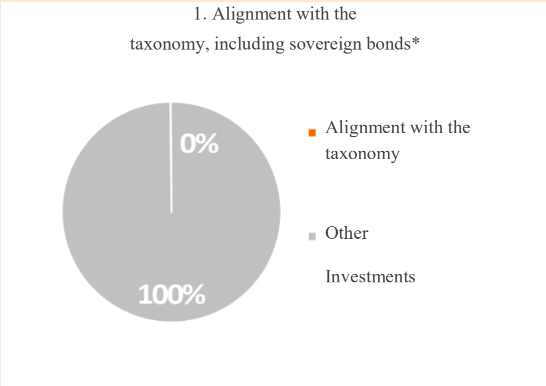
☐ Yes ☐ in fossil gas ☐ in nuclear energy

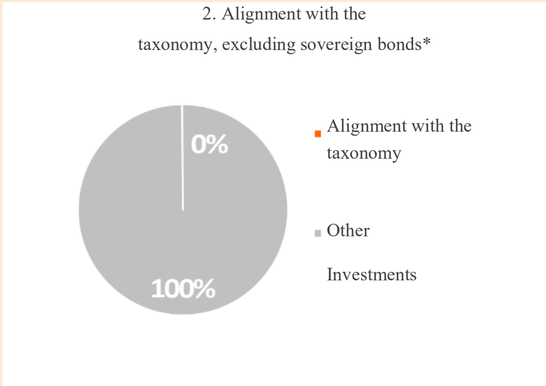
☒ No

Enabling activities enable other activities to make a substantial contribution to the achievement of an environmental objective.

Transitional activities refer to activities for which low-carbon alternatives do not yet exist, including those with greenhouse gas emission levels aligned with the best achievable performances.

The two graphs below indicate the minimum percentage of investments that are aligned with the EU taxonomy (marked in green). Since there is no appropriate methodology to determine the alignment of sovereign bonds* with the taxonomy, the first chart shows the taxonomy alignment for all underlying investments, including sovereign bonds, while the second chart shows the alignment for all underlying investments excluding sovereign bonds.





**In these charts, the "sovereign bonds" category includes all sovereign exposure.*

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

  This does not apply to the fund. The fund does not commit to a minimum proportion of investments in enabling and transitional sustainable economic activities as per the Taxonomy regulations.

The symbol refers to 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?

This does not apply to the fund. The fund does not commit to a minimum proportion of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

What is the minimum percentage of socially sustainable investments?

The Fund does not commit to a minimum percentage of socially sustainable investments.

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

The fund may hold cash, derivatives, as well as investments that do not meet minimum ESG ratings or for which extra-financial analysis could not be performed due to the unavailability of ESG data. Derivatives are used with a view to achieving the investment objective (exposure, hedging, arbitrage).

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

No

Benchmarks are indices that allow the financial product to track whether it is achieving the environmental or social characteristics that it promotes.

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

  Not applicable.

- How is the alignment of the investment strategy with the index methodology guaranteed on a permanent basis?

  Not applicable.

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

  Not applicable.

- Where can I find the methodology used to calculate the designated benchmark?

  Not applicable.

Where can I find more product specific information online?

Further details can be found on the

Management company’s website: www.assetmanagement.hsbc.fr

V4

Updated on: 13/02/2026