Asset Management

HSBC Global Funds II ICAV

Prospectus

An open-ended Irish collective asset management vehicle which is constituted as an umbrella fund with segregated liability between funds and with variable capital
Date: 13 August 2024



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Important information

This Prospectus should be read in conjunction with the section entitled **"Definitions".**

The Prospectus

The ICAV and the Directors whose names appear in the section entitled "**Management and Administration**" accept responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the ICAV and the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the importance of such information. The ICAV and the Directors accept responsibility accordingly.

This Prospectus describes HSBC Global Funds II ICAV (the "**ICAV**"), an umbrella type Irish Collective Asset-management Vehicle registered with and authorised by the Central Bank to carry on business as an ICAV, pursuant to Part 2 of the Irish Collective Asset-management Vehicles Act, 2015 (as amended) and established as an undertaking for collective investment in transferable securities pursuant to the UCITS Regulations with segregated liability between its Sub-Funds. The ICAV is structured as an umbrella fund and may comprise several portfolios of assets. The share capital of the ICAV may be divided into different classes of shares each representing a separate portfolio of assets and further sub-divided, to denote differing characteristics attributable to particular Shares, into **Classes**.

This Prospectus may only be issued with one or more Supplements, each containing information relating to a specific Sub-Fund. Details relating to Classes may also be dealt with in the relevant Supplement. Each Supplement shall form part of, and should be read in conjunction with, this Prospectus. To the extent that there is any inconsistency between this Prospectus and any Supplement, the relevant Supplement shall prevail.

Information regarding the environmental and / or social characteristics promoted by the Sub-Funds which are subject to Article 8 of SFDR or the sustainable investment objective of Sub-Funds subject to Article 9 of SFDR is available in the relevant Annex for the relevant Sub-Fund.

Reliance on this Prospectus

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

Translations

This Prospectus may be translated into other languages and such translations shall contain only the same information as this Prospectus. In the event of any inconsistency or ambiguity in relation to the meaning of any word or phrase in any translation, the English text shall prevail and all disputes as to the terms thereof shall be governed by, and construed in accordance with, the law of Ireland.

Authorisation by the Central Bank

The ICAV is authorised by the Central Bank as an UCITS within the meaning of the UCITS Regulations. The authorisation of the ICAV by the Central Bank shall not constitute a warranty as to the performance of the ICAV and the Central Bank shall not be liable for the performance or default of the ICAV. Authorisation of the ICAV by the Central Bank is not an endorsement or guarantee of the ICAV by the Central Bank nor is the Central Bank responsible for the contents of this Prospectus.

Risk Factors

Investors should be aware that investment in the ICAV carries with it the potential for risk and is only suitable for people who are in a position to take such risks. The price of Shares may fall as well as rise, and investors may not get back any of the amount invested.

Where disclosed in the relevant Supplement, Shareholders should note that where there is insufficient income or capital gains to cover the fees and expenses of the Sub-Fund all/part of such fees and expenses may be charged to the capital of the Sub-Fund. This may have the effect of lowering the capital value of your investment so that income will be achieved by forgoing the potential for future capital growth.

Where disclosed in the relevant Supplement, dividends may be paid out of capital of the relevant Sub-Fund in order to enable the Sub-Fund to pay a larger distribution amount than would otherwise be permissible. Distributions made in this way should be understood as a type of capital reimbursement. **There is a greater risk that capital will be eroded and 'income' will be achieved by foregoing the potential for future capital growth of your investment and the value of future returns may also be diminished. This cycle may continue until all capital is depleted. Distributions out of capital may have different tax implications to distributions out of income and accordingly, Shareholders should consult their professional financial and tax advisers in this regard**.

The difference at any one time between the sale and repurchase price of shares in the ICAV means that the investment should be viewed as medium to long term.

Certain risk factors for an investor to consider are set out in section 3 entitled "Risks and Risk Management" in this Prospectus and in the relevant Supplement.

Bank Holding Company Act

HSBC Holdings plc ("HSBC") is the ultimate parent company of a number of affiliates involved in the management, investment management and distribution of the ICAV. HSBC is regulated by the Federal Reserve in the United States of America as a Financial Holding Company ("FHC") under the Bank Holding Company Act (and its associated the rules and regulations) (the "BHCA"). As an FHC, the activities of HSBC and its affiliates are subject to certain restrictions imposed by the BHCA

Although HSBC does not own a majority of the Shares, the relationship with HSBC means that HSBC may be deemed to "control" the ICAV within the meaning of the BHCA. Investors should note that certain operations of the ICAV, including its investments and transactions, may therefore be restricted in order to comply with the BHCA.

For example, in order to comply with the BHCA a Sub-Fund may be:

1. restricted in its ability to make certain investments;
2. restricted in the size of certain investments;
3. subject to a maximum holding period on some or all of its investments; and/or
4. required to liquidate certain investments.

In addition, certain investment transactions made between the ICAV and the Investment Manager, the Directors, HSBC and their affiliates may be restricted.

Any actions required pursuant to the BHCA will be executed in compliance with applicable law and in a manner consistent with the best interests of the Shareholders of each Sub-Fund. Investors should also refer to section 8.15 entitled **"Conflicts of Interest".**

There can be no assurance that the bank regulatory requirements applicable to HSBC and/or indirectly to the ICAV, will not change, or that any such change will not have a material adverse effect on the investments and/or investment performance of the Sub-Funds. Subject to applicable law, HSBC and the ICAV may in the future, undertake such actions as they deem reasonably necessary (consistent with ensuring any actions remain in the best interests of the Shareholders of the Sub-Funds) in order to reduce or eliminate the impact or applicability of any bank regulatory restrictions on the ICAV and its Sub-Funds.

Restrictions on Distribution and Sale of Shares

The distribution of this Prospectus and any Supplement and the offering or purchase of Shares may be restricted in certain jurisdictions and, accordingly, persons into whose possession this Prospectus and/or Supplement comes are required to inform themselves about, and to observe, such restrictions. This Prospectus does not constitute, and may not be used for the purpose of, an offer or solicitation in any jurisdiction or in any circumstances in which such offer or solicitation is unlawful or not authorised or in which the person making such offer or solicitation is not qualified to do.

Shares are offered only on the basis of the information contained in the current Prospectus and relevant Supplement.

No person has been authorised to issue any advertisement or to give any information, or to make any representations in connection with the offering, placing, subscription or sale of Shares other than those contained in the current Prospectus and the relevant Supplement and, if issued, given or made, such advertisement, information or representations must not be relied upon as having been authorised by the ICAV.

The Directors and/or the Management Company have the power to impose restrictions on the holding of Shares directly or indirectly by (and consequently to redeem Shares held by) such persons or entities as described under the **"Compulsory Redemptions"** section of this Prospectus.

Restrictions on Sales or Promotion in Certain Jurisdictions

- **United States of America**

  The Shares will not be registered under the Securities Act or under the securities laws of any state and the ICAV has not been and will not be registered under the 1940 Act. This Prospectus may not be distributed, and the Shares may not be offered or sold within the United States of America or to US Persons, (as specified under the definition of "**US Person**" in the section entitled **"Definitions"** of the Prospectus).

- **United Kingdom**

  The ICAV will seek recognition in the UK for the purposes of Section 272 of the FSMA or via the overseas funds regime, if applicable. Potential investors in the United Kingdom should be aware that most of the protections afforded by the United Kingdom regulatory system will not apply to an investment in the Sub-Funds and that compensation will not be available under the United Kingdom Financial Services Compensation Scheme.

- **Jersey**

  The ICAV will apply to the Jersey Financial Services Commission for consent to the circulation in Jersey of an offer of Shares pursuant to the Control of Borrowing (Jersey) Order 1958 as amended. The Jersey Financial Services Commission is protected by the Control of Borrowing (Jersey) Law 1947, as amended, against liability arising from the discharge of its functions under that law.

- **Guernsey**

  This Prospectus may only be made available in or from within the Bailiwick of Guernsey and the offer of Shares that is referred to in this Prospectus may only be made in or from within the Bailiwick of Guernsey:

(i) by persons licensed to do so under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 (as amended); or (ii) to persons licensed under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 (as amended), the Banking Supervision (Bailiwick of Guernsey) Law, 1994 (as amended), the Regulation of Fiduciaries, Administration Businesses and Company Directors, etc (Bailiwick of Guernsey) Law, 2000 (as amended) or the Insurance Managers and Insurance Intermediaries (Bailiwick of Guernsey) Law, 2002 (as amended).

The offer of Shares referred to in this Prospectus will not be available in or from within the Bailiwick of Guernsey other than in accordance with the above paragraphs (i) and (ii) and must not be relied upon by any person unless made or received in accordance with such paragraphs.

- **Isle of Man**

The ICAV is not subject to any form of regulation or approval in the Isle of Man. This Prospectus will not be registered or approved for distribution in the Isle of Man and may only be distributed in or into the Isle of Man by a person permitted under Isle of Man law to do so and in accordance with the Isle of Man Collective Investment Schemes Act 2008 and regulations made thereunder. Investors in the Sub-Funds are not protected by any statutory compensation scheme.

- **Hong Kong**

In Hong Kong, the ICAV and a number of its Sub-Funds will seek authorisation by the Securities and Futures Commission ("SFC"). If granted, SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of the scheme or its performance. It does not mean the ICAV is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

Following authorisation by the SFC, for as long as the ICAV and its Sub-Funds remain authorised by the SFC, and unless otherwise approved by the SFC, the Management Company confirms its intention to operate the Sub-Funds authorised in Hong Kong in accordance with the SFC's Code on Unit Trusts and Mutual Funds. This includes making certain disclosures and setting certain limits. Relevant disclosures and limits include, but are not limited to:

1. **Applicable to: All Sub-Funds (unless a Sub-Fund is authorised under chapter 8.9 of the SFC's Code on Unit Trusts and Mutual Funds)**

   The net derivative exposure, as defined by the SFC, of each Sub-Fund may be up to 50% of the respective Sub-Funds' Net Asset Value.

2. **Applicable to: All Sub-Funds investing in bonds**

   A Sub-Fund may invest less than 30% of the respective Sub-Fund's net assets in debt instruments with loss-absorption features including, but not limited to, contingent convertible securities; additional tier 1 or tier 2 capital instruments; total loss-absorbing capacity eligible instruments; and certain senior non-preferred debt.

Information for Hong Kong Investors will be available to investors in Hong Kong at: obtainable from www.assetmanagement.hsbc.com.hk.

Definitions

1940 Act	The US Investment Company Act of 1940, as amended.
Act	The Irish Collective Asset-management Vehicle Act, 2015 and every amendment or re-enactment of the same.
Administrator	HSBC Securities Services (Ireland) DAC, or such other company as may from time to time be appointed to provide administration, accounting, registrar and transfer agency and related support services to the ICAV in accordance with the requirements of the Central Bank.
Administration Agreement	The agreement dated 25 April 2024 between the ICAV, the Management Company and the Administrator as amended, supplemented or otherwise modified from time to time in accordance with the requirements of the Central Bank.
AEOI	Automatic Exchange of Information.
Application Form	The application form available from the Administrator.
AUD	The lawful currency of Australia.
Base Currency	The currency in which the NAV of each Sub-Fund is calculated.
Base Currency Hedged Share Classes	Base Currency Hedged Share Classes do not seek to hedge the currency risk an investor is exposed to when investing in a particular Sub-Fund. Base Currency Hedged Share Classes seek to hedge the Sub-Fund's Base Currency to the Reference Currency of the Share Class thereby providing a return which is consistent with the return on a Share Class with a Reference Currency which is the same as the Sub-Fund's Base Currency. However, the returns may differ due to various factors including interest rate differentials between the Reference Currency of the Base Currency Hedged Share Class and the Sub-Fund's Base Currency and transaction costs. Further information is disclosed in section 1.7 **"Description of Share Classes"**.
Bond Connect	Means a securities trading and clearing linked programme with an aim to achieve mutual bond market access between the PRC and Hong Kong and enables the Sub-Funds to invest in bonds traded on the China Interbank Bond Market in the PRC.
Business Day	Unless specified otherwise in the relevant Supplement or in section 6.2 **"Suspension of the Calculation of the NAV and Issue, Allocation, Conversion, Redemption and Repurchase of Shares"** in relation to the NAV calculation for a specific Sub-Fund, Business Day means a day (other than days during a period of suspension of dealing in Shares or any other day so determined at the Directors' discretion) on which banks are open for normal banking business in Ireland, and which is also for each Sub-Fund a day where stock exchanges and Recognised Markets in countries where the Sub-Fund is materially invested are open for normal trading. A list of the days which are not Business Days will be available from the Administrator and at the registered office of the ICAV.

CAAPs	China A Shares Access Products, being transferable securities generally listed on Recognised Markets, or occasionally unlisted, and issued by a third party CAAP issuer in respect of China A Shares which themselves are listed or traded on the Shanghai Securities Exchange or the Shenzhen Stock Exchange and which represent an obligation of the CAAP issuer to pay to a Sub-Fund an economic return equivalent to holding the underlying China A Shares.
CAD	The lawful currency of Canada.
Central Bank	The Central Bank of Ireland as the authority with responsibility for registering, authorising and supervising the ICAV.
Central Bank UCITS Regulations	The Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 and associated guidance, as may be amended from time to time.
CHF	The lawful currency of Switzerland.
China A Shares	Domestic shares in PRC incorporated companies listed on either the Shanghai Stock Exchange or the Shenzhen Stock Exchange, the prices of which are quoted in Renminbi and which are available to domestic investors and foreign strategic investors approved by the CSRC.
Class or Classes	Shares of a particular Sub-Fund representing an interest in the Sub-Fund but designated as a class of Shares within such Sub-Fund.
Credit Rating	The credit rating given by a Recognised Rating Agency.
CSRC	The China Securities Regulatory Commission.
CSSF	The Commission de Surveillance du Secteur Financier, the Luxembourg supervisory authority.
Data Protection Legislation	The Irish Data Protection Acts 1988 to 2018, the EU Data Protection Directive 95/46/EC, the EU ePrivacy Directive 2002/58/EC (as amended) and any relevant transposition of, or successor or replacement to, those laws (including, the General Data Protection Regulation (Regulation (EU) 2016/679) and the successor to the ePrivacy Directive).
Dealing Day	Unless specified otherwise in the relevant Supplement for any Sub-Fund, every Business Day other than Christmas Eve and New Year's Eve (or the Business Day immediately prior to Christmas Eve and New Year's Eve if they fall on a weekend) or such other day or days as the Directors may determine and notify to the Administrator and to Shareholders in advance provided there shall be at least one (1) Dealing Day per fortnight.
Dealing Currencies	Dealing Currencies, as set out in the Application Form, enable Shareholders to buy or sell Shares in a Base Currency Share Class in a currency other than the Base Currency.
Dealing Deadline	Means in relation to applications for subscription, redemption, transfer or conversion of Shares, the day and time specified in the Supplement for the relevant Sub-Fund by which such applications must be received.
Depositary	HSBC Continental Europe or such other company as may from time to time be appointed to provide depositary services to the ICAV in accordance with the requirements of the Central Bank.

Depositary Agreement	The agreement dated 25 April 2024 between the ICAV, the Management Company and the Depositary as amended, supplemented or otherwise modified from time to time in accordance with the requirements of the Central Bank.
Directors	The directors of the ICAV for the time being and any duly constituted committee thereof.
Distributors	Affiliate companies of the HSBC Group appointed by the Management Company (acting as Global Distributor), in accordance with the terms of the distribution agreements entered into with the Distributors and the requirements of the Central Bank, to carry out distribution services in their local jurisdiction.
Dividend Account	The dividend account at umbrella level in the name of the ICAV. All dividend proceeds will be paid to and from the dividend account.
EEA	The European Economic Area.
Eligible CIS	Schemes established in Member States which are authorised under Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations, and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS), as amended by Directive 2014/91/EU of 23 July 2014 or the relevant national legislation implementing the Directive and which may be listed on a Recognised Market in the EU and/ or any of the following open-ended collective investment schemes: (a) schemes established in Guernsey and authorised as Class A schemes; (b) schemes established in Jersey as recognised funds; (c) schemes established in the Isle of Man as authorised schemes; (d) retail investor alternative investment funds authorised by the Central Bank provided such investment funds comply in all material respects, with the provisions of the UCITS Regulations and the Central Bank UCITS Regulations; (e) alternative investment funds authorised in a member state of the EEA, the UK, the US, Jersey, Guernsey or the Isle of Man and which comply, in all material respects, with the provisions of the UCITS Regulations and the Central Bank's UCITS Regulations; and such other schemes as may be permitted by the Central Bank and set out in this Prospectus.
ESG	Environmental Social and Governance factors which can be considered non-financial performance indicators which include ethical, sustainable and corporate governance issues.
ESMA	The European Securities and Markets Authority.
€, EUR or Euro	The single currency of participating Member States of the EU introduced on 1 January 1999.
EU	European Union.
Eurozone	A monetary union of 19 of the 27 EU Member States which have adopted the Euro as their common currency and sole legal tender.
EMIR	The European Market Infrastructure Regulation.
EPM	Efficient Portfolio Management.
FDI	Financial Derivative Instruments.

FSMA	The Financial Services and Markets Act 2000, as amended.
Global Distributor	HSBC Investment Funds (Luxembourg) S.A.
Hedged Share Class	Hedged Share Classes may be offered as Base Currency Hedged Share Classes or Portfolio Currency Hedged Share Classes. Further information is disclosed in section 1.7 entitled **"Description of Share Classes".**
HKD	The lawful currency of Hong Kong.
Home Currency	The main currency that an investor uses on a day-to-day basis.
HSBC Group	Collectively and individually, HSBC, its affiliates, subsidiaries, associated entities and any of their branches and offices, and any member of the HSBC Group.
HSBC Group's Global Sanctions Policy	HSBC Group's global sanctions policy defines the minimum standards which all HSBC Group entities must comply with, including: ◆ Screening customers/clients and transactions globally against the sanctions lists issued by the United Nations, the EU, the UK, the US and Hong Kong. ◆ Screening locally against other sanctions lists that apply to HSBC Group's operations in a particular jurisdiction. ◆ Prohibiting business activity, including prohibitions on commencing or continuing customer relationships or providing products or services or facilitating transactions that HSBC Group believes may violate applicable sanctions laws or HSBC Group's global sanctions policy. This includes prohibitions on business activity with individuals or entities named on a sanctions list or activity, directly or indirectly, involving countries or territories subject to comprehensive sanctions. ◆ Restricting certain business activity involving, directly or indirectly, countries or persons subject to more selective or targeted sanctions programmes. These sanctions apply restrictions on some types of products or services or target certain industry sectors. ◆ Investigating all customer/client alerts or transactions that are stopped in HSBC Group's screening systems. ◆ Blocking or rejecting transactions where HSBC Group is required to do so under applicable sanctions laws or regulations or HSBC Group's global sanctions policy. Transactions may also be returned by HSBC Group where they fall outside of HSBC Group's risk appetite. ◆ Reporting breaches of sanctions laws to the relevant regulatory authority. This can include any attempt by a customer to evade sanctions laws. HSBC Group may agree to process certain transactions with a sanctions nexus, in its sole discretion, such as those which relate to humanitarian aid or which are otherwise permitted by a licence from an appropriate authority. These transactions will be considered on a case-by-case basis and must be submitted in advance to HSBC Group for consideration and approval. HSBC Group may, in its sole discretion, also decide not to process transactions, provide products or services or otherwise facilitate transactions even where permitted by applicable sanctions laws and regulations where these activities fall outside of HSBC Group's risk appetite.
ICAV	HSBC Global Funds II ICAV and includes, where the context so requires, the Sub-Funds.
Initial Offer Period	The period during which Shares in a Sub-Fund are initially offered at the Initial Offer Price as specified in the Supplement for the relevant Sub-Fund.

Initial Offer Price	The price per Share at which Shares are initially offered in a Sub-Fund or Class during the Initial Offer Period as specified in the Supplement for the relevant Sub-Fund.
Instrument	The Instrument of Incorporation of the ICAV as amended from time to time in accordance with the requirements of the Central Bank.
Investment Grade	Fixed income securities that are at least rated Baa3/BBB- by Moody's, Standard & Poor's, or another recognised credit rating agency; or above BB+ in the case of a PRC local credit rating agency.
Investment Manager	The entity as may from time to time be appointed to provide investment management services to the ICAV in accordance with the requirements of the Central Bank as disclosed in the relevant Supplement.
Investment Management Agreement	The agreement between the ICAV, the Management Company and the relevant Investment Manager as amended, supplemented or otherwise modified from time to time in accordance with the requirements of the Central Bank.
ISDA	A standardised contract created by the International Swaps and Derivatives Association for participants in OTC derivatives.
JPY	The lawful currency of Japan.
List of Sub-Funds Supplement	Means a supplement to this Prospectus containing a list of the Sub-Funds established by the ICAV from time to time.
Local Agents	Local laws/regulations in the EEA member states may require the appointment of facilities agents/paying agents/representatives/distributors/correspondent banks, referred to in this Prospectus as Local Agents.
Luxembourg Law	The Luxembourg Law of 17 December 2010 on undertakings for collective investment, implementing UCITS IV directive 2009/65/EC into the Luxembourg Law.
Mainland China	All customs territory of the PRC.
Management Company	HSBC Investment Funds (Luxembourg) S.A.
Management Agreement	The agreement dated 25 April 2024 between the ICAV and the Management Company as amended, supplemented or otherwise modified from time to time in accordance with the requirements of the Central Bank.
MAS	The Monetary Authority of Singapore.
Member	A Shareholder or a person who is registered as the holder of one or more Subscriber Shares in the ICAV, the prescribed particulars of which have been recorded in the register of the ICAV.
Member State	A member state of the European Union.
MiFID II	Markets in Financial Instruments Directive (2014/65/EU).
Minimum Initial Subscription	The minimum initial subscription for Shares (if any) as specified in the relevant Supplement.
Minimum Holding	The minimum number or value of Shares (if any) which must be held by Shareholders as specified in the relevant Supplement.

NAV	The net asset value of a Sub-Fund calculated as described in section 6.1. **"Prices of Shares and Publication of Prices and NAV"** of this Prospectus.
NAV per Share	The NAV of a Share in any Sub-Fund, including a Share of any Class of Shares issued in a Sub-Fund calculated as described in section 6.1. **"Prices of Shares and Publication of Prices and NAV"** of this Prospectus.
Non-Investment Grade	Fixed income securities that are rated Ba1/BB+ or lower by Moody's, Standard & Poor's or another Recognised Credit Rating Agency; or BB+ or below in the case of a PRC local credit rating agency.
OCF	Ongoing charges figure.
OECD	The Organisation for Economic Co-Operation and Development.
OTC	Over-the-Counter.
Ordinary Resident – Individual	The term "ordinary resident" as distinct from "resident", relates to a person's normal pattern of life and denotes residence in a place with some degree of continuity. An individual who has been resident in the State for three consecutive tax years becomes ordinarily resident with effect from the commencement of the fourth tax year. An individual who has been ordinarily resident in the State ceases to be ordinarily resident at the end of the third consecutive tax year in which s/he is not resident. Thus, an individual who is resident and ordinarily resident in the State in 2017 and departs from the State in that tax year will remain ordinarily resident up to the end of the tax year in 2020.
Ordinary Resolution	A resolution of the Shareholders of the ICAV or of the Shareholders of a particular Sub-Fund or Class passed by a simple majority of the votes cast in person or proxy at a general meeting of the ICAV, Sub-Fund or Class of Shares as the case may be.
Paying Agent	Any entity appointed as paying agent to a Sub-Fund.
PLN	The lawful currency of Poland.
Portfolio Currency Hedged Share Class	Portfolio Currency Hedged Share Classes seek to hedge currency risk, i.e., hedge the currency or currencies of denomination of the underlying portfolio assets to the Reference Currency of the Share Class. Depending upon how the Sub-Fund is organised the currency hedge will be achieved in various ways, as described in section 1.7 "Description of Share Classes" under **"Portfolio Currency Hedged Share Classes and Base Currency Hedged Share Classes"**. However, the intended outcome is the same, to seek to hedge currency risk.
PRC	The People's Republic of China.
Prospectus	This document, the Appendices, the relevant Supplement for any Sub-Fund and any other supplement or addendum designed to be read and construed together with and to form part of this document.
Recognised Market	Any recognised exchange or market listed or referred to in Appendix 3 to this Prospectus and such other markets as Directors may from time to time determine in accordance with the UCITS Regulations and specify in Appendix 3 to this Prospectus.

Recognised Rating Agency	Standard & Poor's Ratings Group **("S&P")**, Moody's Investors Services **("Moody's")**, Fitch IBCA **("Fitch")** or an equivalent rating agency or, for Chinese bonds, a PRC local credit rating agency.
Redemption Account	The redemption account at umbrella level in the name of the ICAV.
Redemption Price	The NAV per Share of the relevant Sub-Fund or Class as at the Valuation Point for the relevant Dealing Day less any duties and charges (other than the redemption charge, if any) as set out in this Prospectus or in the Supplement for the relevant Sub-Fund.
Reference Currency	The currency denomination in which the NAV per Share of a Reference Currency Share Class, Base Currency Hedged Share Class or Portfolio Currency Hedged Share Class is expressed and calculated. It does not necessarily correspond to the currency or currencies in which the Sub-Fund's assets are invested in at any point in time.
Relevant Declaration	A correctly completed declaration as set out in Schedule 2B of the TCA or as otherwise specified in Section 739D of the TCA.
Resident Company	Prior to the Finance Act 2014, company residence was determined with regard to the long-established common law rules based on central management and control. These rules were significantly revised in the Finance Act 2014 to provide that a company incorporated in the State will be regarded as resident for tax purposes in the State, unless it is treated as resident in a treaty partner country by virtue of a double taxation treaty. While the common law rule based on central management and control remains in place, it is subject to the statutory rule for determining company residence based on incorporation in the State set out in the revised Section 23A TCA 1997. We would recommend that any Irish incorporated company that considers it is not Irish tax resident seeks professional advice before asserting this in any tax declaration given to the ICAV.
Resident – Individual	An individual will be regarded as being resident in Ireland for a tax year if s/he: i. Spends 183 or more days in the State in that tax year; or ii. has a combined presence of 280 days in the State, taking into account the number of days spent in the State in that tax year together with the number of days spent in the State in the preceding year. Presence in a tax year by an individual of not more than 30 days in the State will not be reckoned for the purpose of applying the two-year test. Presence in the State for a day means the personal presence of an individual at any time during the day.
RMB	Means Renminbi, the lawful currency of Mainland China for the time being.
RMP	Any risk management process adopted by the Management Company in respect of the ICAV, from time to time, in accordance with the requirements of the Central Bank.
RQFII	Means a Renminbi qualified foreign institutional investor approved pursuant to the relevant PRC laws and regulations, as may be promulgated and/or amended from time to time.
Secretary of the ICAV or GSL	Goodbody Secretarial Limited and/or such other company as may from time to time be appointed to provide secretarial services to the ICAV in accordance with the requirements of the Central Bank.

Securities Act	The US Securities Act of 1933, as amended.
Securities Financing Transactions Regulation	Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012, as may be amended or replaced from time to time.
Settlement Currency	Payments for subscriptions can only be made in the Reference Currency of the Share Class or, where available, in a Dealing Currency. Payments made in a currency other than the Reference Currency of the Share Class or a Dealing Currency available for the Share Class will require a foreign exchange transaction between this currency and the Base Currency of the Sub-Fund. This operation will be arranged by the Distributor or the Administrator at the subscriber's expense on the basis of the exchange rate applicable as at the Dealing Day. All these currencies in which payments for subscriptions shall be made are subsequently referred to as **"Settlement Currency"**.
Settlement Date	Means in respect of receipt of subscription monies for subscription for Shares or dispatch of monies for the redemption of Shares, the date specified in the Supplement for the relevant Sub-Fund unless otherwise approved by the Directors and notified to the Administrator. In the case of redemptions this date will be no more than 10 Business Days after the relevant Dealing Deadline.
SFDR	Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector as amended, supplemented, consolidated, superseded or otherwise modified from time to time. Under SFDR sub-funds are classified as either Article 6, Article 8 or Article 9. See the relevant Supplement for further details.
SGD	The lawful currency of Singapore.
Share or Shares	A share or shares of whatsoever Class in the capital of the ICAV (other than Subscriber Shares) entitling the holders to participate in the profits of the ICAV attributable to the relevant Sub-Fund as described in this Prospectus.
Shareholder	A person registered in the register of members of the ICAV as a holder of Shares.
Sovereign Debt	Debt obligations issued or guaranteed by governments or their agencies ("governmental entities").
Special Resolution	A resolution of the Shareholders of the ICAV or of the Shareholders of a particular Sub-Fund or Class passed by not less than 75% of the votes cast in person or proxy at a general meeting of the ICAV, Sub-Fund or Class of Shares as the case may be.
State	The Republic of Ireland.
Sterling or £ or GBP	The lawful currency of the United Kingdom.
Stock Connect	Means a securities trading and clearing linked programme with an aim to achieve mutual stock market access between the PRC (Shanghai and Shenzhen respectively) and Hong Kong and enables the Sub-Funds to trade eligible China A Shares listed on the relevant stock exchange(s) in the PRC.
Subscriber Share	A non-participating share in the capital of the ICAV issued in accordance with the Instrument and which shall have the right to receive an amount not to exceed the consideration paid for such Subscriber Share.

Sub-Fund	A portfolio of assets established by the Directors (with the prior approval of the Central Bank) and constituting a separate fund and invested in accordance with the investment objective and policies applicable to such Sub-Fund.
Supplement	A supplement in respect of any Sub-Fund and any addendum thereto designed to be read and construed together with and to form part of this document.
Subscription Account	The subscription account at umbrella level in the name of the ICAV.
Subscription Price	Means the NAV per Share of the relevant Sub-Fund or Class as at the Valuation Point for the Dealing Day plus any duties and charges as set out in this Prospectus or in the Supplement for the relevant Sub-Fund.
Taxonomy Regulation	means the Regulation EU 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment as amended, supplemented, consolidated, superseded or otherwise modified from time to time.
TCA	The Taxes Consolidation Act, 1997, as amended.
Total Return Swap	A Total Return Swap ("TRS") is the generic name for any over-the-counter swap agreement where one party agrees to pay the other the "total economic performance" (including income from interest and fees, gains and losses from price movement and credit losses) of a defined underlying asset, usually in return for receiving a stream of fixed or variable rate cash-flows. The TRS may be applied to transferable securities. For all Sub-Funds using instruments that might swap the performance of one asset into the performance of another (a TRS), the underlying exposure(s) of the TRS, or an instrument with similar characteristics, is taken into account when considering the Sub-Funds' investment limits.
UCITS	An undertaking for collective investment in transferable securities within the meaning of the UCITS Regulations.
UCITS Regulations	The European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended by the European Union (Undertakings for Collective Investment in Transferable Securities) (Amendment) Regulations 2016 and as may be further amended from time to time) and all applicable Central Bank regulations or notices made or conditions imposed or derogations granted thereunder.
UK or United Kingdom	The United Kingdom of Great Britain and Northern Ireland, its territories and possessions.
Umbrella Cash Subscription, Redemption, Dividend and Unclaimed Cash Accounts	Umbrella cash accounts for subscriptions, redemptions, dividends and unclaimed cash at umbrella level in the name of the ICAV.
Unclaimed Cash Account	The unclaimed cash account at umbrella level in the name of the ICAV. The unclaimed cash account will be used by the Administrator when, after an agreed timeframe, monies that cannot be paid to investors will be transferred from the relevant umbrella level account they are held in and deemed to be unclaimed cash until such time as payment can be made.
US or United States	The United States of America (including the States and the District of Columbia), its territories, possessions and all other areas subject to its jurisdiction.

US Agency MBS	Mortgage backed securities issued by US government sponsored enterprises such as Ginnie Mae, Fannie Mae or Freddie Mac.
USD or US Dollar	The lawful currency of the United States of America.
US Person	Shares of the ICAV may not be offered or sold to any "US Person" ("**USP**"), for the purposes of this restriction, the term US Person shall mean the following: 1. An individual (including a US Citizen or Green Card Holder) who is a resident of the US under any US Law; 2. An individual who is a US Citizen or Green Card Holder who has not formally renounced their US citizenship (including a person with dual or multiple nationality) even though they may reside outside of the US; 3. A corporation, partnership, limited liability company, collective investment vehicle, investment company, pooled account, or other business, investment, or legal entity: a. Created or organised under US Law; and b. Created (regardless of domicile of formation or organisation) principally for passive investment (for example, an investment company, fund or similar entity excluding employee benefit or pension plans); and c. Owned directly or indirectly by one or more USPs who hold, directly or indirectly, in aggregate a 10% or greater beneficial interest, provided that any such USP is not defined as a Qualified Eligible Person under CFTC Regulation 4.7(a); d. Where a USP is the general partner, managing member, managing director or other position with authority to direct the entity's activities; e. Where the entity was formed by or for a USP principally for the purpose of investing in securities not registered with the SEC unless such entity is comprised of Accredited Investors, as defined in Regulation D, 17 CFR 230.501(a), and no such Accredited Investors are individuals or natural persons; or f. Where more than 50% of its voting ownership interests or non-voting ownership interests are directly or indirectly owned by USPs; g. That is an agency or branch of a non-US entity located in the US; or h. That has its principal place of business in the US. 4. A trust created or organised under US Law; or where, regardless of domicile of formation or organisation: a. Any settler, founder, trustee, or other person responsible in whole or in part for investment decisions for the trust is a USP; b. the administration of the trust or its formation documents are subject to the supervision of one or more US courts; or c. The income of which is subject to US income tax regardless of source. 5. An estate of a deceased person who was a resident of the US at the time of death or the income of which is subject to US income tax regardless of source; or where, regardless of the deceased person's residence while alive, an executor or administrator having sole or shared investment discretion is a USP or the estate is governed by US Law. 6. An employee benefit or pension plan that is established and administered in accordance with US Law; or established for employees of a legal entity that is a USP or has its principal place of business in the US. 7. A discretionary or non-discretionary or similar account (including a joint account) where one or more beneficial owners is a USP or held for the benefit of one or more USPs; or the discretionary or similar account is held by a dealer or fiduciary organised in the US.

	Capitalised terms used in this definition and not otherwise defined herein shall have the following meaning: "Green Card Holder" means an individual who is a US permanent resident (even if they do not actually reside in the US); "Non-resident US Investor" means a US Citizen (including a Green Card Holder) of the US who resides outside the US. "US" means the United States of America (including the States and the District of Columbia), its territories, possessions and all other areas subject to its jurisdiction. "US Citizen" means an individual born in the US or an individual whose parent is a US citizen or a former alien who has been naturalised as a US Citizen. "US Law" means the laws of the US, its territories, possessions and all other areas subject to its jurisdiction. US Law shall additionally include all applicable rules and regulations, as supplemented and amended from time to time, as promulgated by any US regulatory authority, including, but not limited to, the Securities and Exchange Commission and the Commodity Futures Trading Commission. All references to legislation within this procedure are to US Law. If, subsequent to a Shareholder's investment in the ICAV, the Shareholder becomes a US Person, such Shareholder (i) will be restricted from making any additional investments in the ICAV and (ii) as soon as practicable have its Shares compulsorily redeemed by the ICAV (subject to the requirements of the Instrument and the applicable law). The ICAV may, from time to time, waive or modify the above restrictions.
Valuation Point	Such point in time, in such place or places as the Directors may, from time to time determine, by reference to which the NAV is calculated as is specified in the relevant Supplement or such other time after the Dealing Deadline as the Directors may from time to time determine subject to the requirements (if any) of the Central Bank.
WTO	World Trade Organisation.

Section 1. General Information

1.1. The ICAV

The ICAV is an open-ended umbrella type Irish collective asset-management vehicle with limited liability and segregated liability between Sub-Funds. The ICAV was registered on 1 December 2023 with registered number C526934 pursuant to Part 2, Chapter 1 of the Act and is authorised by the Central Bank as a UCITS pursuant to the UCITS Regulations.

At the date hereof the authorised share capital of the ICAV is 1,000,000,000,000,000 Shares of no par value initially designated as unclassified shares which are available for issue as Shares on such terms and conditions as the Directors may determine. The issued share capital of the ICAV is €2 represented by 2 Subscriber Shares issued at an issue price of €1 per Share which are fully paid up.

The ICAV is constituted as an umbrella fund insofar as the share capital of the ICAV will be divided into different Shares with one or more Classes of Shares representing a separate Sub-Fund comprising a separate pool of assets and which pursues its investment objective through separate investment policies.

The Shares issued in each Sub-Fund will rank pari passu with each other in all respects provided that they may differ as to certain matters including currency of denomination, hedging strategies if any applied to the currency of a particular Class, dividend policy, voting rights, return of capital, the level of fees and expenses to be charged, subscription or redemption procedures or the Minimum Initial Subscription and Minimum Holding amount applicable. The assets of each Sub-Fund will be invested separately on behalf of each Sub-Fund in accordance with the investment objective and policies of each Sub-Fund. The investment objective and policies and other details in relation to each Sub-Fund are set out in the relevant Supplement.

Additional Sub-Funds in respect of which a Supplement or Supplements will be issued may be established by the Directors with the prior approval of the Central Bank. Additional Classes in respect of which a Supplement or Supplements will be issued may be established by the Directors and notified to and cleared in advance with the Central Bank.

The ICAV's Base Currency is USD and its year end is 31 December. The Base Currency of each Sub-Fund is specified in the relevant Supplement.

1.2. Investment Objectives and Policies of the ICAV

The ICAV has been established for the purpose of investing in accordance with the UCITS Regulations. The investment objectives and policies for each Sub-Fund will be set out in the relevant Supplement.

The assets of each Sub-Fund will be invested in accordance with the investment restrictions contained in the UCITS Regulations which are summarised in Appendix 1 under **"UCITS Investment Restrictions",** the "**Additional Investment Restrictions"** outlined in section 1.5 below and such additional investment restrictions, if any, as may be adopted by the Directors for any Sub-Fund and specified in the relevant Supplement.

Investors should be aware that the performance of any Sub-Funds may be measured against a specified index or benchmark and in this regard, Shareholders are directed towards the relevant Supplement for such Sub-Funds which will refer to any relevant performance measurement criteria. The ICAV may at any time change that reference index where, for reasons outside its control (for example where an index is terminated or no longer eligible under applicable regulations), that index has been replaced, or another index or benchmark may reasonably be considered by the ICAV to have become the appropriate standard for the relevant exposure. In such circumstances, any change in index must be disclosed in the annual or half-yearly report of the Sub-Fund issued subsequent to such change.

Pending investment of the proceeds of a placing or offer for Shares or where market or other factors so warrant, a Sub-Fund's assets may be invested in money market instruments and in cash deposits denominated in such currency or currencies as the Directors may determine having consulted with the Investment Manager.

The investment objective of a Sub-Fund may only be altered and material changes in the investment policy of a Sub-Fund may only be made in each case with either the prior written approval of all Shareholders of the relevant Sub-Fund or on the basis of a simple majority of votes cast at a general meeting of the relevant Sub-Fund duly convened and held. In accordance with the requirements of the Central Bank, **"material"** shall be taken to mean, although not exclusively, changes which would significantly alter the asset type, credit quality, borrowing limits or risk profile of a Sub-Fund. In the event of a change of the investment objective and/or a material change to the policy of a Sub-Fund, Shareholders in the relevant Sub-Fund will be given reasonable notice of such change to enable them to redeem their Shares prior to implementation of such a change.

The list of Recognised Markets on which a Sub-Fund's investments in securities and FDI, other than permitted investments in unlisted securities and OTC derivative instruments, will be listed or traded is set out in Appendix 3.

1.3. Use of Financial Derivative Instruments

The Sub-Funds may invest in FDIs subject to the conditions and limits laid down by the Central Bank.

Additional details of the FDI to be used by each Sub-Fund and whether they are used for EPM, hedging or investment purposes is set out in the relevant Supplement.

1.4. Investment in Funds

The Sub-Funds may invest in the units or shares of Eligible CIS. Further information on Eligible CIS investments for each Sub-Fund is provided in the relevant Supplement.

1.5. Additional Investment Restrictions

In addition to the UCITS Investment Restrictions referred to in Appendix 1, the following restrictions apply:

a. United Nations Conventions on Cluster Munitions and Anti-Personnel Landmines: The Investment Manager will arrange for the screening of companies for their involvement in the use, development, manufacturing, stock piling, transfer or trade of cluster munitions and / or anti-personnel landmines, and depleted uranium shieldings and ammunition. Where such involvement is apparent, it is the policy of the ICAV not to knowingly invest in such companies.

b. The ICAV shall not acquire either precious metals or certificates representing them.

c. The ICAV shall not (except as a permitted investment technique described in the section entitled **"Portfolio Investment Techniques"** of this Prospectus) make any loan of its assets provided that, for the purpose of this restriction, the holding of ancillary liquid assets such as deposits, and the acquisition of bonds, notes, commercial paper, certificates of deposit, bankers acceptances, and other debt securities or obligations permitted by the UCITS Regulations, and the acquisition of transferable securities, money market instruments or other financial instruments that are not fully paid, shall not be deemed to constitute the making of a loan.

d. A Sub-Fund may borrow up to 10% of its NAV for temporary purposes. A Sub-Fund may acquire foreign currency by means of a back-to-back loan. Foreign currency acquired in this manner is not classified as borrowing for the purpose of the restriction on borrowing provided that the offsetting deposit (a) is denominated in the base currency of the relevant Sub-Fund and (b) equals or exceeds the value of the foreign currency loan outstanding. Where the offsetting deposit is not denominated in the Base Currency of the relevant Sub-Fund, changes in the exchange rate between the Base Currency and the currency of the offsetting deposit may lead to a depreciation of the value of the offsetting deposit as expressed in the Base Currency.

e. Without limitation, the Directors, in accordance with the requirements of the Central Bank, may adopt additional investment restrictions to facilitate the distribution of Shares to the public in a particular

jurisdiction. In addition, the investment restrictions set out above and in Appendix 1 under **"UCITS Investment Restrictions"** may be changed from time to time by the Directors in accordance with a change in the applicable law and regulations in any jurisdiction in which Shares are currently offered, provided that the assets of a Sub-Fund, at all times, will be invested in accordance with the restrictions on investments set out in the UCITS Regulations and the Central Bank UCITS Regulations. In the event of any such addition to, or change in, the investment restrictions applicable to the relevant Sub-Fund, a reasonable notification period will be provided by the ICAV to enable Shareholders to redeem their Shares prior to implementation of these changes. A Sub-Fund will not amend such investment restrictions except in accordance with the requirements of the Central Bank.

f. If the HSBC Group has seeded or invested in a Sub-Fund, the Sub-Fund may be prevented from investing in shares of the HSBC Group and shares of other companies where the HSBC Group holds a material interest in the company.

1.6. Profile of the Typical Investor

To determine if a specific Sub-Funds is suitable, it is recommended that investors consult a stockbroker, bank manager, solicitor, accountant, representative bank or other financial adviser.

The following five categories have been defined - Stable, Core, Core Plus, Dynamic and Unconstrained - when describing the investment horizon of a Sub-Fund for an investor, the likely returns and anticipated volatility of a Sub-Fund:

Category	Definition
Stable	Sub-Funds in the "Stable" category may be suitable for investors with a short to medium term investment horizon. These Sub-Funds are intended for investors with a low expectation of capital loss and an expectation of regular and stable income levels. These Sub-Funds may be suitable for investors looking for an alternative to cash deposits or temporary cash investments.
Core	Sub-Funds in the "Core" category may be suitable for investors with a medium to long term investment horizon. These Sub-Funds are intended for investors seeking exposure to the fixed income securities markets but where assets are principally invested in bonds rated Investment Grade in markets which may be subject to moderate volatility. These Sub-Funds may be suitable for investors looking for a core investment in their portfolio.
Core Plus	Sub-Funds in the "Core Plus" category may be suitable for investors with a medium to long term investment horizon. These Sub-Funds are intended for investors seeking an investment where a high proportion of the assets may be invested in equity, equity–related securities or in bonds rated below Investment Grade in markets which may be subject to moderately high volatility. These Sub-Funds may be suitable for investors looking for an investment to complement an existing core portfolio or as a standalone investment to gain exposure to a specific asset class.
Dynamic	Sub-Funds in the "Dynamic" category may be suitable for investors with a long term investment horizon. These Sub-Funds are intended for more experienced investors looking for an investment where a high proportion of the assets may be invested in emerging markets and smaller capitalisation securities, which may reduce liquidity and increase the volatility of return, or investors looking for very active investment strategies which may result in a concentrated portfolio. These Sub-Funds may be suitable for investors looking for an investment to diversify an existing core portfolio.

Category	Definition
Unconstrained	Sub-Funds in the "Unconstrained" category may be suitable for investors with a long term investment horizon. These Sub-Funds are intended for sophisticated investors aiming for an investment providing exposure to different asset classes. The asset allocation is mainly achieved by using FDI. These Sub-Funds may invest in assets which may reduce liquidity and increase the volatility of returns. These Sub-Funds may be suitable for investors looking for a single strategy fund to add to an existing diversified portfolio.

The categories described above should be considered indicative and they do not provide any indication of likely returns. They should only be used for comparison with other Sub-Funds.

The profile of the typical investor for an individual Sub-Fund and the categorisation of the Sub-Fund will be indicated in the relevant Supplement.

1.7. Description of Share Classes

Within each Sub-Fund, separate Classes of Shares may be created, whose assets are commonly invested in an underlying portfolio of investments but where a specific fee structure, reference currency, currency hedging policy, distribution policy or any other characteristic as determined by the Directors may be applied.

The Shares have equal rights and are, upon issue, entitled to participate equally, in proportion to their value, in the profits (such as the distribution of dividends) and liquidation proceeds relating to the relevant Share Class and to attend and vote at meetings of the ICAV and of the Sub-Fund represented by those Shares.

The Shares carry no preferential or pre-emptive rights. Each whole Share is entitled to one vote at all meetings of Shareholders.

List of Share Classes

As at the date of this Prospectus, the following Share Classes may be made available. Further details are provided for in the List of Share Classes Supplement which sets out the specific Share Classes which may be made available in relation to each Sub-Fund.

Class	Description	Minimum Initial Investment Minimum Holding (unless otherwise provided in the relevant Supplement) (in US Dollar or equivalent amount in a major currency)	
Class A	A Shares are available to all investors.	USD	5,000
Class B	B Shares are available to: ◆ Sub-distributors who are prohibited from accepting and retaining inducements from third parties under applicable laws and regulations or court rulings, such as in the United Kingdom or the Netherlands; or ◆ Sub-distributors who have a separate fee arrangement with their clients in relation to the provision of investment services and activities (for example, in the European Union, services and activities performed under MiFID II) and who have opted not to accept and retain inducements from third parties.	USD	5,000

Class	Description	Minimum Initial Investment Minimum Holding (unless otherwise provided in the relevant Supplement) (in US Dollar or equivalent amount in a major currency)	
Class E	E Shares are available in certain countries, subject to the relevant regulatory approval, through Distributors selected by the Global Distributor. E Shares will incur annual management fees equivalent to that of the Class A Shares plus 0.3% to 0.5% per annum of the Net Asset Value of Class E Shares, which may be payable to the selected Distributors in certain countries.	USD	5,000
Class F	F Shares are available to investors who have entered into a discretionary management agreement with an HSBC Group entity and to investors subscribing via Distributors selected by the Global Distributor, provided that the investors qualify as institutional investors	USD	1,000,000
Class I	I Shares are available to all investors through Distributors selected by the Global Distributor on application to the ICAV.	USD	1,000,000
Class J[1]	J Shares are available to funds of funds managed by the HSBC Group or managed by specific entities selected by the Global Distributor on application to the ICAV.	USD	100,000
Class K	K Shares are available to HSBC Group insurance companies that qualify as institutional investors	USD	1,000,000
Class L[1]	L Shares are available through Distributors selected by the Global Distributor, provided that the investors qualify as institutional investors	USD	1,000,000
Class M[1]	M Shares are available to all investors.	USD	5,000
Class N[1]	N Shares are available to: ◆ Sub-distributors who are prohibited from accepting and retaining inducements from third parties under applicable laws and regulations or court rulings, such as in the United Kingdom or the Netherlands; or ◆ Sub-distributors who have a separate fee arrangement with their clients in relation to the provision of investment services and activities (for example, in the European Union, services and activities performed under MiFID II) and who have opted not to accept and retain inducements from third parties.	USD	5,000
Class P	P Shares are available in certain countries or through certain Distributors selected by the Global Distributor on application to the ICAV.	USD	50,000
Class R[1]	R Shares are available in certain countries, subject to the relevant regulatory approval, through Distributors selected by the Global Distributor on application to the ICAV. R Shares will incur annual management fees equivalent to that of the Class M Shares plus 0.3% to 0.5% per annum of the Net Asset Value of Class R Shares, which	USD	5,000

Class	Description	Minimum Initial Investment Minimum Holding (unless otherwise provided in the relevant Supplement) (in US Dollar or equivalent amount in a major currency)	
	may be payable to specific Distributors in certain countries.		
Class S[2]	S Shares are available in certain countries and/or through Distributors selected by the Global Distributor provided that the investors qualify as institutional investors	USD	100,000
Class SP	SP Shares are available in certain countries and/or through Distributors selected by the Global Distributor provided that the investors qualify as institutional investors	USD	25,000,000
Class T	T Shares are available to all investors. T Shares are available to eligible investors until such time the assets under management of the relevant Sub-Fund reach a pre-defined threshold (as disclosed in the relevant Supplement), at which point the T Share Classes will be closed further subscriptions, switches or conversions from both new and existing investors. In the event that a Sub-Fund's assets under management fall below this threshold, the Directors may elect to reinstate the availability of the T Shares.	USD	5,000
Class U	U Shares are available to all investors through Distributors selected by the Global Distributor on application to the ICAV.	USD	30,000,000
Class W	W Shares are available through Distributors that will also be members or affiliated entities of the HSBC Group as selected by the Global Distributor provided that the investors qualify as institutional investors No operating, administrative and servicing Expenses will be charged to Class W Shares. All the fees and charges allocated to this Class will be paid directly by members or affiliated entities of the HSBC Group.	USD	100,000
Class X	X Shares are available through Distributors selected by the Global Distributor provided that the investors qualify as institutional investors and fall into one of the following categories: companies or company pension funds, insurance companies, registered charities or funds managed or advised by an HSBC Group entity and other such institutional investors, as agreed by the Directors.	USD	10,000,000
Class Y	Y Shares are available in certain countries through Distributors selected by the Global Distributor on application to the ICAV.	USD	1,000
Class YP[1]	YP Shares are available in certain countries through Distributors selected by the Global Distributor on application to the ICAV	USD	1,000
Class Z	Z Shares are available to investors who have entered into a discretionary management agreement with an HSBC Group entity and to investors subscribing via Distributors selected by the Global Distributor provided that such investors qualify as institutional investors	USD	1,000,000

Class	Description	Minimum Initial Investment Minimum Holding (unless otherwise provided in the relevant Supplement) (in US Dollar or equivalent amount in a major currency)	
Class ZP[1]	ZP Shares are available to investors who have entered into a discretionary management agreement with an HSBC Group entity and to investors subscribing via Distributors selected by the Global Distributor provided that such investors qualify as institutional investors	USD	1,000,000

1. Successive J, L, M, R, YP and ZP Share Classes in a given Sub-Fund may be numbered 1, 2, 3 … and would be referred to as J1, J2, J3, (…), L1, L2, L3 (…), M1, M2, M3 (…),N1, N2, N3, (…), R1, R2, R3, (…), YP1, YP2, YP3 (…) and ZP1, ZP2, ZP3 (…), respectively (please see the relevant Supplement for further information on the different Share Classes offered in relation to each Sub-Fund).
2. Successive S Shares Classes will be issued in one or more Sub-Funds, numbered 1, 2, 3 etc. and named S1, S2, S3, etc. for the first, second and third S Class launched respectively (please see the relevant Supplement for further information on the different Share Classes offered in relation to each Sub-Fund).

Restrictions apply to the purchase of Class B, E, I, J, L, N, P, R, S, W, X, Y, YP, Z and ZP Shares and may apply to the purchase of Portfolio Currency Hedged Share Classes, Base Currency Hedged Share Classes as well as certain type of Distribution Share Classes (as defined below under the heading "Dividends"). Investors subscribing for the first time should contact their local Distributor before submitting an Application Form for these Classes of Shares.

The minimum initial investment amount may be waived or reduced at the discretion of the ICAV or the Management Company.

There is no minimum investment amount applied to subsequent investments. However, certain Distributors may impose different minimum initial investment, minimum subsequent investment and minimum holding amounts. Further details on these restrictions may be obtained from the relevant Distributors.

No Secondary Market for Shares

It is not anticipated that there will be an active secondary market for the Shares, and it is not expected that such a market will develop. Subject to certain conditions outlined herein, including when repurchases or the registration of transfers of Shares are suspended, Shareholders will, however, be able to realise their investment in a Sub-Fund by redeeming their Shares or by a transfer to an investor who is an eligible transferee.

Share Class Characteristics

Each of the Share Classes described in the tables above may be made available as Pay-Out Shares, Capital-Accumulation Shares and/or as Distribution Shares, denominated in different Reference Currencies, and as Portfolio Currency Hedged or Base Currency Hedged Share Classes, as further described below.

Pay-Out Share Classes, Capital-Accumulation Share Classes and Distribution Share Classes

Each of the Share Classes may be made available as Pay-Out Shares, Capital-Accumulation Shares and/or as Distribution Shares.

Capital-Accumulation Shares are identifiable by a "C" following the Sub-Fund and Class names (e.g. Class AC) and normally do not pay any dividends.

Pay-Out Shares and Distribution Shares may declare and pay out dividends at various frequencies and dividend payments may be based upon various calculation methodologies. Please refer to section 2.2 entitled "**Dividends**" for further information.

Reference Currency Share Classes

Within a Sub-Fund, separate Share Classes may be issued with different Reference Currencies. The NAV per Share of a Share Class will be calculated in the Reference Currency and subscriptions and redemptions will be settled in the Reference Currency.

Where the currency of the Reference Currency Share Class is different to (i) the Sub-Fund's underlying portfolio currencies or (ii) the Sub-Fund's Base Currency (in the case of Sub-Funds which aim to hedge portfolio currencies to the Sub-Fund's Base Currency), investors in such Classes may be exposed to currency fluctuations between the currency of the Reference Currency Share Class and either (i) the Sub-Fund's underlying portfolio currencies or (ii) the Sub-Fund's Base Currency. Where a Reference Currency Share Class is unhedged and the Reference Currency is different to the Base Currency a currency conversion will take place on subscriptions, redemptions, switching and distributions at prevailing exchange rates and the value of a Share expressed in the Reference Currency will be subject to exchange rate risk in relation to the Base Currency.

A Reference Currency Share Class is identified by a standard international currency acronym added as a suffix, e.g. "ACEUR" for a Capital-Accumulation Share Class denominated in Euro.

Each Reference Currency Share Class is also identified by an International Securities Identification Number (ISIN).

Portfolio Currency Hedged Share Classes and Base Currency Hedged Share Classes

Within a Sub-Fund, either Portfolio Currency Hedged Share Classes or Base Currency Hedged Share Classes may be issued.

Portfolio Currency Hedged Share Classes

Portfolio Currency Hedged Share Classes seek to hedge currency risk, i.e., hedge the currency or currencies of denomination of the underlying portfolio assets to the Reference Currency of the Share Class or, in the case of certain H Shares, to the US Dollar. Depending upon how the Sub-Fund is organised the currency hedge will be achieved in various ways, as described below. However, the intended outcome is the same, to seek to hedge currency risk.

i. Where the underlying portfolio assets are wholly or almost wholly denominated in the Sub-Fund’s Base Currency, the Share Class will seek to hedge the Sub-Fund’s Base Currency to the Share Class Reference Currency or, in the case of certain H Shares, to the US Dollar.

ii. Where the underlying portfolio assets are denominated in various currencies, the Sub-Fund will seek to hedge (either wholly, or almost wholly) these currencies to the Sub-Fund’s Base Currency and the Share Class will seek to hedge the Sub-Fund’s Base Currency to the Share Class Reference Currency or, in the case of certain H Shares, to the US Dollar. In the case where the Sub-Fund’s Share Class Reference Currency is the same as the Base Currency no Share Class hedging is required to provide a portfolio hedged exposure.

iii. Where the underlying portfolio assets are denominated in a currency which is different to the Sub-Funds Base Currency or various currencies the Share Class will seek to hedge the underlying portfolio currency or currencies to the Share Class Reference Currency or, in the case of certain H Shares, to the US Dollar.

Base Currency Hedged Share Classes

Base Currency Hedged Share Classes do not seek to hedge the currency risk an investor is exposed to when investing in a particular Sub-Fund. Base Currency Hedged Share Classes seek to hedge the Sub-Fund’s Base Currency to the Reference Currency of the Share Class thereby providing a return which is consistent with the return on a Share Class with a Reference Currency which is the same as the Sub-Fund's Base Currency. However, the returns may differ due to various factors including interest rate differentials between the Reference Currency of the Base Currency Hedged Share Class and the Sub-Fund's Base Currency and transaction costs.

Investors in the Base Currency Hedged Share Classes will be exposed to currency exchange rate movements of the underlying portfolio currencies against the Sub-Fund's Base Currency rather than being exposed to the

underlying portfolio currencies against the Reference Currency of the Share Class. Depending upon the investment policy of the Sub-Fund the materiality of the currency exposure may vary over time.

The following provides a practical example of the currency exposures resulting from an investment in a Base Currency Hedged Share Class. In the case of a EUR Base Currency Hedged Share Class of an emerging markets fund (which invests in assets denominated in emerging market currencies and operates with a USD Base Currency) where the return to be hedged is the return in USD, the Administrator (or other appointed parties) will, following a EUR subscription into the EUR Base Currency Hedged Share Class, convert EUR to USD whilst entering into a USD/EUR currency forward transaction with the aim of creating a Base Currency hedged currency exposure. This means an investor in this Base Currency Hedged Share Class will be exposed to the movement of the underlying portfolio currencies (emerging market currencies) relative to USD rather than being exposed to the underlying portfolio currencies (emerging market currencies) relative to EUR. There is no guarantee that the underlying portfolio currencies will appreciate against the Sub-Fund's Base Currency and depending upon currency movements, an investor's return may be less than if they had invested in a non-Base Currency Hedged Share Class denominated in the Home Currency .

Movements in currency exchange rates can materially impact investment returns and investors should ensure they fully understand the difference between investment in Portfolio Currency Hedged or Base Currency Hedged Share Classes versus investment in those Share Classes which are neither Portfolio Currency Hedged nor Base Currency Hedged (i.e. those Share Classes denominated in the Base Currency of the Sub-Fund as well as Reference Currency Share Classes).

Portfolio Currency Hedged or Base Currency Hedged Share Classes are not recommended for investors whose Home Currency is different to the Reference Currency of the Portfolio Currency Hedged or Base Currency Hedged Share Class. Investors who choose to convert their Home Currency to the Reference Currency of a Portfolio Currency Hedged or Base Currency Hedged Share Class and subsequently invest in such a Share Class should be aware that they may be exposed to higher currency risks and may suffer material losses as a result of exchange rate fluctuations between the Reference Currency of the Portfolio Currency Hedged or Base Currency Hedged Share Class and their Home Currency.

There can be no assurance or guarantee that the Administrator or other appointed parties, on the instruction of the Directors, will be able to successfully implement passive currency hedging for Portfolio Currency Hedged or Base Currency Hedged Share Classes at any time or at all. Furthermore, investors should note that there may be occasions when the Share Classes are either under-hedged or over-hedged which may be due to factors which cannot be controlled such as investor trade activity, volatility in the NAV per Share and/or currency volatility.

Any transaction costs and gains or losses from currency hedging shall be accrued to and therefore reflected in the NAV per Share of the relevant Portfolio Currency Hedged or Base Currency Hedged Share Class. Portfolio Currency Hedged and Base Currency Hedged Share Classes will be hedged irrespective of whether the target currency is declining or increasing in value.

Where the Investment Manager seeks to hedge against currency exchange rate fluctuations, while not intended, this could result in over-hedged or under-hedged positions due to external factors outside the control of the Investment Manager. Under-hedged positions shall not fall short of 95% of the portion of the NAV of the relevant Share Class which is to be hedged against currency movements and will be kept under review to ensure they are not carried forward from month to month and over-hedged positions will not exceed 105% of the NAV of the relevant Share Class.

Hedged positions will be kept under review to ensure that over-hedged positions do not exceed the level permitted above and shall ensure that positions materially in excess of 100% of the NAV will not be carried forward from month to month.

Portfolio Currency Hedged Share Classes and Base Currency Hedged Share Classes are identifiable as follows:

Portfolio Currency Hedged Share Class	Base Currency Hedged Share Class

Suffixed by "H" followed by the standard international currency acronym into which the Sub-Fund's underlying portfolio is hedged.	Suffixed by "O" followed by the standard international currency acronym into which the Sub-Fund's Base Currency is hedged.
Example: ACHEUR means Class A, Capital-Accumulation, Euro Portfolio Currency Hedged Share Class.	Example: ACOEUR means Class A, Capital-Accumulation, Euro Base Currency Hedged Share Class.

Each Portfolio Currency Hedged Share Class or Base Currency Hedged Share Class is also identified by an International Securities Identification Number ("**ISIN**").

Subscriptions and redemptions are settled only in the Reference Currency of the Portfolio Currency Hedged Share Class or Base Currency Hedged Share Class.

Operating Share Class Currency Hedging Fees

For a Portfolio Currency Hedged Share Class or Base Currency Hedged Share Class, the Administrator or other appointed parties are entitled to any fees relating to the execution of the Share Class currency hedging policy, which will be borne by the Portfolio Currency Hedged Share Class or Base Currency Hedged Share Class. These fees are applied in addition to the other operating, administrative and servicing expenses (See section 7 entitled **"Fees, Charges and Expenses"** for further information).

- **Dealing Currencies**

Share Classes issued in the Base Currency of a Sub-Fund may also be available in the following currency denominations: Euro (EUR), United States Dollar (USD); Pound sterling (GBP); Singapore Dollar (SGD); Australian Dollar (AUD); Swiss Franc (CHF); Japanese Yen (JPY); Norwegian Krone (NOK); Swedish Krona (SEK); Hong Kong Dollar (HKD); Canadian Dollar (CAD); New Zealand Dollar (NZD); Danish Krone (DKK) and Renminbi (CNY).

Further information on Dealing Currencies is provided in the Application Form.

1.8. Winding Up and/or Termination of a Sub-Fund

The ICAV or any Sub-Fund may be terminated and/or the Shares of a Sub-Fund (or any Class of a Sub-Fund) may be repurchased by the ICAV, in its sole and absolute discretion, by notice in writing to the Depositary in any of the following events:

- by not less than 30 days' nor more than 60 days' notice to Shareholders if, within 90 days from the date of the Depositary serving notice of termination of the Depositary Agreement, another depositary acceptable to the ICAV and the Central Bank has not been appointed to act as depositary; or
- if the ICAV or any Sub-Fund shall cease to be authorised or otherwise officially approved by the Central Bank; or
- if a Special Resolution is passed by the Shareholders of a Sub-Fund or Class and/or the ICAV; or
- if any law shall be passed which renders it illegal or in the opinion of the Directors, impracticable or inadvisable to continue the ICAV or any Sub-Fund; or
- if there is any material change in the tax status of the ICAV or any Sub-Fund in the State or in any other jurisdiction (including any adverse tax ruling by the relevant authorities in Ireland or any jurisdiction affecting the ICAV or any Sub-Fund) which the Directors consider would result in material adverse consequences on the Shareholders and/or the investments of the Sub-Fund; or

- if the NAV of the relevant Sub-Fund is less than such amount (if any) as the Directors may from time to time prescribe as the minimum fund size for each Sub-Fund or the NAV of any Class shall be less than such amount as may be determined by the Directors in respect of that Class; or
- if there is a change in material aspects of the business or in the economic or political situation relating to a Sub-Fund and/or the ICAV which the Directors consider would have material adverse consequences on the Shareholders and/or the investments of the Sub-Fund and/or the ICAV; or
- if the assets held in respect of a Sub-Fund are terminated or repurchased and the Directors determine that it is not commercially practical to reinvest the realisation proceeds of such assets in replacement assets on terms that will enable the relevant Sub-Fund achieve its investment objective and/or to comply with its investment policy; or
- if any Sub-Fund is established as a feeder fund in accordance with the Central Bank UCITS Regulations, where the master fund into which such a feeder Sub-Fund feeds is terminated, merges into another fund or is divided into two or more funds, the relevant feeder Sub-Fund must also be terminated unless the feeder Sub-Fund has obtained approval from the Central Bank to invest as a feeder Sub-Fund into another master fund (or the master fund resulting from the merger) or convert to a non-feeder fund; or
- if the Directors shall have resolved that it is impracticable or inadvisable for a Sub-Fund to continue to operate having regard to prevailing market conditions and/or the best interests of the Shareholders; or
- if the Directors consider that it is in the best interests of the Shareholders of the Sub-Fund or Class or the ICAV.

The Shareholders of the ICAV may resolve to wind up the ICAV by Special Resolution in accordance with the summary approval procedure as provided for in the Act.

If the ICAV shall be wound up the liquidator shall, subject to the provisions of the Act, apply the assets of each Sub-Fund in such manner and order as he thinks fit in satisfaction of creditors' claims relating to that Sub-Fund.

The assets available for distribution amongst the Shareholders shall be applied as follows:

i. firstly, the proportion of the assets in a Sub-Fund attributable to each Class of Share shall be distributed to the holders of Shares in the relevant Class in the proportion that the number of Shares held by each holder bears to the total number of Shares relating to each such Class of Shares in issue as at the date of commencement to wind up;

ii. secondly, in the payment to the holder(s) of the Subscriber Shares of sums up to the notional amount paid thereon out of the assets of the ICAV not attributable to any Class of Share. In the event that there are insufficient assets to enable such payment in full to be made, no recourse shall be had to the assets of the ICAV attributable to each Class of Share;

iii. thirdly, any balance then remaining and not attributable to any of the Classes of Shares shall be apportioned pro-rata as between the classes of Shares based on the NAV attributable to each Class of Shares as at the date of commencement to wind up and the amount so apportioned to a Class shall be distributed to holders pro-rata to the number of Shares in that Class of Shares held by them;

A Sub-Fund may be wound up pursuant to Section 37 of the Act and in such event the provisions above shall apply mutatis mutandis in respect of that Sub-Fund.

If the ICAV is wound up (whether the liquidation is voluntary, under supervision or by the court) the liquidator may, with the authority of a Special Resolution of the relevant Shareholders and any other sanction required by the Act:

i. divide among the holders of Shares of any Class or Classes of a Sub-Fund in kind the whole or any part of the assets of the ICAV relating to that Sub-Fund, and whether or not the assets shall consist of property of a single kind, and may for such purposes set such value as he deems fair upon any one or more class or classes of property, and may determine how such division shall be carried out as between the Shareholders of Shares or the Shareholders of different Classes of Shares as the case may be;

ii. vest any part of the assets in trustees upon such trusts for the benefit of holders as the liquidator, with the like authority, shall think fit, and the liquidation of the ICAV may be closed and the ICAV dissolved, but so that no holder shall be compelled to accept any assets in respect of which there is a liability. A Shareholder may require the liquidator instead of transferring any asset in kind to the Shareholder, to arrange for a sale of the assets and for payment to the holder of the net proceeds of same.

Section 2. Sub-Fund Information

2.1. Sub-Funds

A list of Sub-Funds is provided in the List of Sub-Funds Supplement.

2.2. Dividends

Each Class of Shares may be made available as Pay-Out, Capital-Accumulation and/or as Distribution Shares.

◆ Capital-Accumulation Shares

Capital-Accumulation Shares are identifiable by a "C" following the Sub-Fund and Class names (e.g. Class AC) and normally do not pay any dividends.

◆ Distribution Shares

Distribution Shares may be offered with the following dividend declaration/payment frequencies and are identifiable as follows:

	Annual (at least)	Semi-Annual	Bi-Monthly (every two months)	Quarterly	Monthly
Distribution Shares	a "D" follows the Sub-Fund and Class names	a "S" follows the Sub-Fund and Class names	A "B" follows the Sub-Fund and class names	a "Q" follows the Sub-Fund and Class names	a "M" follows the Sub-Fund and Class names
Example for Class A	AD	AS	AB	AQ	AM

In addition to the different dividend declaration/payment frequencies, Distribution Shares may be offered with different dividend calculation methodologies.

Investors should be aware of the following for Share Class Identifiers 1, 2 and 3 as described in the below table:

- The distribution of dividends may be made out of income and/or capital gains and/or capital. Dividends may therefore impact their tax position and accordingly investors are encouraged to seek appropriate tax advice in relation to investment in the different Distribution Shares.
- The distribution of dividends out of capital may exceed the gains of the Share Class and this could result in an erosion of an investor's initial investment.
- The distribution of dividends out of capital will normally continue during periods of negative performance of a Sub-Fund, resulting in a more rapid fall in the value of a Share Class than would occur if dividends were not being paid.

Share Class Identifier For illustrative purposes, each of the possible dividend frequencies is shown below on Class A Shares.	Calculation Methodology The usual method for calculating dividends is described below. The Directors may decide, at its discretion, to change or amend any of the calculation methodologies at any time.
Class AD Class AS Class AQ Class AB Class AM	It is intended that substantially all investment income (net of fees and expenses[1] and net of withholding taxes) attributable to such Share Class will be declared as a dividend.

Share Class Identifier	Calculation Methodology
For illustrative purposes, each of the possible dividend frequencies is shown below on Class A Shares.	The usual method for calculating dividends is described below. The Directors may decide, at its discretion, to change or amend any of the calculation methodologies at any time.
Class AD1 Class AS1 Class AQ1 Class AB1 Class AM1	It is intended that substantially all investment income (gross of fees and expenses[1] and net of withholding taxes) attributable to such Share Class will be declared as a dividend. Investors should be aware that fees and expenses[1] will be charged to capital. As a result it may be considered that such Share Classes are effectively distributing capital gains, if any, and capital attributable to such Shares. Distribution of capital represents a withdrawal of part of an investor's original investment and may result in a reduction of the NAV per Share over time.
Class AD2 Class AS2 Class AQ2 Class AB2 Class AM2	It is intended that the Share Class will declare a dividend based upon the estimated annualised yield of the relevant sub-fund's underlying portfolio which is attributable to the Share Class. The Management Company will review the estimated annualised yield at least semi-annually. However, the Management Company may decide, at its discretion, to make adjustments to the dividend rate at any time to reflect changes in the estimated annualised yield of the Sub-Fund's portfolio. Investors should be aware that this dividend policy may pay out dividends gross of fees and expenses[1] and may pay out dividends gross of withholding taxes. The estimate of a Sub-Fund's underlying portfolio yield will not necessarily equal the income received by the Share Class and may result in distribution of both realised and unrealised capital gains, if any, and capital attributable to such Shares. Distribution of capital represents a withdrawal of part of an investor's original investment. Such distributions may result in a reduction of the NAV per Share over time and the NAV per Share may fluctuate more than other Share Classes.
For illustrative purposes, the share classes below are Euro Currency Hedged Classes: Class AD3HEUR Class AS3HEUR Class AQ3HEUR Class AB3HEUR Class AM3HEUR	This type of Share Class will only be offered on Sub-Funds which offer Portfolio Currency Hedged Share Classes or Base Currency Hedged Share Classes. Please refer to the sub-section "Currency Hedged Share Classes" of section 1.7 "Description of Share Classes" of this Prospectus for more information. It is intended that the Share Class will declare a dividend based upon: (i) the estimated annualised yield of the relevant sub-fund's underlying portfolio which is attributable to the Share Class and (ii) an estimate of the interest rate carry (which could be positive or negative) and which is based upon the interest rate differential between the Sub-Fund's Base Currency and the Reference Currency of the Currency Hedged Share Class. A negative interest rate differential will result in a reduction of the dividend payment and may result in no dividends being paid. The Management Company will review the estimated annualised yield at least semi-annually. However, the Management Company may decide, at its discretion, to make adjustments to the dividend rate at any time to reflect changes in the estimated annualised yield of the Sub-Fund's portfolio. Investors should be aware that this dividend policy may pay out dividends gross of fees and expenses[1] and may pay out dividends gross of withholding taxes. The estimate of Sub-Fund's underlying portfolio yield will not necessarily equal income received by the Share Class and the estimate of the interest rate carry does not represent income received by the Share Class. Therefore, this may result in distribution of capital gains, if any, and could result in distribution of capital attributable to such Shares. Consequently, the NAV per Share may be eroded and it may also reduce the potential for future appreciation in the NAV per Share. Distribution of capital represents a withdrawal of part of an investor's original investment. Such distributions may result in a reduction of the NAV per Share over time and the NAV per Share may fluctuate more than other Share Classes.

Share Class Identifier	Calculation Methodology
For illustrative purposes, each of the possible dividend frequencies is shown below on Class A Shares.	The usual method for calculating dividends is described below. The Directors may decide, at its discretion, to change or amend any of the calculation methodologies at any time.
	This type of Share Class is only intended for investors whose Home Currency is the same as the Reference Currency of the Currency Hedged Share Class. These Share Classes are available through certain Distributors selected by the Global Distributor and may only be available to certain investors who meet eligibility criteria as decided by the Management Company.

1 "Fees and expenses" refers to: management fees, operating, administrative and servicing expenses and the operating Share Class currency hedging Fee, if applicable, as further described in section 7.

◆ Income Equalisation

The ICAV operates income equalisation arrangements for all Distribution Share Classes.

Income equalisation aims to mitigate the effects of subscriptions, redemptions and conversions of a Share Class during the financial year on the level of accrued income. The effect being that, if an investor subscribes during the accounting period, the subsequent dividend will include a portion representing a return of capital on the original investment.

◆ Declaration and Announcement of Dividends

The Directors may declare, at its discretion, dividends in respect of each Distribution Share Class of each Sub-Fund..

Dividends may be announced in the countries where the sub-funds are registered according to regulations of those jurisdictions.

◆ Payment and Reinvestment of Dividends

Dividends will normally be paid in the Reference Currency of the Share Class.

Payment of dividends will normally be made within six weeks of such declaration to holders of Shares in the relevant Sub-Sund/Share Class at the dividend record date.

Shareholders may, by written request to the Administrator or by completion of the relevant section of the Application Form, elect to have dividends relating to any Distribution Share Class of any Sub-Fund paid out to them. Otherwise dividends will be reinvested automatically in the acquisition of further Shares relating to that Sub-Fund as follows:

1. Such Shares will be purchased no later than on the next Dealing Day after the date of payment of the dividend;
2. Shares allocated as a result of such reinvestment will not be subject to any sales charge;
3. Fractions of registered Shares will be issued (as necessary) to three decimal points.

Regardless of the frequency of the dividend payment, any dividend distribution to a Shareholder that is below USD 50, Euro 50, JPY 5,000, GBP 30 or equivalent to USD 50 in any other Dealing Currency or Reference Currency will be automatically reinvested in accordance with the provisions set out above.

In respect of the monthly/quarterly and semi-annual Distribution Shares, the dividend will normally automatically be paid out on a monthly/quarterly and semi-annual basis, respectively.

◆ Pay-Out Shares

Pay-Out Shares may be offered as fixed pay-out Shares (the "Fixed Pay-Out Shares") and flexible pay-out Shares (the "Flexible Pay-Out Shares"). Each has a calculation methodology for calculating dividends (referred to as "pay-outs" for Pay-Out Shares).

Dividends which are composed of capital gains and/or capital may impact an investor's tax position and accordingly investors are encouraged to seek appropriate tax advice in relation to investment in the different Pay-Out Share Classes.

◆ Fixed Pay-Out Shares

The dividend rate on Fixed Pay-Out Shares may either be (i) based upon a pre-determined fixed percentage of the Net Asset Value per Share (or where Swing Pricing has been applied, the adjusted NAV per Share) or (ii) set at a pre-determined fixed dividend rate per share with the aim of paying a fixed monetary amount. However, the Directors may decide, at its discretion, to make adjustments to the dividend rate at any time.

Investments in Fixed Pay-Out Shares are not an alternative to a savings account or a fixed interest paying investment. The pre-determined fixed percentage or rate does not reflect either the actual or expected income or performance of the relevant Sub-Fund.

Fixed Pay-Out Shares which are based upon a fixed percentage of the NAV per Share are expected to pay out capital gains and/or capital and may do so over a prolonged or indefinite period. Paying-out of capital represents a withdrawal of investors' initial investment. This may result in a substantial erosion of an investor's initial investment over the long term. Over the very long term an investor's initial investment may be nearly, or even completely, exhausted.

Fixed Pay-Out Shares do not pay a fixed monetary amount and the constant percentage of the dividend results in higher monetary dividends when the NAV per Share of the relevant Class is high, and a lower monetary dividend when the NAV per Share of the relevant Class is low.

A dividend does not imply a positive return. Payments will continue even when a Sub-Fund has not earned income and experiences capital losses. This will result in a more rapid fall in the NAV per Share of the Class than would occur if fixed dividends were not being paid. Under normal circumstances, the rate is pre-determined and is not subject to the Board of Director's ongoing discretion.

In addition, dividends for Currency Hedged Share Classes may include the interest rate differential between the Sub-Fund's Base Currency and the Reference Currency of the Currency Hedged Share Class. A negative interest rate differential will result in a reduction of the dividend payment and may result in no dividends being paid. The estimate of the interest rate carry does not represent income received by the Share Class. Therefore, this may result in distribution out of capital gains, if any, and could result in distribution out of capital attributable to such Shares.

Fixed Pay-Out Shares may be offered with the following dividend declaration/payment frequencies and are identifiable as follows.

Frequency	Annual (at least)	Semi-Annual	Quarterly	Bi-Monthly (every two months)	Monthly
Share Class Identifier	a "D" follows the sub-fund and Class names	a "S" follows the sub-fund and Class names	a "Q" follows the sub-fund and Class names	a "B" follows the sub-fund and Class names	a "M" follows the sub-fund and Class names

The following Share Class identifiers will apply:

(i) an A Class with a quarterly 5% (per annum) fixed percentage of the Net Asset Value per Share (or where Swing Pricing has been applied, the adjusted NAV per Share) pay-out and denominated in EUR will have the following Share Class Identifier:

Class AQFIX5EUR

- "A" denotes Class A.

- "Q" identifies that the Class pays quarterly dividends.
- "FIX5" identifies that the Class pays a fixed 5% dividend per annum. The 5% will be spread equally over the number of dividends per year and the dividend payment will be calculated on the basis of the NAV per Share or adjusted NAV per Share.
- "EUR" identifies the class as EUR denominated.

(ii) an A Class with a quarterly fixed dividend rate per share pay-out and denominated in EUR will have the following Share Class Identifier:

Class AQFIXAEUR

- "A" denotes Class A.
- "Q" identifies that the Class pays quarterly dividends.
- "FIXA" identifies that the Class pays a fixed dividend rate per share. The fixed dividend rate per share will be disclosed on HSBC Asset Management's website in the Fund Centre at www.assetmanagement.hsbc.com and in the Key Investor Information Document.
- "EUR" identifies the class as EUR denominated.

Fixed Pay-Out Shares do not offer a mechanism for reinvestment of dividends.

◆ Flexible Pay-Out Shares

The dividend rate on Flexible Pay-Out Shares is based upon the relevant Sub-Fund's long-term expected income and net capital gains (both realised and unrealised) (the "Expected Return") which is attributable to the Flexible Pay-Out Share Class. Dividends will be paid gross of fees and expenses and may be paid gross of taxes. The Expected Return will vary over time and consequently the dividend rate will be adjusted. The Directors may decide, at its discretion, to make adjustments to the dividend rate at any time.

Flexible Pay-Out Shares deliberately pay dividends out of net capital gains (both realised and unrealised). In addition, these Classes will pay dividends out of capital (or effectively out of capital) to the extent that:

1. **Fees and expenses and taxes are charged to capital;**
2. **Short-medium term market cycles result in performance temporarily falling short of the Expected Return (which is a long-term forecast). In this regard, where an investor's investment horizon is shorter than the Expected Return's time horizon, it may lead to them realising their investment during such a period. This would result in the return of their investment suffering from both (a) the return falling short of the Expected Return; and (b) erosion of capital due to both (i) and (ii); and**
3. **The actual long term performance is less than the Expected Return.**

These Classes may pay out of capital over a prolonged or indefinite period. Paying-out of capital represents a withdrawal of investors' initial investment. This may result in a substantial erosion of an investor's initial investment over the long term. Over the very long term an investor's initial investment may be nearly, or even completely, exhausted.

A dividend does not imply a positive return. Payments will continue even when a Sub-Fund has not earned income and experiences capital losses. This will result in a more rapid fall in the NAV per Share of the Share Class than would occur if flexible dividends were not being paid.

In addition, dividends for Currency Hedged Share Classes may include the interest rate differential between a Sub-Fund's Base Currency and the Reference Currency of the Currency Hedged Share Class. A negative interest rate differential will result in a reduction of the dividend payment and may result in no dividends being paid. The estimate of the interest rate carry does not represent income received by the Share Class. Therefore, this may result in distribution out of capital gains, if any, and could result in distribution out of capital attributable to such Shares.

Flexible Pay-Out Shares may be offered with the following pay-out declaration/payment frequencies and are identifiable as follows.

Frequency	Annual (at least)	Semi-Annual	Quarterly	Bi-Monthly (every two months)	Monthly
Share Class Identifier	a "D" follows the sub-fund and Class names	a "S" follows the sub-fund and Class names	a "Q" follows the sub-fund and Class names	a "B" follows the sub-fund and Class names	a "M" follows the sub-fund and Class names

As an example: an A Class with a flexible pay-out and EUR denominated will have the following Share Class Identifier:

Class AQFLXEUR

- "A" denotes Class A.
- "Q" identifies that the Class pays quarterly dividends.
- "FLX" identifies that the Class pays a dividend based upon the Expected Return.
- "EUR" identifies the Class as EUR denominated.

Flexible Pay-Out Shares do not offer a mechanism for reinvestment of dividends.

2.3. Portfolio Investment Techniques

Subject to the investment policies and restrictions for a Sub-Fund set out in the Supplement in respect of a Sub-Fund, a Sub-Fund may employ investment techniques and instruments such as repurchase or reverse repurchase transactions or securities lending transactions (**Securities Financing Transactions**) for EPM purposes only.

In this context, EPM refers to techniques and instruments which relate to transferable securities which fulfil the following criteria:

They are economically appropriate in that they are realised in a cost-effective way and investment decisions involving transactions that are entered into for one or more of the following specific aims:

- the reduction of risk (e.g. to perform an investment hedge on a portion of a portfolio);
- the reduction of cost (e.g. short term cash flow management or tactical asset allocation); and
- the generation of additional capital or income for the ICAV with an appropriate level of risk, taking into account the risk profile of the ICAV as described in this Prospectus and the general provisions of the UCITS Regulations.

The use of such transactions or agreements is subject to the conditions and limits set out in the Central Bank UCITS Regulations.

The use of Securities Financing Transactions and Total Return Swaps (further detail on this type of swap is included in Appendix 2) may only be effected in accordance with normal market practice and all assets received under Securities Financing Transactions will be considered collateral and will comply with the criteria set out in the section entitled **"Collateral Policy"** in Appendix 2. In accordance with normal market practice, borrowers will be required to provide collateral to the ICAV of a value of at least equal to the market value of any securities loaned in accordance with the Collateral Policy.

Briefly, Securities Financing Transactions are those where one party ('Party A') delivers securities to the other ('Party B') in return for which it is agreed that securities of the same kind and amount should be redelivered to Party A at a later date. Party B provides Party A with collateral to cover against the risk of the future redelivery not being completed.

The types of assets of a Sub-Fund that may be subject to a Securities Financing Transaction or Total Return Swaps will be determined by the ICAV in accordance with the investment policy of a Sub-Fund and may include, but shall

not be limited to, debt and debt related securities, liquid and near cash assets, such as short-term fixed income securities, instruments and obligations, bills, commercial paper and notes, equity and equity related securities, derivatives and other permitted investments of a Sub-Fund specified in the Supplement for a Sub-Fund. Such assets (other than those which are deemed to be Other Assets as defined in section 8.6 under the heading entitled **"Delegation of Functions and Liability"**) shall be held by the Depositary or, where applicable, the sub-custodian as appointed by the Depositary.

The ICAV will conduct appropriate due diligence in the selection of counterparties including but not limited to consideration of the legal status, country of origin, credit rating and minimum credit rating (where relevant). Any Securities Financing Transactions or Total Return Swaps will only be entered into with institutions of appropriate financial standing which engage in these types of arrangements and which are acceptable to the Depositary and the Investment Manager and will be on arm's length commercial terms.

The ICAV will appoint regulated financial institutions as counterparties with whom to execute OTC derivative transactions. All new counterparties undergo an approval process, which requires business rationale for the proposed new counterparty (which will take into account diversification of counterparty exposure and level of specialism of a counterparty in the instruments to be executed). In addition to this, key counterparty information including contacts, address and legal identity identifier details need to be received along with the execution of an ISDA agreement. The ICAV will comply with HSBC Group's Global Sanctions Policy when considering country of origin of the counterparties.

The ICAV must be satisfied that counterparties to Securities Financing Transactions and Total Return Swaps do not carry undue credit risk, will value the transactions with reasonable accuracy and on a reliable basis and will close out the transactions at any time at the request of the ICAV and/or the Investment Manager. All counterparty exposure is monitored on a daily basis in line with UCITS guidelines.

The assets and collateral subject to Securities Financing Transactions shall be held by the Depositary or, where applicable, the sub-custodian as appointed by the Depositary.

The Collateral Policy set out in Appendix 2 shall apply to any collateral received in respect of Securities Financing Transactions or Total Return Swaps.

If the ICAV chooses to engage in Securities Financing Transactions or Total Return Swaps, this will be disclosed in the relevant Supplement.

From time to time, the ICAV may engage counterparties that are related parties to the Depositary or other service providers of the ICAV. Such engagement may on occasion cause a conflict of interest with the role of the Depositary or other service provider in respect of the ICAV. Please see section 3 entitled Risks and Risk Management below under **"Counterparty Risk"** and refer to section 8.15 entitled **"Conflicts of Interest"** for further detail on counterparty risk and conflicts of interest in the context of EPM.

2.4. Use of Financial Derivative Instruments

In addition to any use of FDI by any Sub-Fund for investment purposes as described in the relevant Supplement, a Sub-Fund may, if disclosed in the relevant Supplement, utilise FDI for EPM purposes (i.e. the reduction of risks or costs to the ICAV or the generation of additional capital or income for the ICAV), which includes the FDI listed in Appendix 2 **"How the Sub-Funds Use Instruments and Techniques"**, subject to the general restrictions outlined in the **"General Investment Restrictions"** in Appendix 1. An appropriate RMP has been submitted to, and cleared by, the Central Bank. If additional types of FDI are to be used by any Sub-Fund, a revised RMP must be submitted and cleared by the Central Bank in advance of the Sub-Fund utilising such instruments. The use of FDI can introduce an additional exposure of counterparty risk to the relevant Sub-Fund, although this is controlled and monitored according to the diversification and concentration requirements of the UCITS Regulations and by collateralisation. The use of instruments/techniques for EPM purposes will not change the objective of the relevant Sub-Fund or add substantial risks in comparison to the original risk policy of the relevant Sub-Fund.

When using FDI as part of EPM techniques and instruments and engaging in Securities Financing Transactions, as further detailed below, a relevant Sub-Fund will incur operational costs and such costs will be paid by the relevant Sub-Fund to the counterparty with which the ICAV has entered into a relevant agreement. Such counterparties will be disclosed in the annual report of the ICAV which will also contain details of (i) the counterparty exposure obtained through EPM techniques, (ii) the type and amount of collateral received by the relevant Sub-Fund to reduce counterparty exposure and (iii) revenues arising from EPM techniques for the reporting period, together with direct and indirect costs and fees incurred (which will not include any hidden revenue). Where relevant, any relationship between the counterparty and Investment Manager or Depositary will be disclosed. All revenues from EPM techniques, net of direct and indirect operational costs, will be returned to the relevant Sub-Fund.

FDI used for EPM may be used by a Sub-Fund for hedging purposes. Hedging is a technique used for minimising an exposure created from an underlying position by counteracting such exposure by means of acquiring an offsetting position. The positions taken for hedging purposes will not be allowed to exceed materially the value of the assets that they seek to offset. Where a Sub-Fund enters into OTC FDI transactions, they will only be executed with approved counterparties and will at all times be governed by a legally enforceable bilateral ISDA and an accompanying credit support annex or other market standard master agreement. The ICAV's policy on collateral is provided in Appendix 2 **"How the Sub-Funds Use Instruments and Techniques"**. To the extent that a Sub-Fund uses FDI, there may be a risk that the volatility of the Sub-Fund's NAV may increase.

The ICAV will, upon request, provide supplementary information to Shareholders relating to the risk management methods employed including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investment.

2.5. Securities Financing Transactions Regulation

The Sub-Funds may enter into Securities Financing Transactions and Total Return Swaps as described in section 2.3 entitled **"Portfolio Investment Techniques"** in accordance with the Securities Financing Transactions Regulation, the UCITS Regulations and the Central Bank UCITS Regulations.

Where a Sub-Fund may enter into Securities Financing Transactions and Total Return Swaps, this will be set out in the Supplement for the relevant Sub-Fund, together with details of the maximum and expected proportion of assets that can be subject to such transactions.

In the event that the ICAV contemplates entering into such transactions where not previously disclosed to investors, investors will be provided with further details of the structure and use of such transactions, together with any other information required to be disclosed to investors in accordance with Articles 13 and 14 of the Securities Financing Transactions Regulation and the Prospectus and the Supplement will be updated as required.

2.6. Integration of sustainability risks into investment decisions

SFDR Regulation

As set out in SFDR, the Management Company is required to disclose the manner in which sustainability risks are integrated into the investment process and the results of the assessment of the likely impacts of sustainability risks on the returns of the Sub-Funds. A sustainability risk is defined in SFDR as an ESG event or condition that, if it occurs, could cause an actual or potential material negative impact on the value of an investment.

The Management Company has adopted HSBC Asset Management's responsible investment policy and related Responsible Investment Policy Implementation Procedures (the "Policy") in the integration of sustainability risks into investment decisions for the Sub-Funds. The Investment Manager integrates this on behalf of the Management Company and has adopted the Policy and therefore integrates sustainability risks into its investment decisions.

The Policy outlines HSBC Asset Management's approach to sustainable investing, focusing on the ten principles of the United Nations Global Compact ("UNGC"). The UNGC sets out key areas of financial and non-financial risk: human rights, labour, environment and anti-corruption. The Investment Manager uses third party screening providers

to identify companies with a poor track record in these areas of risk and, where potential sustainability risks are identified, the Investment Manager also carries out its own due diligence. Sustainability risks are monitored on an ongoing basis as part of the Investment Manager's portfolio management strategy generally.

The Investment Manager has a duty to act in the best long-term interests of Shareholders. The Investment Manager believes that sustainability risks can affect the performance of investment portfolios across companies, sectors, regions and asset classes through time. While each Sub-Fund has its own investment objective, the Investment Manager's goal is to provide Shareholders with competitive risk-adjusted returns over the long term. To achieve this, the Investment Manager will conduct thorough financial analysis and a comprehensive assessment of sustainability risks as part of a broader risk assessment for each Sub-Fund, where relevant.

For more information, please refer to the Policy which can be found on HSBC Asset Management's website.

Article 6 SFDR Sub-Funds

All Sub-Funds that either do not promote environmental and/or social characteristics within the meaning of Article 8 of SFDR or that do not have a sustainable investment objective within the meaning of Article 9 of SFDR, are required to comply with the requirements of Article 6 of SFDR and are referred to as Article 6 SFDR Sub-Funds.

Article 8 and 9 SFDR Sub-Funds

All Sub-Funds that promote environmental and/or social characteristics or which have a sustainable investment objective are required to comply with Article 8 or Article 9 of SFDR respectively.

Additional Sub-Funds which promote environmental and/or social characteristics within the meaning of Article 8 of SFDR or Sub-Funds which have a sustainable investment objective within the meaning of Article 9 of SFDR may be established from time to time and will be included in this Prospectus.

Further information is available for each Article 8 and Article 9 SFDR Sub-Fund within the relevant Sub-Fund's Supplement and the Annex for the relevant Sub-Fund as well as on HSBC Asset Management's website.

Likely impact of sustainability risks on returns

Companies that adequately manage sustainability risks should be better placed to anticipate future sustainability risks and opportunities. This makes them more strategically resilient and therefore able to anticipate, and adapt to, the risks and opportunities in relation to sustainability on the horizon. Likewise, if managed inadequately, sustainability risks can adversely impact the value of the underlying company or the competitiveness of the country issuing government bonds. Sustainability risks can materialise in various forms for the issuers or government securities or other investments/assets in which Sub-Funds invest, including (but not limited to) (i) reduced revenue due to shifts in customer preferences, negative impacts on the workforce, social unrest and decreased production capacity; (ii) increased operating/capital costs; (iii) write-off and early retirement of existing assets; (iv) loss of reputation due to fines and judgements and loss of license to operate; (v) the risk score (and market for) government bonds. These risks, together or individually, can potentially impact the returns of the Sub-Funds.

The likely impacts of sustainability risks on the returns of each Sub-Fund will also depend on each Sub-Fund's investments and the materiality of sustainability risks. The likelihood of sustainability risks arising in respect of a Sub-Fund should be mitigated by the Investment Manager's approach to integrating sustainability risks in its investment decision-making process as outlined in the Policy. However, there is no guarantee that these measures will completely mitigate or prevent sustainability risks materialising in respect of a Sub-Fund. The likely impact on the return of a Sub-Fund from an actual or potential material decline in the value of an investment due to a sustainability risk will therefore vary and depend on several factors, including, but not limited to, the type, extent, complexity, duration of the event or condition, prevailing market conditions and the existence of any mitigating factors.

All Sub-Funds integrate consideration of sustainability risks in the investment decision-making process. The Investment Manager integrates sustainability risks by identifying ESG factors that could have a material financial

impact on the performance of an investment. Exposure to sustainability risk does not necessarily mean that the Investment Manager will refrain from taking or maintaining a position in an investment. Rather, the Investment Manager will consider the assessments of sustainability risks together with other material factors in the context of the investee company or issuer and the investment objective and policy of the Sub-Fund.

Sub-Funds investing in financial derivative instruments and securities lending

Some Sub-Funds may invest in financial derivative instruments and therefore, sustainability risks are harder to factor in as the Sub-Funds are not directly investing in the underlying asset.

Information on the ESG integration methodology applied to securities lending arrangements which may be utilised by a Sub-Fund is available on HSBC Asset Management's website in the Fund Centre at www.assetmanagement.hsbc.com.

Consideration of principal adverse impacts

SFDR requires the Management Company to determine whether it considers the principal adverse impacts ("PAIs") of its investment decisions on sustainability factors. The Investment Manager implements this consideration on behalf of the Management Company. The Investment Manager is supportive of the aim of this requirement, which is to improve transparency to investors and the market generally as to how the PAIs of investment decisions on sustainability factors are considered.

For actively managed Article 8 and Article 9 SFDR Sub-Funds, the Investment Manager is able to consider PAIs and evaluates a range of PAI indicators in accordance with the requirements of SFDR. In the case of actively managed Article 6 SFDR Sub-Funds, the Investment Manager does not consider PAIs in the investment strategy, as these Sub-Funds do not have an explicit ESG focus. The individual PAIs which are considered by each Article 8 and Article 9 SFDR Sub-Fund are detailed for each Sub-Fund in the relevant annex to the Supplement. Information on how PAIs were considered will be included in the ICAV's audited annual accounts.

HSBC Asset Management Responsible Investment Policies

HSBC Asset Management's Responsible Investment policies (the "Responsible Investment Policies") govern the ICAV's approach to sustainability and the implementation of responsible investment practices and Net-Zero commitments for each of the Sub-Funds.

In line with the Responsible Investment Policies, the Sub-Funds may be subject to stewardship and engagement efforts, due diligence checks and the application of investment exclusions ("Excluded Activities").

ESG credentials, Excluded Activities and the need for due diligence may be identified and analysed by using, but not exclusively, HSBC Asset Management's proprietary ESG materiality framework and ratings, fundamental qualitative research and corporate engagement. The Investment Manager may alsorely on expertise, research and information provided by financial and non-financial third party data providers.

The Investment Manager uses third party data providers to monitor issuers' exposure to certain activities and / or breaches of standards. While the Investment Manager assesses third partydata providers for the accuracy of their data and quality of judgement, the Investment Managers cannot guarantee the accuracy or timeliness of such data. The Investment Manager may set aside their data or scoring where its own due diligence suggests that the data may be inaccurate, incomplete or disproportionate.

Sub-Funds utilising third party data or systematic Sub-Funds may be unable to implement certain aspects of the Responsible Investment Policies and so may have limited exposure to issuers that would otherwise be excluded.

The below Excluded Activities are applicable to all Sub-Funds:

Excluded Activity	Details
Banned Weapons	Sub-funds will not invest in companies and/or issuers HSBC considers to be involved in the development, production, use, maintenance, offering for sale, distribution, import or export, storage or transportation of Banned Weapons.
Thermal Coal (Expanders)	Sub-funds will not participate in initial public offerings ("**IPOs**") or primary fixed income financing by companies and/or issuers HSBC considers to be engaged in the expansion of thermal coal production.

Investors should refer to the latest version of the Responsible Investment Policies' documentation for further information. The Responsible Investment Policies are available at: https://www.assetmanagement.hsbc.com/responsible-investing-policies.

HSBC Thermal Coal Policy

As part of HSBC Group's Net Zero Asset Managers commitment, the HSBC Group Thermal Coal Phase-Out Policy (the "Policy") has been introduced to meet the dual objectives of phasing out coal-fired power and thermal coal mining (collectively "Thermal Coal") within science-based timeframes and of energy transition in more coal-reliant economies.

The Policy is applicable to all Sub Funds, and investors should refer to the latest version of the "HSBC Asset Management Policy on Thermal Coal" document available on HSBC Group's website at www.assetmanagement.hsbc.com/responsible-investing-policies

2.7. Taxonomy Regulation

The Taxonomy Regulation was established to provide an EU-wide classification system which provides investors and investee companies with a common language to identify whether certain economic activities can be considered environmentally sustainable.

The Taxonomy Regulation introduces additional disclosure requirements in respect of Article 8 and Article 9 SFDR Sub-Funds. For Article 6 SFDR Sub-Funds, the Investment Manager does not take into account the EU criteria for environmentally sustainable economic activities and therefore these disclosure requirements do not apply to Article 6 SFDR Sub-Funds. However, as disclosed above in the section "Integration of sustainability risks into investment decisions", the Investment Manager integrates sustainability risk considerations into the management of these Sub-Funds. The investments underlying the Article 6 SFDR Sub-Funds do not take into account the EU criteria for environmentally sustainable economic activities.

Under the Taxonomy Regulation, an economic activity will be considered environmentally sustainable where it:

1. contributes substantially to one or more defined environmental objectives;
2. does not significantly harm any of the environmental objectives;
3. complies with certain minimum social safeguards; and
4. complies with specified performance thresholds known as technical screening criteria.

For points 1 and 2 above, the Taxonomy Regulation defines the environmental objectives into six areas of sustainable investments:

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

Some of the ICAV's Sub-Funds may make investments that the Investment Manager considers contribute to the environmental objectives of the Taxonomy Regulation.

Furthermore, some of the ICAV's Sub-Funds may also make environmentally sustainable investments that do not qualify as environmentally sustainable under the Taxonomy Regulation.

For any Sub-Funds that intend to make investments in activities that contribute to the environmental objectives of the Taxonomy Regulation relating to climate change mitigation and climate adaptation, information on how the relevant Sub-Fund intends to invest in environmentally sustainable investments contributing to these environmental objectives is described in the relevant Annex for the relevant Sub-Fund.

2.8. Currency Transactions

A Sub-Fund is permitted to invest in securities denominated in a currency other than the Base Currency and may purchase currencies to meet settlement requirements. In addition, subject to the restrictions imposed on the use of FDI described above and by the UCITS Regulations, a Sub-Fund may enter into various currency transactions (i.e. forward foreign currency contracts, currency swaps whereby a Sub-Fund agrees to swap a payment or payment in one currency for a payment or payments in another currency, and spot currency contracts) to protect against uncertainty in future exchange rates. Forward foreign currency contracts are agreements to exchange one currency

for another - for example, to exchange a certain amount of Sterling for a certain amount of Euro - at a future date. The date (which may be any agreed-upon fixed number of days in the future), the amount of currency to be exchanged and the price at which the exchange will take place are negotiated and fixed for the term of the contract at the time that the contract is entered into.

Currency transactions which alter currency exposure characteristics of transferable securities held by a Sub-Fund may only be undertaken for the purposes of a reduction in risk, a reduction in costs and/or an increase in capital or income returns to a Sub-Fund. Any such currency transactions will be used in accordance with the investment objective of the relevant Sub-Fund.

A Sub-Fund may "cross-hedge" one foreign currency exposure by selling a related foreign currency into the Base Currency. Also, in emerging or developing markets, local currencies are often expressed as a basket of major market currencies such as the US Dollar, Euro or JPY. A Sub-Fund may hedge out the exposure to currencies other than its Base Currency in the basket by selling a weighted average of those currencies forward into the Base Currency.

Section 3. Risks and Risk Management

Potential investors should consider the following risk factors before investing in the ICAV. Additional risk factors for a Sub-Fund (if any) will be set out in the relevant Supplement.

Investment in the Shares carries certain risks, which are described below. Accordingly, prospective investors should carefully consider the specific risk factors set out below in addition to the other information contained in this Prospectus before investing in any Shares. Set out below are the risk factors which the Directors currently consider to be material for potential investors in the ICAV. There may be additional risks of which the Directors are not currently aware and so the risks described in this Prospectus and the relevant Supplement should not be considered to be an exhaustive list of the risks which potential investors should consider before investing in a Sub-Fund.

3.1. Risk Factors Relating to the ICAV and the Shares

Hedged Share Classes

The ICAV offers Hedged Share Classes across a range of sub-funds as described in section 1.7 **"Description of Share Classes"**.

While a Sub-Fund or its authorised agent may attempt to hedge currency risks, there can be no guarantee that it will be successful in doing so and it may result in mismatches between the currency position of that Sub-Fund and the Hedged Share Class.

The hedging strategies will be entered into whether the Base Currency is declining or increasing in value relative to the relevant currency of the Hedged Share Class and so, where such hedging is undertaken it may substantially protect Shareholders in the relevant Class against a decrease in the value of the Base Currency relative to the Hedged Share Class currency, but it may also preclude Shareholders from benefiting from an increase in the value of the Base Currency.

Hedged Share Classes in non-major currencies may be affected by the fact that capacity of the relevant currency market may be limited, which could further affect the volatility of the Hedged Share Class.

The successful execution of a hedging strategy cannot be assured. Any financial instruments used to implement such strategies with respect to one or more Share Class shall be assets/liabilities of the Sub-Fund as a whole but will be attributable to the relevant Share Class and the gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant Share Class. Any currency exposure of a Share Class may not be combined with or offset against that of any other Share Class.

Cross-Class Liability Risk

Multiple Share Classes may be issued in relation to a Sub-Fund, with particular assets and liabilities of a Sub-Fund attributable to particular Share Classes.

For instance, Sub-Funds offering Hedged Share Classes will have assets and liabilities related to the hedge which are attributable to the relevant Hedged Share Classes. Moreover, these assets and liabilities may be denominated in various currencies introducing currency risk.

Given that there is no legal segregation of liabilities between Share Classes, there may be a remote risk that, under certain circumstances, currency hedging transactions in relation to a Hedged Share Class could result in liabilities which might affect the NAV of the other Share Classes of the same Sub-Fund.

Where the liabilities of a particular Class exceed the assets pertaining to that Class, creditors pertaining to one Share Class may have recourse to the assets attributable to other Share Classes. Although for the purposes of internal accounting, a separate account will be established for each Share Class, in the event of an insolvency or termination of a Sub-Fund (i.e., when the assets of a Sub-Fund are insufficient to meet its liabilities), all assets will be used to

meet a sub-fund's liabilities, not just the amount standing to the credit of any individual Share Class. However, the assets of a Sub-Fund may not be used to satisfy the liabilities of another Sub-Fund.

Indemnification Obligations

The ICAV has agreed to indemnify the Directors, the Investment Manager, the Global Distributor, the Administrator and the Depositary as provided for in the relevant agreements. Consequently, the ICAV is exposed to the risk of unforeseen costs due to losses or damages suffered or incurred by the indemnified parties (including legal fees and expenses) in connection with the performance of their duties and/or the exercise of their powers under the relevant agreements. Further information in respect of such indemnities is set out in section 8 entitled **"Management and Administration"**.

Reliance on the Investment Manager

The ICAV will rely on the Investment Manager in implementing its investment strategies. The bankruptcy or liquidation of the Investment Manager may have an adverse impact on the NAV of the relevant Sub-Fund. Investors must rely on the judgement of the Investment Manager in making investment decisions. The Investment Manager and its principals and affiliates will however devote a substantial degree of their business time to the ICAV's business.

A Sub-Fund's investment management team may be wrong in its analysis, assumptions, or projections. This includes projections concerning industry, market, economic, demographic, or other trends.

Investment Techniques

The Investment Manager may employ techniques and instruments for EPM purposes including, but not limited to, the techniques set out in section 2.3. entitled **"Portfolio Investment Techniques"**. To the extent that the Investment Manager's expectations in employing such techniques and instruments are incorrect, a Sub-Fund may suffer a substantial loss having an adverse effect on the NAV of the Shares.

Investment Fund Risk

As with any investment fund, investing in a Sub-Fund involves certain risks an investor would not face if investing in markets directly:

- the actions of other investors, in particular sudden large outflows of cash, could interfere with orderly management of the Sub-Fund and cause its NAV to fall.
- the investor cannot direct or influence how money is invested while it is in the Sub-Fund.
- the Sub-Fund's buying and selling of investments may not be optimal for the tax efficiency of any give an investor.
- the Sub-Fund is subject to various investment laws and regulations that limit the use of certain securities and investment techniques that might improve performance; to the extent that the ICAV decides to register Sub-Funds in jurisdictions that impose narrower limits, this decision could further limit its investment activities.
- because the ICAV is based in Ireland, any protections that would have been provided by other regulators (including, for investors outside Ireland, those of their home regulator) may not apply.
- to the extent that a Sub-Fund invests in other CIS, it may incur a second layer of investment fees, which will further erode any investment gains.
- the Investment Manager or its designees may at times find their obligations to a Sub-Fund to be in conflict with their obligations to other investment portfolios they manage (although in such cases, all portfolios will be dealt with equitably).
- changes in a jurisdiction's tax laws, or in how those laws are interpreted or enforced, including actions that apply retroactively, could create unexpected tax costs for a Sub-Fund.

- to the extent that Irish law restricts a Sub-Fund from investing in certain types of securities, in particular those issued by companies with any commercial involvement in cluster munitions or anti-personnel mines, the Sub-Fund will be unable to benefit from any investment performance offered by these securities.
- to the extent that the ICAV conducts business with affiliates of HSBC, and these affiliates (and affiliates of other service providers) do business with each other on behalf of the ICAV, conflicts of interest may be created (although to mitigate these, all such business dealings must be conducted on an "arm's length" basis, and all entities, and the individuals associated with them, are subject to strict "fair dealing" policies that prohibit profiting from inside information and showing favouritism).
- because HSBC is subject to the Bank Holding Company Act (a US law), some requirements of that act could cause a Sub-Fund to have to liquidate, or to restrict purchases of, certain securities and certain transactions between the Sub-Fund and other HSBC affiliates.

Provisional Allotments

As the ICAV may provisionally allot Shares to proposed investors prior to receipt of the requisite subscription monies for those Shares the ICAV may suffer losses as a result of the non-payment of such subscription monies, including, for example, the administrative costs involved in updating the records of the ICAV to reflect Shares allotted provisionally which are not subsequently issued.

The ICAV will attempt to mitigate this risk by obtaining an indemnity from investors, however, there is no guarantee that the ICAV will be able to recover any relevant losses pursuant to such indemnity.

Segregated Liability

The ICAV is structured as an umbrella fund with segregated liability between its Sub-Funds. As a matter of Irish law, the assets of one Sub-Fund will not be available to meet the liabilities of another (a provision which also applies in insolvency and is also generally binding upon creditors). Furthermore, and by operation of Irish law, any contract entered into by the ICAV in respect of a Sub-Fund (or Sub-Funds) will include an implied term to the effect that recourse by the contract counterparty may not be had to assets of Sub-Funds other than the Sub-Fund or Sub-Funds in respect of which the contract was entered into.

The ICAV is a single legal entity that may operate or have assets held on its behalf or be subject to claims in other jurisdictions that may not necessarily recognise such segregation and so, in the event an action to enforce a debt or liability of a Sub-Fund was brought against the ICAV in a jurisdiction other than Ireland, there remains a risk that a creditor may seek to seize or attach assets of one Sub-Fund in satisfaction of a debt or liability owed by another Sub-Fund in a jurisdiction which may not recognise the principle of segregated liability between Sub-Funds.

Umbrella Cash Subscription, Redemption, Dividend and Unclaimed Cash Accounts Risk

The ICAV will operate umbrella cash accounts for subscriptions and redemptions in the name of the ICAV which shall be designated in different currencies into which subscription monies received from subscribers of all of the Sub-Funds and redemption and distribution monies due to Shareholders and/or former Shareholders who have redeemed Shares in the Sub-Funds pending payment to them shall be placed. The ICAV will also operate umbrella cash accounts for dividends and unclaimed cash, namely the Dividend Account and Unclaimed Cash Account. All subscriptions, redemptions and dividends payable to or from the relevant Sub-Fund will be channelled and managed through the appropriate Subscription Account, Redemption Account or Dividend Account and no such account shall be operated at the level of each individual Sub-Fund. On issue of shares in relation to a subscription and/or on cancellation of shares relating to redemption, the individual Sub-Fund will record that monies are due from/to the relevant Subscription Account or Redemption Account. On settlement of the subscriptions or redemptions, monies will be transferred from/to the relevant Subscription Account or Redemption Account to/from the relevant Sub-Fund.

Where subscription monies are received in respect of a Sub-Fund in advance of the issue of Shares they will be held in the Subscription Account in the name of the ICAV and will be treated as an asset of the relevant Sub-Fund. Investors will be unsecured creditors of the relevant Sub-Fund with respect to the amount subscribed and held in the

Subscription Account until Shares are issued on the Dealing Day. As such, investors will not benefit from any appreciation in the NAV of the relevant Sub-Fund or any other Shareholder rights (including dividend entitlement) until such time as Shares are issued on the relevant Dealing Day. Issues of Shares and the payment of redemption proceeds and dividends in respect of a particular Sub-Fund is subject to receipt by the Administrator of original subscription documents (where appropriate and if requested by the Administrator) and compliance with all anti-money laundering procedures and any further particulars detailed in the sections 4, 5 and 6 of this Prospectus. Notwithstanding this, redeeming Shareholders will cease to be Shareholders, with regard to the redeemed Shares, and will be unsecured creditors of the particular Sub-Fund, from the relevant Dealing Day. Pending redemptions and distributions, including blocked redemptions or distributions, will, pending payment to the relevant Shareholder, be held in the Umbrella Cash Subscriptions and Redemptions Account in the name of the ICAV. Redeeming Shareholders and Shareholders entitled to such distributions will be unsecured creditors of the relevant Sub-Fund, and will not benefit from any appreciation in the NAV of the Sub-Fund or any other Shareholder rights (including further dividend entitlement), with respect to the redemption or distribution amount held in the Redemption Account. In the event of an insolvency of the relevant Sub-Fund or the ICAV, there is no guarantee that the Sub-Fund or the ICAV will have sufficient funds to pay unsecured creditors in full. Redeeming Shareholders and Shareholders entitled to distributions should ensure that any outstanding documentation and information is provided to the Administrator promptly. Failure to do so is at such Shareholder's own risk.

The ICAV has the right to cancel Shares or seek recovery including any relevant credit charges, from Shareholders who fail to pay subscription proceeds within the stated settlement period and the potential impact on the relevant Sub-Fund where this situation arises.

In the event of the insolvency of another Sub-Fund of the ICAV (the **"Insolvent Sub-Fund"**), recovery of any amounts held in the Umbrella Cash Subscription, Redemption, Dividend and Unclaimed Cash Accounts to which another Sub-Fund is entitled (the **"Entitled Sub-Fund"**), but which may have transferred to the Insolvent Sub-Fund as a result of the operation of the Umbrella Cash Subscription, Redemption, Dividend and Unclaimed Cash Accounts will be subject to the principles of Irish insolvency law and the terms and conditions for the Umbrella Cash Subscription, Redemption, Dividend and Unclaimed Cash Accounts. There may be delays in effecting and / or disputes as to the recovery of such amounts, and the Insolvent Sub-Fund may have insufficient funds to repay amounts due to the Entitled Sub-Fund.

Cyber Security Risk

Security breaches of computer systems used by the ICAV and its service providers (such as the Management Company, Investment Manager, Administrator, Depositary and sub-custodians) have the potential to cause financial losses and costs for the ICAV, for example disrupting or preventing trading or interfering with the administration systems used by the ICAV. While the ICAV and its service providers have established business continuity plans and other systems and procedures to minimize the impact of attempted security breaches, investors must be aware that the risk of losses to the ICAV or the Sub-Funds cannot be eliminated.

Limited Operating History

Newly formed Sub-Funds have little or no operating history upon which investors can evaluate the anticipated performance. Past investment performance should not be construed as an indication of the future results of an investment in a Sub-Fund. The investment programme of a Sub-Fund should be evaluated on the basis that there can be no assurance that the Investment Manager's assessments of the short-term or long-term prospects of investments, will prove accurate or that the Sub-Fund will achieve its investment objective.

Taxation

Where a non-exempt Irish resident Shareholder acquires and holds Shares, the ICAV shall, where necessary for the collection of Irish tax redeem and cancel Shares held by a person who is or is deemed to be acting on behalf of a non-exempt Irish resident Shareholder on the occurrence of a chargeable event for Irish taxation purposes and pay the proceeds thereof to the Irish Revenue Commissioners.

3.2. Risk Factors Relating to Investments

Reliance on Third Party Data Providers

To meet the stated investment objective and policy of a Sub-Fund, the ICAV, the Management Company and/or the Investment Manager (together "the Parties") may rely on financial, economic and other data made available by companies, index providers, governmental agencies, rating agencies, exchanges, professional services firms, central banks or other third party providers (the "external data providers"). This data can have a material effect on the investments held by the relevant Sub-Fund. While the Parties carry out due diligence prior to engaging any such external data providers, the Parties do not generally have the ability to independently verify any such financial, economic and/or other data and are therefore dependent on the integrity of both the external data providers and the processes by which any such data is generated. The Sub-Fund could incur unexpected costs as a result of external data provider failures of, or substantial inaccuracy in, the generation of such data, for which losses the Parties, acting in good faith, will not be held liable.

Market Risk

The value of investments and the income derived therefrom may fall as well as rise and investors may not recoup the original amount invested in the ICAV. In particular, the value of investments may be affected by uncertainties such as international, political and economic developments or changes in government policies.

Equity Securities

Equity securities represent ownership interests in a company or corporation, and include common stock, preferred stock and warrants and other rights to acquire such instruments. Investments in equity securities in general are subject to a number of factors which may include political, geographic or economic events that may cause their prices to fluctuate over time. The value of convertible equity securities is also affected by prevailing interest rates, the credit quality of the issuer and any call provisions. Fluctuations in the value of equity securities may cause the NAV of the relevant Sub-Fund to fluctuate. The value of equity securiries can rise or fall and investors may not get back all of their original investment.

Fixed Income Securities Risk

Debt securities and other income-producing securities are obligations of their issuers to make payments of principal and/or interest on future dates. As interest rates rise, the values of debt securities or other income-producing investments are likely to fall. This risk is generally greater for obligations with longer maturities. Debt securities and other income-producing securities also carry the risk that the issuer or the guarantor of a security will be unable or unwilling to make timely principal and/or interest payments or otherwise to honour its obligations. This risk is particularly pronounced for lower-quality, high-yielding debt securities.

Additional general risks that may be part of debt securities include the following:

- **Credit Risk**

  The ability, or perceived ability, of the issuer of a debt security to make timely payments of interest and principal on the security will affect the value of the security. It is possible that the ability of an issuer to meet its obligations will decline substantially during the period when a Sub-Fund owns securities of that issuer or that the issuer will default on its obligations. An actual or perceived deterioration of the ability of an issuer to meet its obligations will likely have an adverse effect on the value of the issuer's securities. With certain exceptions, credit risk is generally greater for investments issued at less than their face values and that require the payment of interest only at maturity rather than at intervals during the life of the investment. Credit rating agencies base their ratings largely on the issuer's historical financial condition and the rating agencies' investment analysis at the time of rating. The rating assigned to any particular investment does not necessarily reflect the issuer's current financial condition and does not reflect an assessment of an investment's volatility or liquidity. Although investment-grade securities generally have lower credit risk than securities rated below investment grade, they may share some of the risks of

lower-rated investments, including the possibility that the issuers may be unable to make timely payments of interest and principal and thus default. Consequently, there can be no assurance that investment grade securities will not be subject to credit difficulties leading to the loss of some or all of the sums invested in such securities.

- **Prepayment & Extension Risk**

  During periods of rising interest rates, the average life of certain types of securities may be extended because of slower-than-expected principal payments. This may lock in a below-market interest rate, increase the security's duration, and reduce the value of the security. Extension risk may be heightened during periods of adverse economic conditions generally, as payment rates decline due to higher unemployment levels and other factors.

  A debt security held by a Sub-Fund could be repaid or "called" before the money is due, and the Sub-Fund may be required to reinvest the proceeds of the prepayment at lower interest rates and therefore might not benefit from any increase in value as a result of declining interest rates. Intermediate-term and long-term bonds commonly provide protection against this possibility, but mortgage-backed securities do not. Mortgage-backed securities are more sensitive to the risks of prepayment because they can be prepaid whenever their underlying collateral is prepaid.

- **Income Risk**

  To the extent a Sub-Fund's income is based on short-term interest rates, which may fluctuate over short periods of time, income received by the Sub-Fund may decrease as a result of a decline in interest rates.

- **Interest Rate Risk**

  The values of bonds and other debt instruments usually rise and fall in response to changes in interest rates. Declining interest rates generally increase the values of existing debt instruments, and rising interest rates generally reduce the values of existing debt instruments. Interest rate risk is generally greater for investments with longer durations or maturities and may also be greater for certain types of debt securities such as zero coupon and deferred interest bonds. Interest rate risk also is relevant in situations where an issuer calls or redeems an investment before its maturity date. See also **"Prepayment Risk"** below. Adjustable rate instruments also generally react to interest rate changes in a similar manner although generally to a lesser degree (depending, however, on the characteristics of the reset terms, including the index chosen, frequency of reset and reset caps or floors, among other factors).

- **Lower-Rated Securities Risk**

  Lower-rated debt securities (i.e., high-yield bonds or junk bonds) include all types of debt instruments that have poor protection with respect to the payment of interest and repayment of principal, or may be in default. They typically lack outstanding investment characteristics and have speculative characteristics and are subject to greater credit and market risks than higher-rated securities. The lower ratings of junk bonds reflect a greater possibility that adverse changes in the financial condition of the issuer or in general economic conditions, or an unanticipated rise in interest rates, may impair the ability of the issuer to make payments of interest and principal. If this were to occur, the values of such securities held by a Sub-Fund may become more volatile and the Sub-Fund could lose some or all of its investment. Adverse publicity and changing investor perceptions may affect the liquidity of lower-rated securities and the ability of outside pricing services to value lower-quality debt securities.

Non-Investment Grade Debt

A Sub-Fund which invests in Non-Investment Grade fixed-income securities carries higher credit risk (default risk and downgrade risk), liquidity risk and market risk than a Sub-Fund that invests in investments in Investment Grade fixed-income securities.

Credit risk is greater for investments in fixed-income securities that are rated below Investment Grade or which are not of comparable quality with Investment Grade securities. It is more likely that income or capital payments may not be made when due. Thus the risk of default is greater. The amounts that may be recovered after any default may be

smaller or zero and the sub-fund may incur additional expenses if it tries to recover its losses through bankruptcy or other similar proceedings.

Adverse economic events may have a greater impact on the prices of Non-Investment Grade fixed-income securities. Investors should therefore be prepared for greater volatility than for Investment Grade fixed-income securities, with an increased risk of capital loss, but with the potential of higher returns.

The market liquidity for Non-Investment Grade fixed-income securities can be low and there may be circumstances in which there is no liquidity of for these securities, making it more difficult to value and/or sell these securities. As a result of significant redemption applications received over a limited period in a Sub-Fund invested in Non-Investment Grade fixed-income securities, the Directors may invoke the procedure permitting the deferral of Shareholder redemptions (See section **"Deferral of Redemption"** in section 5. entitled **"General Provisions Relating to the Shares"** for further information).

Convertible Securities Risk

Convertible securities are bonds, debentures, notes or preferred stock which may be converted into or exchanged (by the holder or by the issuer) for a prescribed amount of common stock (or cash or securities of equivalent value) of the same or different issuer within a particular period of time at a specified price or formula. Their price may decline as interest rates increase and, conversely, increase as interest rates decline. The convertible securities market value tends to reflect the market price of the common stock of the issuing company when that stock price approaches or is greater than the conversion price of the convertible security. Convertible securities tend to be subordinated to other debt securities issued by the same issuer. The difference between the conversion value and the price of convertible securities will vary over time depending on changes in the value of the underlying common stocks and interest rates. Consequently, the issuer's convertible securities generally entail less risk than its common stock but more risk than its debt obligations.

Emerging Markets Risk

Because of the special risks associated with investing in emerging markets, Sub-Funds which invest in such securities should be considered speculative. Investors in such Sub-Funds are advised to consider carefully the special risks of investing in Emerging Market securities. Economies in emerging markets generally are heavily dependent upon international trade and, accordingly, have been and may continue to be affected adversely by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. These economies also have been and may continue to be affected adversely by economic conditions in the countries in which they trade.

Brokerage commissions, custodial services and other costs relating to investment in emerging markets generally are more expensive than those relating to investment in more developed markets. Lack of adequate custodial systems in some markets may prevent investment in a given country or may require a Sub-Fund to accept greater custodial risks in order to invest, although the Depositary will endeavour to minimise such risks through the appointment of correspondents that are international, reputable and creditworthy financial institutions. In addition, such markets have different settlement and clearance procedures. In certain markets there have been times when settlements have been unable to keep pace with the volume of securities transactions, making it difficult to conduct such transactions. The inability of a Sub-Fund to make intended securities purchases due to settlement problems could cause the Sub-Fund to miss attractive investment opportunities. Inability to dispose of a portfolio security caused by settlement problems could result either in losses to a Sub-Fund due to subsequent declines in value of the portfolio security or, if a Sub-Fund has entered into a contract to sell the security, could result in potential liability to the purchaser.

Disclosure and regulatory standards may be less stringent in certain securities markets than they are in developed countries and there may be less publicly available information on the issuers than is published by or about issuers in such developed countries. Consequently, some of the publicly available information may be incomplete and/or inaccurate. The valuation of assets, depreciation, exchange differences, deferred taxation, contingent liabilities and consolidation may also be treated differently from international accounting standards.

Certain securities may be difficult or impossible to sell at the time and the price that the seller would like. The seller may have to lower the price to effect a secondary market sale, sell other securities instead or forego an investment opportunity, any of which could have a negative effect on fund management or performance.

The risk also exists that an emergency situation may arise in one or more developing markets as a result of which trading of securities may cease or may be substantially curtailed and prices for a Sub-Fund's securities in such markets may not be readily available.

Investors should note that changes in the political climate in emerging markets may result in significant shifts in the attitude to the taxation of foreign investors. Such changes may result in changes to legislation, the interpretation of legislation, or the granting of foreign investors the benefit of tax exemptions or international tax treaties. The effect of such changes can be retrospective and can (if they occur) have an adverse impact on the investment return of Shareholders in any Sub-Fund so affected.

A Sub-Fund's investments may be spread among a number of industries however the Brazilian, Chinese and Indian markets are comprised of significant weightings in the natural resources sectors. This means that the relevant Sub-Fund's investments may be relatively concentrated in these sectors and the performance of the Sub-Fund could be sensitive to movements in these sectors. Risks of sector concentration are outlined below. In selecting companies for investment, a company's financial strength, competitive position, profitability, growth prospects and quality of management will typically be evaluated.

Repurchase Agreements

The value of the security purchased may be more or less than the price at which the counterparty has agreed to purchase the security. If the other party to a repurchase agreement should default, the Sub-Fund might suffer a delay or loss to the extent that the proceeds from the sale of the underlying securities and other collateral held by the Sub-Fund in connection with the repurchase agreement are less than the repurchase price. In addition, in the event of bankruptcy or similar proceedings of the other party to the repurchase agreement or its failure to repurchase the securities as agreed, the Sub-Fund could suffer losses, including loss of interest on or principal of the security and costs associated with delay and enforcement of the repurchase agreement.

Reverse Repurchase Agreements

Reverse repurchase transactions involve risks in that (a) in the event of the failure of the counterparty with which cash of a Sub-Fund has been placed there is the risk that collateral received may realise less than the cash placed out, whether because of inaccurate pricing of the collateral, adverse market movements, a deterioration in the Credit Rating of issuers of the collateral, or the illiquidity of the market in which the collateral is traded; and that (b) (i) locking cash in transactions of excessive size or duration, (ii) delays in recovering cash placed out, or (iii) difficulty in realising collateral may restrict the ability of the Sub-Fund to meet redemption requests, security purchases or, more generally, reinvestment.

Securities Lending / Stock Lending Risk

Securities lending, as applicable for a Sub-Fund, involves lending for a fee portfolio securities held by a Sub-Fund for a set period of time to willing, qualified borrowers who have posted collateral. In lending its securities, a Sub-Fund is subject to the risk that the borrower may not fulfil its obligations or go bankrupt leaving the Sub-Fund holding collateral worth less than the securities it has lent, resulting in a loss to the Sub-Fund.

As with any extensions of credit, there are risks of delay and recovery. Should the borrower of securities fail financially or default in any of its obligations under any securities lending transaction, the collateral provided in connection with such transaction will be called upon. However, a Sub-Fund could experience delays and costs in recovering the securities loaned or in gaining access to the collateral. The collateral will typically be maintained at a value of at least equal to the market value of any securities loaned. However in the event of a sudden market movement there is a risk that the value of the collateral may fall below the value of the securities transferred.

Collateral Management Risk

In seeking to reduce credit risk through the posting or receiving of collateral in OTC transactions and Securities Financing Transactions such as repurchase/reverse repurchase agreements and securities lending, the management of the collateral posted/received will be subject to liquidity and counterparty risks associated with the relevant collateral instruments.

Collateral is also subject to other types of risks as set out below:

- **Operational risks**

  Including that the valuation of the underlying instrument for which it is posted is inaccurate due to inadequate or failed internal processes, people or systems which may cause the relevant Sub-Fund to have an incorrect level of margin posted or received.

- **Legal risks**

  Including risks associated with contracts and change of regulations in the relevant jurisdiction, etc. as well as the risk that collateral provided in cross-border transactions could result in conflicts of law preventing the Sub-Fund from recovering collateral lost or from enforcing its rights in relation to collateral received.

- **Custody risk**

  Collateral received is safe-kept by the Depositary or, where applicable, the sub-custodian as appointed by the Depositary. This exposes a Sub-Fund to custody risk. This means that the Sub-Fund is exposed to the risk of loss of these assets as a result of insolvency, negligence or fraudulent trading by the Depositary and these third parties. The Sub-Fund is also exposed to the risk of loss of these assets as a result of fire and other natural disasters. Where the assets of the Sub-Fund as well as the assets provided to the Sub-Fund as collateral are held by the Depositary or third party depositaries and sub-custodians in emerging market jurisdictions, the Sub-Funds are exposed to greater custody risk due to the fact that emerging markets are by definition "in transformation" and are therefore exposed to the risk of swift political change and economic downturn. In recent years, many emerging market countries have undergone significant political, economic and social change. In many cases, political concerns have resulted in significant economic and social tensions and in some cases both political and economic instability has occurred. Political or economic instability may adversely affect the safe custody of the Sub-Fund's assets.

- **Reinvestment of Cash Collateral**

  Cash collateral that is reinvested may realise a loss, which would reduce the value of the collateral and result in the relevant Sub-Fund being less protected if there is a counterparty default.

  While commercially reasonable efforts are utilised to ensure that collateral management is effective, such risks cannot be eliminated.

Securities Handling Risk

Some countries may restrict securities ownership by outsiders or may have less regulated custody practices, leaving a Sub-Fund more vulnerable to losses and less able to pursue recourse.

In India, exchanges or other authorities may impose quotas on foreign investment arbitrarily, selectively and without advance notice.

People's Republic of China

- **Chinese Markets Risk**

  Investing in emerging markets such as the PRC subjects a Sub-Fund to a higher level of market risk than investments in a developed country. This is due to, among other things, greater market volatility, lower trading volume, political and economic instability, settlement risk, greater risk of market shut down and more governmental limitations on foreign investment than those typically found in developed markets.

  Investors should be aware that for more than 50 years, the Chinese government has adopted a planned economic system. Since 1978, the Chinese government has implemented economic reform measures which emphasise decentralisation and the utilisation of market forces in the development of the Chinese economy. Such reforms have resulted in significant economic growth and social progress.

  On 21 July 2005, the PRC government introduced a managed floating exchange rate system to allow the value of RMB to fluctuate within a regulated band based on market supply and demand and by reference to a basket of

currencies. There can be no assurance that such exchange rate will not fluctuate widely against the USD, HKD or any other foreign currency in the future. Any appreciation of RMB will increase the value of any dividends that the Sub-Fund may receive from its PRC investments and the value of investments, which will be reported in the currency, and vice versa.

Many of the economic reforms in China are unprecedented or experimental and are subject to adjustment and modification, and such adjustment and modification may not always have a positive effect on investment in the companies in China.

The national regulatory and legal framework for capital markets and joint stock companies in China is not well developed when compared with those of developed countries.

The Shanghai and Shenzhen securities markets are in the process of development and change. This may lead to trading volatility, difficulty in the settlement and recording of transactions and difficulty in interpreting and applying the relevant regulations.

Under the prevailing tax policy in China, there are certain tax incentives available to foreign investment. There can be no assurance, however, that the aforesaid tax incentives will not be abolished in the future.

Investments in China will be sensitive to any significant change in political, social or economic policy in China. Such sensitivity may, for the reasons specified above, adversely affect the capital growth and thus the performance of these investments.

The Chinese government's control of currency conversion and future movements in exchange rates may adversely affect the operations and financial results of the companies invested in by the relevant Sub-Funds, and the abilities of such companies to make payment of dividends declared in respect of the shares in the China companies.

- **Accounting and Reporting Standards**

PRC companies are required to follow PRC accounting standards and practice which, to a certain extent, follow international accounting standards. However, the accounting, auditing and financial reporting standards and practices applicable to PRC companies may be less rigorous, and there may be significant differences between financial statements prepared by accountants following the PRC accounting standards and practice and those prepared in accordance with international accounting standards. For example, there are differences in the valuation methods of properties and assets and in the requirements for disclosure of information to investors which may result in non-disclosure of certain material information of the investee entities the Investment Manager invest in for the account of the Sub-Fund.

As the disclosure and regulatory standards in China are less stringent than in more developed markets, there might be substantially less publicly available information about Chinese issuers. Therefore, disclosure of certain material information may not be made, and less information may be available to the Investment Manager and other investors.

- **Taxation in the PRC**

The Investment Manager may decide to make or not to make any tax provisions in respect of a Sub-Fund. Even if tax provisions are made, such provisions may be more than or less than a Sub-Fund's actual PRC tax liabilities and it is possible that such tax provisions made by the Investment Manager may be insufficient. In case of a difference between a Sub-Fund's provision for taxes and its actual PRC tax liabilities, the relevant amounts shall be credited to or debited from the Sub-Fund's assets (as the case may be). As a result, the income from, and/or the performance of, the relevant Sub-Fund may/may not be adversely affected and the impact/degree of impact on individual Shareholders of the Sub-Fund may vary, depending on factors such as the level of the Sub-Fund's provision for taxes (if any) and the amount of the difference at the relevant time and when the relevant Shareholders subscribed for and/or redeemed their Shares in the Sub-Fund.

Any tax provision, if made by the Investment Manager, will be reflected in the NAV of the relevant Sub-Fund at the time of debit or refund and thus will only impact on Shares which remain in such Sub-Fund at that time. Shares which are redeemed prior to such time will not be affected by any debit of insufficient tax provisions. Likewise, such Shares will not benefit from any refund of excess tax provisions. Investors should note that no Shareholders who have redeemed their Shares in a Sub-Fund before the distribution of any excess provision shall be entitled to claim in whatsoever form any part of the withholding amounts distributed to the Sub-Fund, which amount would be reflected in the value of Shares in the Sub-Fund. In the event the Investment Manager considers it necessary to adopt any tax provision (whether in respect of the PRC Enterprise Income Tax Law or any other applicable tax regulation/laws in the PRC) on a retrospective basis, the prevailing and/or future NAV of the Sub-Fund may be negatively impacted. The magnitude of such potential negative impact on the performance of the relevant Sub-Fund may not correspond to the gains over an investor's holding period due to the retrospective nature.

The Investment Manager will review and make adjustments to its tax provision policy as and when it considers necessary from time to time and as soon as practicable upon issuance of further notices or clarification issued by the PRC tax authority in respect of the application of the PRC Enterprise Income Tax and/or any other applicable tax regulations/laws and the respective implementation rules.

There is a possibility that the current tax laws, rules, regulations and practice in Mainland China and/or the current interpretation or understanding thereof may change in the future and such change(s) may have retrospective effect. The Sub-Fund could become subject to additional taxation that is not anticipated as at the date hereof or when the relevant investments are made, valued or disposed of. Any increased tax liabilities on the relevant Sub-Fund may adversely affect the Sub-Fund's net assets and may reduce the income from, and/or the value of, the relevant investments in the Sub-Fund.

Direct investment in China A-shares via Stock Connects

On 14 November 2014, the PRC Ministry of Finance, State Administration of Taxation (the "**SAT**") and CSRC jointly published a notice in relation to the taxation rule on the Shanghai Stock Connect under Caishui 2014 No.81 ("**Notice No. 81**"). Under Notice No.81, Corporate income tax, individual income tax and business tax will be temporarily exempted on gains derived by Hong Kong and overseas investors (such as the Sub-Funds) on the trading of China A-shares through Shanghai Stock Connect with effect from 17 November 2014. However, Hong Kong and overseas investors (such as the Sub-Funds) are required to pay tax on dividends and/or bonus shares at the rate of 10% which will be withheld and paid to the relevant authority by the listed companies. Where a Hong Kong investor is a tax resident of another country, the income tax rate on dividend and/or bonus shares at 10% may apply for a reduced tax rate according to tax treaty entered between the country and PRC. Pursuant to the notice Caishui [2016] No. 36 ("**Notice No. 36**") issued jointly by the SAT and the Ministry of Finance in March 2016 effective from 1 May 2016, PRC Value-added Tax ("**VAT**") replaced PRC Business Tax ("**BT**") to cover all sectors that used to fall under the PRC BT. Gains derived by Hong Kong Market investors from trading of China A-shares listed on the Shanghai Stock Exchange are exempted from VAT.

In addition, pursuant to the "**Circular on the Taxation Policy of the Pilot Programme for the Mutual Stock Market Access between Shenzhen and Hong Kong Stock Markets**" notice Caishui 2016 No.127 promulgated by the Ministry of Finance, the SAT and the CSRC on 5 November 2016, under the BT to VAT transformation pilot program, gains derived by Hong Kong Market investors from trading of China A-shares listed on the Shenzhen Stock Exchange will also be exempted from VAT.

Based on notices above and based on professional and independent tax advice, the Sub-Funds will not make any tax provision on gross realised or unrealised capital gains derived from trading of China A-shares via Shanghai and Shenzhen Stock Connects. The Sub-Funds may further modify their tax provision policies based on new developments and interpretation of the relevant PRC tax regulations/laws in the PRC.

Indirect investment in China A-shares via CAAPs

On 14 November 2014, the PRC Ministry of Finance, the SAT and CSRC jointly published a notice in relation to the taxation rule on RQFII under Caishui 2014 No.79 ("**Notice No. 79**"). Under Notice No.79, (i) Corporate income tax, will be temporarily exempted on gains derived by RQFIIs from the transfer of domestic shares and other equity interest investment in China with effect from 17 November 2014; and (ii) corporate income tax shall be imposed on such gains earned by RQFIIs before 17 November 2014 in accordance with the tax laws. The relevant dividends and/or bonus shares derived by RQFIIs are subject to tax at 10% (unless exempt or reduced under specific tax circulars or relevant tax treaty), which will be withheld and paid to the relevant authority by the listed companies.

Notice No. 79 is applicable for RQFIIs without any establishment or place in China or the income derived by the RQFIIs are not effectively connected with their establishment or place in China.

Also pursuant to Notice No. 36 and No.70, gains derived by RQFII from securities trading carried out domestically are exempted from VAT.

Based on notices above and based on professional and independent tax advice, the Sub-Funds will not make any tax provision on gross realised or unrealised capital gains derived from trading of China A-shares via CAAPs issued by RQFII license holders. The Sub-Funds may further modify its tax provision policy based on new developments and interpretation of the relevant PRC tax regulations/laws in the PRC.

Direct investment in fixed income securities via Bond Connect

Corporate Income Tax ("**CIT**") - Currently, in respect of debt securities, except for interests derived from government bonds and local government bonds which are exempt from PRC CIT, a 10% withholding income tax is technically payable on interests derived from fixed income instruments issued and borne by PRC resident corporate entities (including those issued and borne by foreign enterprises but deemed as PRC tax resident) by a foreign investor which is deemed as a non-resident enterprise without permanent establishment in China for PRC CIT purposes. The entity distributing such interests is required to withhold such tax. If the foreign corporate investor is a tax resident of a country that has signed a tax treaty with China with a reduced treaty rate on interest income, it may submit a self-claim form (called record filing form) to enjoy the reduced PRC CIT rate under the tax treaty however, this is subject to post-submission review and discretion by the in-charge PRC tax authority.

Pursuant to Notice No. 36, interest income derived from bonds issued by PRC resident companies should technically be subject to 6% VAT plus surcharges from 1 May 2016, unless specifically exempted. Interest received from PRC government bonds and local government bonds are exempt from VAT.

Before the full transformation of PRC Business Tax ("BT") to PRC Value-added Tax ("VAT"), there was a lack of clarity under BT regulations but the PRC Ministry of Finance, State Administration of Taxation (the "SAT") has interpreted that such interest income should be technically subject to 5% BT. However, in practice, the PRC tax authorities did not enforce the collection of BT. Under the VAT regime, Notice No. 36 provides that the PRC payer of such interest shall withhold VAT when paying such interest to non-resident recipients. However, in practice, the PRC payers have not withheld VAT and the PRC tax authorities have not enforced the collection of VAT on such interest. In November 2018, the Ministry of Finance (**"MOF"**) and the State Taxation Administration of the People's Republic of China (**"STA"**) jointly issued [Caishui [2018] No. 108] (**"Circular 108"**) which provides that foreign institutional investors are exempted from Mainland China CIT in respect of bond interest income received from 7 November 2018 to 6 November 2021 from investments in the Mainland China onshore bond market. Then in November 2021 MOF and STA issued Public Notice ("PN") 34 to extend the tax exemption to 31 December 2025.

Capital gains - There are no specific tax rules governing the PRC CIT on capital gains derived by foreign investors from the trading of debt securities in the PRC.

On 8 November 2017, the People's Bank of China (**"PBOC"**) released Operational Procedures for "Overseas Institutional Investors to Enter China's Interbank Bond Market" under which capital gains realised by overseas institutional investors through CIBM direct scheme is temporarily exempt from CIT.

In relation to trading debt securities via Bond Connect, no specific rule or guidance has currently been issued by the PRC tax authorities on the tax treatment. Consequently, the tax treatment is even less certain and so, in the absence

of such specific rules, the expectation is that the PRC CIT treatment (or any other tax treatment) will be governed by the general tax provisions of the existing PRC domestic tax legislation.

Based on the current interpretation of the SAT and professional tax advice, the ICAV does not intend to provide for any PRC CIT in respect of the capital gains derived by a relevant Sub-Fund from disposal of debt securities in the PRC. In light of the uncertainty on the CIT treatment on capital gains on debt securities trading in the PRC and for the purpose of meeting this potential tax liability of a Sub-Fund for capital gains from debt securities in the PRC, the Management Company reserves the right to provide for CIT (or any other tax) on such gains or income and withhold the tax from the account of a Sub-Fund based on new developments and interpretation of the relevant regulations (after taking professional tax advice).

Pursuant to Notice No. 36, gains realised from the trading of marketable securities in the PRC would generally be subject to VAT at 6% plus local surcharge, unless specifically exempted. Pursuant to Notice No. 70, which is a supplementary notice to Notice No. 36, gains realised by overseas institutional investors recognised by the PBOC from the trading of CIBM bonds are exempt from VAT. Pursuant to Notice No. 70, which is a supplementary notice to Notice No. 36, gains realised by overseas institutional investors recognised by the PBOC from the trading of CIBM bonds are exempt from VAT.

VAT Surcharges - If VAT is payable on interest income and/or capital gains, there are also surcharges (which include city construction and maintenance tax, education surcharge, local education surcharge) to be charged on top of the 6% VAT payable. There may also be other levies imposed in some locations. Pursuant to the new PRC Urban Maintenance and Construction Tax Law and MOF STA PN [2021] 28, the VAT Surcharges (e.g. Urban Maintenance and Construction Tax, Educational Surcharge and Local Educational Surcharge) is no longer levied on the amount of VAT starting from 1 September 2021. Therefore, no VAT surcharges on the debt securities interest/capital gain VAT (if any) paid by overseas investors starting from 1 September 2021.

Investors may also refer to the section "**China**" above for further information on specific risks in relation to the taxation applied to the Sub-Funds which may invest in the PRC.

- **RMB Currency and Exchange Risk**

  Investors should be aware of the fact that RMB is subject to a managed floating exchange rate based on market supply and demand with reference to a basket of currencies. Currently, the RMB is traded in two markets: one in Mainland China, and one outside Mainland China (primarily in Hong Kong). The RMB traded in Mainland China is not freely convertible and is subject to exchange controls and certain requirements by the government of Mainland China. The RMB traded outside Mainland China, on the other hand, is freely accessible to any person or entity for any purpose.

  Non-RMB based investors are exposed to foreign exchange risk and there is no guarantee that the value of RMB against the investors' Home Currency will not depreciate. Any depreciation of RMB could adversely affect the value of investor's investment in a Sub-Fund.

  Although offshore RMB (CNH) and onshore RMB (CNY) are the same currency, they trade at different rates. Any divergence between CNH and CNY may adversely impact investors.

  In calculating the value of the investments denominated in RMB, the Investment Manager will normally apply as appropriate the exchange rate for RMB traded outside or in Mainland China. The rate of the RMB traded outside Mainland China may be at a premium or discount to the exchange rate for RMB traded in Mainland China and there may be significant bid and offer spreads.

  Under exceptional circumstances, payment of redemptions and/or dividend payment in RMB may be delayed due to the exchange controls and restrictions applicable to RMB.

  In addition, there may be liquidity risk associated with RMB products, especially if such investments may not have an active secondary market and their prices subject to significant bid and offer spread.

- **Chinese Equity**

Investors should be aware of a number of special risk factors attendant on investment in emerging markets generally and the markets in China in particular.

a. Emerging markets can be significantly more volatile than developed markets, so that the price of Shares may be subject to large fluctuations. The relevant Sub-Fund's investments are subject to changes in regulations and tax policies going forward as China has now joined the WTO and engages in continuing market liberalisation.

b. The Chinese currency, the Renminbi, is not a freely convertible currency. The State Council's securities regulation body, the CSRC, also supervises the two official stock exchanges in China (the Shanghai Stock Exchange and the Shenzhen Securities Exchange) on which shares of Chinese issuers are listed in two categories, of which the "B" shares are quoted and traded in foreign currencies (currently Hong Kong Dollars and US Dollars) and are available to foreign investors.

c. The China "B" share market is relatively illiquid so that the choice of investments will be limited by comparison with that of major international stock exchanges.

d. The relevant Sub-Funds will invest directly in securities quoted on the regulated stock exchanges in China and also in securities of companies listed in other stock exchanges which have substantial business or investment links in China. For this purpose, Chinese Equity will generally only invest in companies listed outside China where those companies are owned or controlled by Chinese interests, or where at least 40% of the earnings, production facilities, turnover, assets or investments of such companies are based in or derived from China.

e. Certain Sub-Funds may invest more than 5% of their net assets in China A-Shares which may be accessed by overseas investors via the Shanghai-Hong Kong Stock Connect and/or the Shenzhen-Hong Kong Stock Connect, as detailed under (3) "**Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect**" of this section.

◆ **China A-Shares Access Products**

The Sub-Funds may invest in CAAP linked to China A-shares in the PRC. Issuers of CAAP may deduct various charges, expenses or potential liabilities from the prices of the CAAP (including but not limited to any actual or potential tax liabilities determined by the CAAP issuer at its discretion) and such deduction is not normally refundable.

CAAPs may not be listed and are subject to the terms and conditions imposed by its issuer. These terms may lead to delays in implementing the Investment Manager's investment strategy. Investment in CAAPs can be illiquid as there may not be an active market in the CAAPs. In order to liquidate investments, the Sub-Fund relies upon the counterparty issuing the CAAPs to quote a price to unwind any part of the CAAPs.

An investment in a CAAP is not an investment directly in the underlying investments (such as shares) themselves. An investment in the CAAP does not entitle the holder of such instrument to the beneficial interest in the shares nor to make any claim against the company issuing the shares.

The relevant Sub-Funds will be subject to credit risk of the issuers of the CAAPs invested by the Sub-Funds. A Sub-Fund may suffer a loss if the issuers of the CAAPs invested by the Sub-Fund becomes bankrupt or otherwise fails to perform its obligations due to financial difficulties.

◆ **Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect**

The aim of Stock Connect is to achieve mutual stock market access between the PRC and Hong Kong.

- **Shanghai-Hong Kong Stock Connect**

  The Shanghai-Hong Kong Stock Connect is a securities trading and clearing links program developed by Hong Kong Exchanges and Clearing Limited (**"HKEX"**), Shanghai Stock Exchange (**"SSE"**) and China Securities Depositary and Clearing Corporation Limited (**"ChinaClear"**).

The Shanghai-Hong Kong Stock Connect comprises a Northbound Shanghai Trading Link and a Southbound Hong Kong Trading Link. Under the Northbound Shanghai Trading Link, Hong Kong and overseas investors (including the Sub-Funds of the ICAV which are authorised to), through its Hong Kong broker and a securities trading service company established by the Stock Exchange of Hong Kong (**"SEHK"**), may be able to trade eligible China A Shares listed on the SSE by routing orders to SSE.

Under the Shanghai-Hong Kong Stock Connect, the Sub-Fund, through its Hong Kong broker may trade certain eligible shares listed on the SSE. These include all the constituent stocks from time to time of the SSE 180 Index and SSE 380 Index, and all the SSE-listed China A Shares that are not included as constituent stocks of the relevant indices but which have corresponding H-Shares listed on SEHK, except the following:

- SSE-listed shares which are not traded in RMB; and
- SSE-listed shares which are included in the "risk alert board".

Trading is subject to rules and regulations issued from time to time. Trading under the Shanghai-Hong Kong Stock Connect is subject to a daily quota (**"Daily Quota"**). Northbound Shanghai Trading Link and Southbound Hong Kong Trading Link under the Shanghai-Hong Kong Stock Connect will be subject to a separate set of Daily Quota. The Daily Quota limits the maximum net buy value of cross-boundary trades under the Shanghai-Hong Kong Stock Connect each day.

Shenzhen-Hong Kong Stock Connect

The Shenzhen-Hong Kong Stock Connect is a securities trading and clearing links program developed by HKEX, Shenzhen Stock Exchange (**"SZSE"**) and ChinaClear.

The Shenzhen-Hong Kong Stock Connect comprises a Northbound Shenzhen Trading Link and a Southbound Hong Kong Trading Link. Under the Northbound Shenzhen Trading Link, Hong Kong and overseas investors (including the Sub-Funds), through their Hong Kong broker and a securities trading service company established by SEHK, may be able to trade eligible China A Shares listed on the SZSE by routing orders to the SZSE.

Under the Shenzhen-Hong Kong Stock Connect, the Sub-Funds, through its Hong Kong brokers may trade certain eligible shares listed on the SZSE. These include any constituent stock of the SZSE Component Index and SZSE Small/Mid Cap Innovation Index which has a market capitalisation of RMB6 billion or above and all SZSE-listed shares of companies which have issued both China A Shares and H Shares. At the initial stage of the Northbound Shenzhen Trading Link, investors eligible to trade shares that are listed on the ChiNext Board of SZSE under the Northbound Shenzhen Trading Link will be limited to institutional professional investors as defined in the relevant Hong Kong rules and regulations.

Trading is subject to rules and regulations issued from time to time. Trading under the Shenzhen-Hong Kong Stock Connect will be subject to a Daily Quota (unrelated to the Daily Quota of the Shanghai-Hong Kong Stock Connect). Northbound Shenzhen Trading Link and Southbound Hong Kong Trading Link under the Shenzhen-Hong Kong Stock Connect will be subject to a separate set of Daily Quota. The Daily Quota limits the maximum net buy value of cross-boundary trades under the Shenzhen-Hong Kong Stock Connect each day.

The Stock Connects

It is expected that the list of securities eligible for trading under the Stock Connects will be subject to review.

The Hong Kong Securities Clearing Company Limited **("HKSCC"**), a wholly-owned subsidiary of HKEX, and ChinaClear will be responsible for the clearing, settlement and the provision of depository, nominee and other related services of the trades executed by their respective market participants and investors (including the Sub-Funds of the ICAV). The China A Shares traded through Stock Connects are issued in scripless form, and investors will not hold any physical China A Shares.

Although HKSCC does not claim proprietary interests in the SSE and SZSE securities held in its omnibus stock accounts in ChinaClear, ChinaClear as the share registrar for SSE and SZSE listed companies will still treat HKSCC as one of the shareholders when it handles corporate actions in respect of such SSE and SZSE securities.

SSE-/SZSE-listed companies usually announce information regarding their annual general meetings/extraordinary general meetings about two to three weeks before the meeting date. A poll is called on all resolutions for all votes. HKSCC will advise the Hong Kong Central Clearing and Settlement System ("**CCASS**") participants of all general meeting details such as meeting date, time, venue and the number of resolutions.

Under the Stock Connects, Hong Kong and overseas investors will be subject to the fees and levies imposed by SSE, SZSE, ChinaClear, HKSCC or the relevant Mainland Chinese authority when they trade and settle SSE Securities and SZSE securities.

Further information about the trading fees and levies is available online at the website: www.hkex.com.hk/eng/market/sec_tradinfra/chinaconnect/chinaconnect.htm

In accordance with the UCITS requirements, the Depositary shall provide for the safekeeping of a Sub-Fund's assets in the PRC through its global custody network. Such safekeeping is in accordance with the conditions set down by the Central Bank which provides that there must be legal separation of non-cash assets held under custody and that the Depositary through its delegates must maintain appropriate internal control systems to ensure that records clearly identify the nature and amount of assets under custody, the ownership of each asset and where documents of title to each asset are located.

Further information about the Stock Connects is available online at the website:

www.hkex.com.hk/eng/csm/chinaConnect.asp?LangCode=en

In addition to risks regarding the Chinese market and risks related to investments in RMB, investments through the Stock Connects are subject to the following additional risks:

- **Quota Limitations.** The Stock Connects are subject to quota limitations. In particular, the Stock Connects are subject to a daily quota which does not belong to a Sub-Fund and can only be utilised on a first-come-first-served basis. Once the daily quota is exceeded, buy orders will be rejected (although investors will be permitted to sell their cross-boundary securities regardless of the quota balance). Therefore, quota limitations may restrict a Sub-Funds' ability to invest in China A Shares through the Stock Connects on a timely basis, and a Sub-Fund may not be able to effectively pursue its investment strategy.
- **Legal / Beneficial Ownership.** The SSE and SZSE shares in respect of the relevant Sub-Funds are held by the Depositary / sub-custodian in accounts in the CCASS maintained by the HKSCC as central securities depositary in Hong Kong. HKSCC in turn holds the SSE and SZSE shares, as the nominee holder, through an omnibus securities account in its name registered with ChinaClear for each of the Stock Connects. The precise nature and rights of a Sub-Fund as the beneficial owner of the SSE and SZSE shares through HKSCC as nominee is not well defined under PRC law. There is lack of a clear definition of, and distinction between, "legal ownership" and "beneficial ownership" under PRC law and there have been few cases involving a nominee account structure in the PRC courts. Therefore the exact nature and methods of enforcement of the rights and interests of the relevant Sub-Funds under PRC law is uncertain. Because of this uncertainty, in the unlikely event that HKSCC becomes subject to winding up proceedings in Hong Kong it is not clear if the SSE and SZSE shares will be regarded as held for the beneficial ownership of the Sub-Funds or as part of the general assets of HKSCC available for general distribution to its creditors.
- **Clearing and Settlement Risk.** HKSCC and ChinaClear have established the clearing links and each has become a participant of the other to facilitate clearing and settlement of cross-boundary trades. For cross-boundary trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house.

  As the national central counterparty of the PRC's securities market, ChinaClear operates a comprehensive network of clearing, settlement and stock holding infrastructure. ChinaClear has established a risk management framework and measures that are approved and supervised by the CSRC. The chances of ChinaClear default are considered to be remote. In the remote event of a ChinaClear default, HKSCC's liabilities in SSE and SZSE shares under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against ChinaClear. HKSCC should in good faith, seek recovery of the outstanding stocks and monies from ChinaClear through available legal channels or through ChinaClear's liquidation. In that event, the Sub-Funds may suffer delay in the recovery process or may not fully recover its losses from ChinaClear.

- **Suspension Risk.** Each of the SEHK, SSE and SZSE reserves the right to suspend trading if necessary for ensuring an orderly and fair market and that risks are managed prudently. Consent from the relevant regulator would be sought before a suspension is triggered. Where a suspension is effected, the Sub-Funds' ability to access the PRC market will be adversely affected.
- **Differences in Trading Day.** The Stock Connects only operate on days when both the PRC and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the PRC market but the Sub-Funds cannot carry out any China A Shares trading via the Stock Connects. The Sub-Funds may be subject to a risk of price fluctuations in China A Shares during the time when any of the Stock Connects is not trading as a result.
- **Restrictions on Selling Imposed by Front-end Monitoring.** PRC regulations require that before an investor sells any share, there should be sufficient shares in the account; otherwise the SSE or SZSE will reject the sell order concerned. SEHK will carry out pre-trade checking on China A Share sell orders of its participants (i.e. the stock brokers) to ensure there is no over-selling.

  If a Sub-Fund intends to sell certain China A Shares it holds, it must transfer those China A Shares to the respective accounts of its broker(s) before the market opens on the day of selling ("trading day"). If it fails to meet this deadline, it will not be able to sell those shares on the trading day. Because of this requirement, the Sub-Fund may not be able to dispose of its holdings of China A Shares in a timely manner.
- **Operational Risk.** The Stock Connects are premised on the functioning of the operational systems of the relevant market participants. Market participants are permitted to participate in this program subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house.

  The securities regimes and legal systems of the two markets differ significantly and market participants may need to address issues arising from the differences on an on-going basis.

  There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems fail to function properly, trading in both markets through the program could be disrupted. The Sub-Funds' ability to access the China A Share market (and hence to pursue its investment strategy) may be adversely affected.
- **Regulatory Risk.** The current regulations relating to Stock Connects are untested and there is no certainty as to how they will be applied. In addition, the current regulations are subject to change which may have potential retrospective effects and there can be no assurance that the Stock Connects will not be abolished. New regulations may be issued from time to time by the regulators / stock exchanges in the PRC and Hong Kong in connection with operations, legal enforcement and cross-border trades under the Stock Connects. The relevant Sub-Funds may be adversely affected as a result of such changes.
- **Recalling of Eligible Stocks.** When a stock is recalled from the scope of eligible stocks for trading via the Stock Connects, the stock can only be sold but restricted from being bought. This may affect the investment portfolio or strategies of the relevant Sub-Funds, for example, if the Investment Manager wishes to purchase a stock which is recalled from the scope of eligible stocks.
- **No Protection by Investor Compensation Fund.** Investment in SSE and SZSE shares via the Stock Connects is conducted through brokers, and is subject to the risks of default by such brokers in their obligations. Investments of the relevant Sub-Funds are not covered by the Hong Kong's Investor Compensation Fund, which has been established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong. Since default matters in respect of SSE and SZSE shares via Stock Connects do not involve products listed or traded in SEHK or Hong Kong Futures Exchange Limited, they will not be covered by the Investor Compensation Fund. Therefore the Sub-Funds are exposed to the risks of default of the broker(s) it engages in its trading in China A Shares through the Stock Connects.
- **Risks Associated with the Small and Medium Enterprise Board and/or ChiNext Market.** The relevant Sub-Funds may invest in the Small and Medium Enterprise (**"SME"**) board and/or the ChiNext market of the Shenzhen Stock Exchange via the Shenzhen-Hong Kong Stock Connect. Investments in the SME board and/or ChiNext market may result in significant losses for the Sub-Funds and its investors. The following additional risks apply:

  Higher fluctuation on stock prices

Listed companies on the SME board and/or ChiNext market are usually of emerging nature with smaller operating scale. Hence, they are subject to higher fluctuation in stock prices and liquidity and have higher risks and turnover ratios than companies listed on the main board of the Shenzhen Stock Exchange.

Over-valuation risk

Stocks listed on the SME board and/or ChiNext may be overvalued and such exceptionally high valuation may not be sustainable. Stock price may be more susceptible to manipulation due to fewer circulating shares.

Differences in regulations

The rules and regulations regarding companies listed on ChiNext market are less stringent in terms of profitability and share capital than those in the main board and SME board.

Delisting risk

It may be more common and faster for companies listed on the SME board and/or ChiNext to delist. This may have an adverse impact on the Sub-Funds if the companies that it invests in are delisted.

- **Risk associated with Small-Capitalisation / Mid-Capitalisation Companies.** The stocks of small-capitalisation / mid-capitalisation companies may have lower liquidity and their prices are more volatile to adverse economic developments than those of larger capitalisation companies in general.

China Interbank Bond Market

The China bond market is made up of the CIBM and the exchange listed bond market. The CIBM is an OTC market, executing the majority of the Chinese onshore bond trading. The main securities traded on the CIBM include government bonds, central bank papers, policy bank bonds and corporate bonds.

Certain Sub-Funds may invest in bonds traded on the CIBM via the Bond Connect (as defined below) and/or the CIBM Initiative (as defined below) as indicated in the relevant Supplement.

Bond Connect

Since July 2017, Bond Connect was established by China Foreign Exchange Trade System & National Interbank Funding Centre ("CFETS") and Hong Kong Exchanges and Clearing Limited (amongst others). Bond Connect is governed by rules and regulations as promulgated by the PRC authorities. As at the date of this Prospectus, the rules and regulations that a Sub-Fund, intending to trade through Bond Connect, must abide by include:

- Appointing CFETS through Bond Connect Company Limited or other institutions recognised by the PBOC as registration agents to apply for registration with the PBOC.
- Transacting via an offshore custody agent recognised by the Hong Kong Monetary Authority (currently, the Central Moneymarkets Unit).

There are currently no quota restrictions. Such rules and regulations may be amended from time to time.

There are no specific rules or guidelines issued by the mainland China tax authorities on the treatment of income tax and other tax categories payable in respect of trading in CIBM by eligible foreign institutional investors via Bond Connect. Hence the relevant Sub-Fund's tax liabilities for trading in CIBM via Bond Connect is uncertain. For general information on PRC taxes and associated risks, please refer to section "**Taxation in the PRC**" in section 3.2. "**Risk Factors Relating to Investments**".

CIBM Initiative

Since February 2016, PBOC has permitted foreign institutional investors to invest in the CIBM (the "**CIBM Initiative**") subject to complying with the applicable rules and regulations as promulgated by the PRC authorities, i.e., PBOC and State Administration of Foreign Exchange ("**SAFE**"). As at the date of this Prospectus, the rules and regulations that a Sub-Fund, intending to trade through the CIBM initiative, must abide by include:

- Appointing an onshore settlement agent who will be responsible for making relevant filings and account opening with relevant authorities.

- Generally only repatriating cash out of the PRC in a currency ratio approximately proportionate to the currency ratio of remitted cash into the PRC.

There are currently no quota restrictions. Such rules and regulations may be amended from time to time.

In addition to risks regarding the Chinese market and risks related to investments in RMB, investments in the CIBM are subject to the following additional risks:

- **Market and Liquidity Risks.** Market volatility and potential lack of liquidity due to low trading volumes of certain debt securities may result in prices of certain debt securities traded on the CIBM to fluctuate significantly. The Sub-Funds investing in the CIBM are therefore subject to liquidity and volatility risks and may suffer losses in trading PRC bonds. The bid and offer spreads of the prices of such PRC bonds may be large, and the relevant Sub-Funds may therefore incur significant trading and realisation costs and may even suffer losses when selling such investments.
- **Chinese Local Credit Rating Risk.** Certain Sub-Funds may invest in securities the credit ratings of which are assigned by Chinese local credit rating agencies. However, the rating criteria and methodology used by such agencies may be different from those adopted by most of the established international credit rating agencies. Therefore, such rating system may not provide an equivalent standard for comparison with securities rated by international credit rating agencies.

  Investors should be cautious when they refer to ratings assigned by Chinese local credit agencies, noting the differences in rating criteria mentioned above. If assessments based on credit ratings do not reflect the credit quality of and the risks inherent in a security, investors may suffer losses, possibly greater than originally envisaged.
- **Counterparty and Settlement Risk.** To the extent that a Sub-Fund invests in the CIBM, the Sub-Fund may also be exposed to risks associated with settlement procedures and default of counterparties.

  There are various transaction settlement methods in the CIBM, such as the delivery of security by the counterparty after receipt of payment by the Sub-Fund; payment by the Sub-Fund after delivery of security by the counterparty, or simultaneous delivery of security and payment by each party. Although the Investment Manager may endeavour to negotiate terms which are favourable to the Sub-Fund (e.g. requiring simultaneous delivery of security and payment), there is no assurance that settlement risks can be eliminated. Where its counterparty does not perform its obligations under a transaction, the Sub-Fund will sustain losses. The counterparty which has entered into a transaction with the sub-fund may default on its obligation to settle the transaction by delivery of the relevant security or by payment for value.

  In the event that the relevant Chinese authorities suspend account opening or trading on the CIBM, a Sub-Fund's ability to invest in the CIBM will be limited and, after exhausting other trading alternatives, a Sub-Fund may suffer substantial losses as a result.
- **Operational Risk.** Trading through Bond Connect is performed through newly developed trading platforms and operational systems. There is no assurance that such systems will function properly or will continue to be adapted to changes and developments in the market. In the event that the relevant systems fails to function properly, trading through Bond Connect may be disrupted. A Sub-Fund's ability to trade through Bond Connect (and hence to pursue its investment strategy) may therefore be adversely affected. In addition, where a Sub-Fund invests in the CIBM through Bond Connect, it may be subject to risks of delays inherent in the order placing and/or settlement systems.
- **Quasi-Government / Local Government Bond Risk.** Certain Sub-Funds may invest in securities issued by PRC quasi-government organizations. Investors should note that the repayment of debts issued by such organizations is typically not guaranteed by the PRC central government.

  In 2014, the State Council approved debt issuance on a pilot basis covering local governments of a number of municipalities and provinces. Under the relevant PRC regulations, a local government covered in the pilot scheme will be able to issue debt securities directly, and the obligation of repayment rests with such local government. This is different from the debt issuance model in the past where the Ministry of Finance issues debts on behalf of local governments. Investors should note that debt securities under the pilot scheme are not guaranteed by the PRC central government. If there is a default by the local government issuing such debt securities, the relevant Sub-Funds will suffer losses as a result of investing in such securities.

  Although the pilot scheme provides an alternative platform for local governments to raise funds, it should be noted that local governments have also taken on debts in other forms, including issuing urban investment bonds through local government financing vehicles.

  Worsening financial conditions may lead to a default in the local government's debt obligations.

Under the relevant PRC regulations, a local government may conduct debt issuance up to the limit prescribed by the State Council for the current year. Further, a local government is required to arrange for credit rating for the debts by a credit rating agency. Investors should note the limits of credit ratings in general and the relevant risks regarding credit ratings given by PRC local credit rating agencies.

- **Urban Investment Bonds Risk.** The relevant Sub-Funds may invest in bonds issued by PRC local government financing vehicles ("**LGFVs**"), i.e. also known as "urban investment bonds". This may subject the relevant Sub-Fund to additional risks.

  In view of limitations on directly raising funds, local governments in the PRC have set up numerous LGFVs to borrow and fund local development, public welfare investment and infrastructure projects. LGFV bonds have grown rapidly in size in recent years and have become a significant bond sector in the PRC.

  Many LGFVs invest in urban development projects which involve substantial initial investment through high financial leverage and this causes cash flow mismatch for the LGFVs. In such cases LGFVs may not be able to service debts solely through their own operating revenue, and local governments may need to offer financial subsidies to the LGFVs to ensure on-going debt-servicing. However, a LGFV may not be able to get adequate subsidies from its local government (for example in regions of low local revenue and heavy debt burden) and its local government is not obligated to subsidise the LGFV. In some cases LGFVs will take on further borrowing to pay existing debts and this can result in liquidity risks if re-financing costs increase.

  Worsening financial conditions may lead to credit rating downgrade. Recent cases of downgrading have led to investors' concerns that the financial conditions of some LGFVs may be deteriorating. Downgrading in turn leads to higher financing costs for the LGFVs, making it more difficult for the LGFVs to sustain their debts.

  Local governments may be seen to be closely connected to urban investment bonds, as they are shareholders of the LGFVs issuing such bonds. However, urban investment bonds are typically not guaranteed by the relevant local governments or the central government of the PRC. As such, local governments or the central government of the PRC are not obligated to support any LGFVs in default. The LGFVs' ability to repay debts depends on the financial condition of the LGFVs, and the extent to which the relevant local governments are prepared to support such LGFVs. However, slower revenue growth at some local governments may constrain their capacity to provide support, while regulatory constraints may also limit local governments' ability to inject land reserves into LGFVs. Further, local governments have taken on debt in various other forms, and recent analyses show that increased financing activities have posed a risk to local government finances.

  Although in some cases collateral such as land is provided, in case of default of a LGFV, it may be difficult for bond holders (such as a relevant Sub-Fund) to enforce its right to the collateral. In most cases, collateral is not provided, and the bond holders will be fully exposed to the credit/insolvency risk of LGFVs as an unsecured creditor. In the event that the LGFVs default on payment of principal or interest of the urban investment bonds, the relevant Sub-Funds could suffer substantial loss and the net asset value of such Sub-Funds could be adversely affected.

  Though most LGFVs disclose basic financial information regularly (e.g. through audited annual report and credit rating report), timely disclosure of other relevant information, such as material asset allocation and capital injection, is still uncertain. Imperfect disclosure of financial information could lead to biased investment judgment, adding to the risks for investment in LGFV securities.

  Bonds issued by LGFVs normally have lower liquidity than other government issued fixed income instruments (such as central bank note, bills and treasury bonds), and a Sub-Fund's investment in bonds issued by LGFVs is subject to liquidity risk as disclosed in the paragraphs under "**Liquidity Risk**" in this section.

  LGFVs take on loans in a substantial amount from Chinese banks, and the total outstanding loans have risen rapidly in recent years. This has led the China Banking Regulatory Commission to require banks to limit their holdings of bonds sold by LGFVs. If LGFVs default on their repayment obligations, this may in turn pose a risk to the stability of the banking system in China.

  It was announced that the National Audit Office would start a nationwide assessment of government liabilities in order to address concerns about rising debts from local development projects. However, there is no assurance that the extent of local government debts can be comprehensively and accurately assessed.

- **Regulatory Risk.** The CIBM is also subject to regulatory risks. The PBOC and the China Central Depositary & Clearing Co. may impose additional requirements on account opening or the trading / settlement flows of CIBM and therefore the CIBM account opening may be a prolonged process and also trading / settlement of CIBM may be subject to regulatory changes

from time to time. As a result the relevant Sub-Funds' ability to invest in the CIBM could be limited and such Sub-Funds maybe disadvantaged. Alternatively the Sub-Funds which are already invested in the CIBM could potentially suffer from material losses if the trading and/or settlement rules are changed.

Currency Risk

Because a Sub-Fund's assets and liabilities may be denominated in currencies different to the Base Currency, the Sub-Fund may be affected favourably or unfavourably by exchange control regulations or changes in the exchange rates between the Base Currency and other currencies. Changes in currency exchange rates may influence the value of a Sub-Fund's Shares, the dividends or interest earned and the gains and losses realised. Exchange rates between currencies are determined by supply and demand in the currency exchange markets, the international balance of payments, governmental intervention, speculation and other economic and political conditions.

If the currency in which a security is denominated appreciates against the Base Currency, the value of the security will increase. Conversely, a decline in the exchange rate of the currency would adversely affect the value of the security.

A Sub-Fund may engage in foreign currency transactions in order to hedge against currency exchange risk, however there is no guarantee that hedging or protection will be achieved. This strategy may also limit the Sub-Fund from benefiting from the performance of a Sub-Fund's securities if the currency in which the securities held by the Sub-Fund are denominated rises against the Base Currency. In case of a hedged class, (denominated in a currency different from the Base Currency), this risk applies systematically.

Euro Currency Risk

The possibility of Member States that have adopted the Euro abandoning or being forced to withdraw from the Euro remains. It is not possible to predict accurately the precise nature of the consequences of a Member State leaving the Euro as there has been no legal framework put in place in preparation for such an event. However, it is likely that any Euro-denominated assets or obligations that the ICAV acquired that are converted into a new national currency would suffer a significant reduction in value if the new national currency falls in value against the Euro or other currencies. In the event of the collapse of the Euro as a currency, any Sub-Fund whose Base Currency is Euro and any Class designated in Euro would need to be re-designated into an alternative currency, as determined by the Directors, which could result in significant losses to Shareholders in the relevant Sub-Fund and/or Class.

These economic developments and their consequences both in Europe and the wider world economy, have significantly increased the risk of market disruption and governmental intervention in markets. Such disruption and intervention may result in unfavourable currency exchange rate fluctuations, restrictions on foreign investment, imposition of exchange control regulation by governments, trade balances and imbalances and social, economic or political instability.

Predicting accurately the consequences of developments of this kind is difficult. Events affecting the Euro could result in either separate new national currencies, or a new single European currency, and consequently the redenomination of assets and liabilities currently denominated in Euro. In such circumstances, there would be a definite risk of the ICAV's Euro-denominated investments becoming difficult to value. This could result in negative consequences for the ICAV including suspension of NAV valuations and, consequently, redemptions. If the redenomination of accounts, contracts and obligations becomes litigious, difficult conflict of laws questions are likely to arise.

Adverse developments of this nature may significantly affect the value of the ICAV's investments. They may also affect the ability of the ICAV to transact business including with financial counterparties, to manage investment risk and to hedge currency and other risks affecting the portfolio and individual Classes of any Sub-Fund. Fluctuations in the exchange rate between the Euro and the US Dollar or other currencies could have a negative effect upon the performance of investments.

Counterparty Risk

The ICAV on behalf of a Sub-Fund may enter into transactions in over-the-counter markets, which will expose the Sub-Fund to the credit of its counterparties and their ability to satisfy the terms of such contracts.

For example, the ICAV on behalf of the Sub-Fund may enter into forward contracts, options and swap arrangements or other derivative techniques, each of which expose the Sub-Fund to the risk that the counterparty may default on its obligations to perform under the relevant contract. In addition, some fixed income structures such as asset backed securities can incorporate swap contracts that involve counterparty risk. In the event of a bankruptcy or insolvency of a counterparty, the Sub-Fund could experience delays in liquidating the position and significant losses, including declines in the value of its investment during the period in which the ICAV seeks to enforce its rights, inability to realise any gains on its investment during such period and fees and expenses incurred in enforcing its rights.

There is also a possibility that the above agreements and derivative techniques are terminated due, for instance, to bankruptcy, supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated. In such circumstances, investors may be unable to recover any losses incurred. Derivative contracts such as direct swap contracts or swap contracts embedded in other fixed income structures entered into by the ICAV on behalf of a Sub-Fund on the advice of the Investment Manager involve credit risk that could result in a loss of the Sub-Fund's entire investment as the Sub-Fund may be fully exposed to the credit worthiness of a single approved counterparty.

The ICAV employs a variety of mechanisms to manage and mitigate counterparty risk including but not limited to the following:

- Counterparty approval using external credit ratings and/or a credit review consisting of three years' worth of audited financial accounts;
- Counterparties are also reviewed at least annually to ensure that they remain appropriate for the requirements of the business; Counterparties are monitored on a continual basis and any adverse information concerning the credit worthiness of approved counterparties is considered as a matter of urgency;
- Counterparty exposures are monitored on a daily basis by a function independent of the front office.

Exposures may also be managed through a collateral and margining arrangement supported by appropriate and legally enforceable trading agreements.

Sovereign Risk

Certain developing countries and certain developed countries are especially large debtors to commercial banks and foreign governments. Investment in Sovereign Debt of such countries involves a high degree of risk. In certain countries, governmental entities, for the purpose of risks related to Sovereign Debt may additionally include local, regional, provincial, state, or municipal governments and government entities that issue debt obligations.

The governmental entity that controls the repayment of Sovereign Debt may not be able or willing to repay the principal and/or interest when due in accordance with the terms of such debt. A governmental entity's willingness or ability to repay principal and interest due in a timely manner may be affected by, among other factors, its cash flow situation, the extent of its foreign reserves, the availability of sufficient foreign exchange on the date a payment is due, the relative size of the debt service burden to the economy as a whole, the governmental entity's policy towards the International Monetary Fund and the political constraints to which a governmental entity may be subject.

Governmental entities may also be dependent on expected disbursements from foreign governments, multilateral agencies and others abroad to reduce principal and interest arrearage on their debt. The commitment on the part of these governments, agencies and others to make such disbursements may be conditioned on a governmental entity's implementation of economic reforms and/or economic performance and the timely service of such debtor's obligations. Failure to implement such reforms, achieve such levels of economic performance or repay principal or interest when due may result in the cancellation of such third parties' commitments to lend funds to the governmental entity, which may further impair such debtor's ability or willingness to service its debt on a timely basis. Consequently, governmental entities may default on their Sovereign Debt. Holders of Sovereign Debt, including a Sub-Fund, may be requested to participate in the rescheduling of such debt and to extend further loans to governmental entities. There is no bankruptcy proceeding by which Sovereign Debt on which a governmental entity has defaulted may be collected in whole or in part.

Where a Sub-Fund may have investment exposure to Europe in the context of its investment objective and strategy, in light of the fiscal conditions and concerns on Sovereign Debt of certain European countries, such a Sub-Fund may be subject to a number of risks arising from a potential crisis in Europe. The risks are present both in respect of direct investment exposure (for example if the Sub-Fund holds a security issued by a sovereign issuer and that issuer suffers a downgrade or defaults) and indirect investment exposure, such as the Sub-Fund facing an increased amount of volatility, liquidity, price and currency risk associated with investments in Europe.

Should any country cease using the Euro as its local currency or should a collapse of the Eurozone monetary union occur, such countries may revert back to their former (or another) currency, which may lead to additional performance, legal and operational risks to the Sub-Fund and may ultimately negatively impact the value of the Sub-Fund. The performance and value of the Sub-Fund may potentially be adversely affected by any or all of the above factors, or there may be unintended consequences in addition to the above arising from the potential European crisis that adversely affect the performance and value of the Sub-Fund.

Any debt issued or guaranteed by local, regional, provincial, state, or municipal governments or governmental entities may not be guaranteed by, or otherwise linked to, the national or central government of the country in which it is located. Such debt, while linked to the overall Sovereign Risk of the country in which it has been issued, may be subject to its own unique and additional risks due to each issuer's local, regional, state, provincial, or municipal legal, political, business, or social structure and framework. In addition, international and local sources of financing, including assistance from the central or federal government, may be or become unavailable which may have an adverse effect on the ability of the relevant local or regional government or municipality to service its debt obligations.

There is no guarantee that an active trading market for local, regional, provincial, state or municipal debt obligations will develop or is maintained, which could negatively affect the price of the debt obligation. A Sub-Fund may therefore be prevented from buying or selling the debt obligation at times when it might be in the interest of the Sub-Fund to do so. These cases may ultimately negatively impact the NAV of the Sub-Fund.

Risks Associated with Government or Regulatory Intervention

Changes in regulation or government policy leading to intervention in the currency and interest rate markets (e.g. restrictions on capital movements or changes to the way in which a national currency is supported such as currency de-pegging) may adversely affect some financial instruments and the performance of the Sub-Funds of the ICAV.

Liquidity Risk

Liquidity risk exists within most financial products including the investments held by the Sub-Funds. This means that a delay may occur in receiving sales proceeds from the investments held by a Sub-Fund, and those proceeds may be less than recent valuations used to determine the NAV per Share. This risk is greater in exceptional market conditions or when large numbers of investors or a significant investor are trying to sell their investments at the same time. In such circumstances, the receipt of sale proceeds may be delayed and/or take place at lower prices.

This may impact the ability of the Sub-Funds to immediately meet the redemption requests received from the Shareholders.

Corporate Actions

Investors should note that as a result of corporate actions relating to a company in which a Sub-Fund is invested, a Sub-Fund may be required or have the option to accept cash, underlying or newly issued securities which may not be part of its core investment universe as described in its investment objective (such as, but not limited to, equities for a bond Sub-Fund). Those securities may have a value less than the original investment made by the Sub-Fund. Under such circumstances, the relevant security may not be expressly covered by the relevant Sub-Fund's investment policy and the returns generated from the investment may not adequately compensate the Sub-Fund for the risks assumed.

Taxation

Investors should note in particular that (i) the proceeds from the sale of securities in some markets or the receipt of any dividends or other income may be or may become subject to tax, levies, duties or other fees or charges imposed by the authorities in that market including taxation levied by withholding at source and/or (ii) the Sub-Fund's investments may be subject to specific taxes or charges imposed by authorities in some markets. Tax law and practice in certain countries into which a Sub-Fund invests or may invest in the future is not clearly established. It is possible therefore that the current interpretation of the law or understanding of practice might change, or that the law might be changed with retrospective effect. It is therefore possible that the Sub-Fund could become subject to additional taxation in such countries that is not anticipated either at the date of this Prospectus or when investments are made, valued or disposed of.

Operational Risk

The ICAV's operations (including investment management) are carried out by the service providers mentioned in this Prospectus. In the event of a bankruptcy or insolvency of a service provider, investors could experience delays (for example, delays in the processing of subscriptions, conversions and redemption of Shares) or other disruptions.

Leverage Risk

A Sub-Fund's high net exposure to certain investments could make its share price more volatile. To the extent that a Sub-Fund uses derivatives to increase its net exposure to any market, rate, basket of securities or other financial reference source, fluctuations in the price of the reference source may be amplified at the Sub-Fund level.

Settlement Risk of Assets Within a Sub-Fund

The equity markets in different countries will have different clearance and settlement procedures and in certain markets there have been times when settlements have been unable to keep pace with the volume of transactions, thereby making it difficult to conduct such transactions. Delays in settlement could result in temporary periods when assets of a Sub-Fund are uninvested and no return is earned thereon. The inability of a Sub-Fund to make intended purchases due to settlement problems could cause it to miss attractive investment opportunities. Inability to dispose of portfolio securities due to settlement problems could result either in losses to a Sub-Fund due to subsequent declines in value of the portfolio security or, if it has entered into a contract to sell the security it could result in a possible liability of it to the purchaser.

Where cleared funds are not received in a timely fashion in respect of a subscription, overdraft interest may be incurred. Losses could be incurred where the Investment Manager has entered into a contract to purchase securities in anticipation of subscription monies which subsequently do not settle, due to subsequent declines in the value of the portfolio security upon disposal.

Impact of Natural or Man-Made Disasters; Disease Epidemics

Certain regions are at risk of being affected by natural disasters or catastrophic natural events. Considering that the development of infrastructure, disaster management planning agencies, disaster response and relief sources, organised public funding for natural emergencies, and natural disaster early warning technology may be immature and unbalanced in certain countries, the natural disaster toll on an individual portfolio company or the broader local economic market may be significant. Prolonged periods may pass before essential communications, electricity and other power sources are restored and operations of the portfolio company can be resumed. A Sub-Fund's investments could also be at risk in the event of such a disaster. The magnitude of future economic repercus-sions of natural disasters may also be unknown, may delay a Sub-Fund's ability to invest in certain companies, and may ultimately prevent any such investment entirely. Investments may also be negatively affected by man-made disasters. Publicity of man-made disasters may have a significant negative impact on overall consumer confidence which in turn may materially and adversely affect the performance of a Sub-Fund's investments, whether or not such investments are involved in such man-made disaster.

In addition, certain illnesses spread rapidly and have the potential to significantly adversely affect the global economy. Any outbreak of disease epidemics, such as the severe acute respiratory syndrome, avian influenza, H1N1/09, including most recently, the coronavirus (Covid 19), or other similarly infectious diseases, may result in the closure of a portfolio company's offices or other businesses, including office buildings, retail stores and other commercial venues and could also result in (a) the lack of availability or price volatility of raw materials or component parts necessary to a portfolio company's business, (b) disruption of regional or global trade markets and/or the availability of capital or leverage, (c) trade or travel restrictions which impact a portfolio company's business and/or (d) a general economic decline and/or decline in the real estate market, which may have an adverse impact on a Sub-Fund's value, investments or its ability to source new investments.

ESG Scoring Risk

The ICAV and the Investment Manager may rely on third parties to provide ESG scoring data where relevant. Therefore, the ICAV is subject to certain operational and data quality risks associated with reliance on third party service providers and data sources. ESG data provided by third parties may not always be reliable, consistent or available and this may impact on a Sub-Fund's ability to accurately assess sustainability risks and effectively promote environmental and social characteristics, where relevant.

SFDR categorisation and ESG data

SFDR requires Sub-Funds to be categorised into three different categories;

- Sub-Funds which do not have sustainable investment as their objective or promote environmental and/or social characteristics (referred to as Article 6 Sub-Funds);
- Sub-Funds which promote environmental and/or social characteristics (referred to as Article 8 SFDR Sub-Funds); and
- Sub-Funds with sustainable investment as their investment objective (referred to as Article 9 SFDR Sub-Funds).

Article 8 and Article 9 SFDR Sub-Funds are subject to particular disclosure requirements, with the purpose of providing transparency to show how a Sub-Fund's environmental and/or social characteristics are met or how its sustainable investment objective is achieved.

HSBC Asset Management's investment process uses bespoke sustainability frameworks, to assess the investments to be made in line with the relevant Sub-Fund's SFDR categorisation as an Article 8 or Article 9 SFDR Sub-Fund. The relevant Investment Manager will use all relevant information available to them to manage the Sub-Funds in line with the ESG characteristics or the stated sustainable investment objective. The Investment Manager will aim to disclose as much information about the Sub-Fund's portfolio as possible in order to provide as much transparency as possible to about the alignment between the existing investments and the environmental and/or social characteristics promoted by the Sub-Fund or the Sub-Fund's sustainable investment objective.

Particular Risks of Financial Derivative Instruments ("FDI")

- **General**

  To increase access to financial markets in which direct investment is difficult, risky or expensive, the Investment Manager may make use of FDI in a Sub-Fund's investment programme. Certain swaps, options and other FDI may be subject to various types of risks, including market risk, liquidity risk, counterparty credit risk, legal risk and operations risk. In addition, swaps and other derivatives can involve significant economic leverage (although the global exposure of a Sub-Fund through the use of FDI will not exceed the Sub-Fund's NAV at any time) and may, in some cases, involve significant risks of loss.

  The risks associated with the use of FDI are different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments. Generally, a derivative is a financial contract the value of which depends upon, or is derived from, the value of an underlying asset, reference rate or index, and may relate to equity securities, bonds, interest rates, currencies or currency exchange rates, commodities, and related indices. There is no assurance that any derivative strategy used by a Sub-Fund will succeed.

- **Liquidity; Requirement to Perform**

  From time to time, the counterparties with which a Sub-Fund effects transactions might cease making markets or quoting prices in certain of the instruments. In such instances, a Sub-Fund might be unable to enter into a desired transaction or to enter into any offsetting transaction with respect to an open position, which might adversely affect its performance. Further, in contrast to exchange-traded instruments, forward foreign exchange contracts do not provide a trader with the right to offset its obligations through an equal and opposite transaction. For this reason, entering into forward foreign exchange contracts, the ICAV may be required to and must be able to, perform its obligations under the contract.

- **Necessity for Counterparty Trading Relationships**

  Participants in the OTC markets typically enter into transactions only with those counterparties which they believe to be sufficiently creditworthy, unless the counterparty provides margin, collateral, letters of credit or other credit enhancements. While the Investment Manager believes that the ICAV will be able to establish the necessary counterparty business relationships to permit it to effect transactions in the OTC markets, including the swaps markets, there can be no assurance that it will be able to do so. An inability to establish such relationships would limit its activities and could require it to conduct a more substantial portion of such activities in the futures markets. Moreover, the counterparties with which it expects to establish such relationships will not be obligated to maintain the credit lines extended to it, and such counterparties could decide to reduce or terminate such credit lines at their discretion.

- **Correlation Risk**

  Although the Investment Manager believes that taking exposure to underlying assets through the use of FDI will benefit Shareholders in certain circumstances, due to reduced operational costs and other efficiencies which investment through FDI can bring, there is a risk that the performance of the Sub-Fund will be imperfectly correlated with the performance which would be generated by investing directly in the underlying assets.

- **Futures and Other Exchange Traded Derivatives Risks**

  Positions in futures contracts and other exchange-traded derivatives may be closed out only on an exchange which provides a secondary market for such futures and other exchange-traded derivatives. However, there can be no assurance that a liquid secondary market will exist for any particular futures contract or other exchange-traded derivatives at any specific time. Thus, it may not be possible to close a futures position or other exchange-traded derivatives. In the event of adverse price movements, a Sub-Fund would continue to be required to make daily cash payments to maintain its required margin. In such situations, if a Sub-Fund has insufficient cash, it may have to sell portfolio securities short to meet daily margin requirements at a time when it may be disadvantageous to do so. In addition, a Sub-Fund may be required to make delivery of the instruments underlying futures contracts or other exchange-traded derivatives it holds.

  The inability to close options and futures positions also could have an adverse impact on the ability to effectively hedge a Sub-Fund.

  The risk of loss in trading futures contracts in some strategies can be substantial, due both to the low margin deposits required, and the extremely high degree of leverage involved in futures pricing. As a result, a relatively small price movement in a futures contract may result in immediate and substantial loss (as well as gain) to the investor. For example, if at the time of purchase, 10% of the value of the futures contract is deposited as margin, a subsequent 10% decrease in the value of the futures contract would result in a total loss of the margin deposit, before any deduction for the transaction costs, if the account were then closed out. A 15% decrease would result in a loss equal to 150% of the original margin deposit if the contract were closed out. Thus, a purchase or sale of a futures contract may result in losses in excess of the amount of investment in the contract. The relevant Sub-Fund also assumes the risk that the Investment Manager will incorrectly predict future stock market trends.

It is also possible that a Sub-Fund could both lose money on futures contracts and also experience a decline in value of its portfolio securities. There is also a risk of loss by a Sub-Fund of margin deposits in the event of bankruptcy of a broker with whom a Sub-Fund has an open position in a futures contract or related option.

Futures positions may be illiquid because certain commodity exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits." Under such daily limits, during a single trading day, no trades may be executed at prices beyond the daily limits. Once the price of a particular futures contract has increased or decreased by an amount equal to the daily limit, positions in that contract can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. It is also possible that an exchange or futures market may suspend trading in a particular contract, order immediate liquidation and settlement of a particular contract, or order that trading in a particular contract be conducted for liquidation only. This constraint could prevent the Investment Manager from promptly liquidating unfavourable positions and subject a Sub-Fund to substantial losses. This could also impair a Sub-Fund's ability to withdraw its investments in order to make distributions to a redeeming Shareholder in a timely manner. Therefore, although the ICAV is open to all classes of investors and while it is anticipated that these investments made by the ICAV on behalf of a Sub-Fund will enable it to satisfy redemption requests for that Sub-Fund, such Sub-Fund may be more suitable for sophisticated investors that will not be materially impacted by postponements of that Sub-Fund's normal redemption dates.

Particular Risks of OTC FDI

- **Absence of Regulation; Counterparty Default**

In general, there is less government regulation and supervision of transactions in the over-the-counter markets than of transactions entered into on organised exchanges. In addition, many of the protections afforded to some participants on some organised exchanges, such as the performance guarantee of an exchange clearing house, might not be available in connection with transactions in OTC FDI. Therefore, although any counterparty with whom a Sub-Fund enters into an OTC FDI transaction will be rated at or in excess of the requirements of the Central Bank by a Recognised Rating Agency and the Sub-Fund may further reduce its exposure to the counterparty through the use of collateral, the Sub-Fund will be subject to the risk that the counterparty will not perform its obligations under the transactions. In the event that the counterparty is unable or unwilling to meet its contractual liabilities, there may be a limited but detrimental impact on the Sub-Fund.

- **Tax**

There may also be a detrimental impact on a Sub-Fund in circumstances where there has been a change in the relevant taxation legislation or practice, regarding the OTC FDI in which the Sub-Fund has invested, whereby an unforeseen tax liability may have to be borne by the Sub-Fund. There is also a risk of loss due to the unexpected application of a law or regulation, and in particular a change in a local tax law that triggers additional costs that may become payable by the Sub-Fund and such costs may, in effect, apply retroactively and this could subject the Sub-Fund to charges relating to investments in warrants, notes, options and other OTC FDI made several years previously.

- **Legal**

Unlike exchange-traded options, which are standardised with respect to the underlying instrument, expiration date, contract size, and strike price, the terms of OTC FDI, are generally established through negotiation with the other party to the instrument. While this type of arrangement allows a Sub-Fund greater flexibility to tailor the instrument to its needs, OTC FDI may involve greater legal risk than exchange-traded instruments, as there may be a risk of loss if OTC FDI are deemed not to be legally enforceable or are not documented correctly.

There also may be a legal or documentation risk that the parties to the OTC FDI may disagree as to the proper interpretation of its terms. If such a dispute occurs, the cost and unpredictability of the legal proceedings required for a Sub-Fund to enforce its contractual rights may lead the Sub-Fund to decide not to pursue its claims under the OTC FDI. The Sub-Fund thus assumes the risk that it may be unable to obtain payments owed to it under

OTC arrangements, that those payments may be delayed or made only after the Sub-Fund has incurred the costs of litigation.

- **Forward Contracts**

  The Investment Manager may enter into forward contracts and options thereon on behalf of a Sub-Fund which are not traded on exchanges and are generally not regulated. There are no limitations on daily price moves of forward contracts. Banks and other dealers with whom a Sub-Fund may maintain accounts may require the relevant Sub-Fund to deposit margin with respect to such trading, although margin requirements are often minimal or non-existent. The Sub-Funds' counterparties are not required to continue to make markets in such contracts and these contracts can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain counterparties have refused to continue to quote prices for forward contracts or have quoted prices with an unusually wide spread (the price at which the counterparty is prepared to buy and that at which it is prepared to sell). Arrangements to trade forward contracts may be made with only one or a few counterparties, and liquidity problems therefore might be greater than if such arrangements were made with numerous counterparties. The imposition of credit controls by governmental authorities might limit such forward trading to less than that which the Investment Manager would otherwise recommend, to the possible detriment of a Sub-Fund. Market illiquidity or disruption could result in major losses to a Sub-Fund. In addition, a Sub-Fund may be exposed to credit risks with regard to counterparties with whom they trade as well as risks relating to settlement default. Such risks could result in substantial losses to a Sub-Fund.

- **Valuation Risk**

  Derivative instruments and forward exchange contracts which are not dealt on a Recognised Market shall be valued by the counterparty at least daily, provided that the valuation is verified at least weekly either by the Investment Manager or other independent party such person to be independent of the counterparty and approved for that purpose by the Depositary.

  Investors should note that there is often no single market value for instruments such as OTC FDI. The discrepancies between bid offer spread on OTC FDI may be partly explained by various estimates on their pricing parameters. The ICAV has put procedures in place to reconcile any differences in valuation between the counterparties as well as pricing anomalies.

3.3. Risk Management Process

The Management Company, employs a risk-management process in respect of the ICAV which enables it, together with the Investment Manager, to accurately measure, monitor and manage at any time various risks associated with FDI. The Investment Manager will employ, if applicable, a process for accurate and independent assessment of the value of any OTC derivative instruments.

Upon request of an investor, the Management Company will provide to the relevant investor supplementary information relating to the quantitative limits that apply in the risk management of each Sub-Fund, the methods chosen to this end and the recent evolution of the risks and yields of the main categories of instruments.

Responsibility of the Risk Management Team of the Investment Manager

The Management Company, is responsible for the risk management of the ICAV and has delegated part of the day to day implementation to the risk management team of the Investment Manager. The Investment Manager retains a dedicated risk management team which is independent of the investment management function. This team will collaborate with the investment team of the Investment Manager to determine various control limits in order to match the risk profile and strategy of the Sub-Funds. The Management Company will supervise these risk management activities and will receive appropriate reports.

When the Investment Manager invests, on behalf of the Sub-Fund it manages, in different types of assets pursuant to the investment objective, it will follow the risk management and control mechanism as described in the RMP of the Management Company.

Commitment Approach and Value-at-Risk Approach

Commitment Approach

Certain Sub-Funds may have simple and/or limited positions in FDI but can enter into FDI transactions for investment purposes other than hedging techniques and EPM, in particular to gain exposure to financial markets when the Investment Manager believes that it is more efficient to purchase FDI than the corresponding physical securities. As disclosed in the relevant Supplement, these Sub-Funds will use the commitment approach to measure market risk. Depending upon the extent and type of FDI usage, these Sub-Funds may be leveraged. The extent to which a Sub-Fund may be leveraged, if any, will be set out in the relevant Supplement. Any such leverage will not exceed 100% of the relevant Sub-Fund's NAV.

The commitment approach is generally calculated by converting the derivative contract into the equivalent position in the underlying asset embedded in that derivative, based on the market value of the underlying. Purchased and sold financial derivative instruments may be netted in accordance with the Central Bank UCITS Regulations in order to reduce global exposure. Beyond these netting rules and after application of hedging rules, it is not allowed to have a negative commitment on a financial derivative instrument to reduce overall exposure and as such, risk-exposure numbers will always be positive or zero.

Value-at-Risk Approach

Certain Sub-Funds may apply a Value-at-Risk (**"VaR"**) approach to measure market risk as further disclosed in the relevant Supplement(s).

The global risk measure may be Relative VaR or Absolute VaR with respect of Sub-Fund investment strategies and benchmark adequacy.

- Absolute VaR

  The absolute VaR is generally an appropriate approach in the absence of an identifiable reference portfolio or benchmark, for instance for absolute return Sub-Funds. The absolute VaR approach calculates a Sub-Fund's VaR as a percentage of the NAV of the relevant Sub-Fund which must not exceed an absolute limit of 20%.

- Relative VaR

  The relative VaR approach is used for Sub-Funds where a consistent reference portfolio or benchmark reflecting the investment strategy which the Sub-Fund is pursuing is defined. The relative VaR of a Sub-Fund is expressed as a multiple of the VaR of a benchmark or reference portfolio and is limited to no more than twice the VaR of the Sub-Fund's benchmark.

  The expected level of leverage, the approach used (i.e. absolute VaR or relative VaR) and the reference performance benchmark used to express the relative VaR (if applicable) are specified in the relevant Supplement.

The risk management methodology for each Sub-Fund (being the commitment approach or VaR) is specified in the relevant Supplement.

Liquidity Risk Management Policy

The Management Company has established a liquidity risk management policy with the aim to enable it to identify, monitor, manage and mitigate the liquidity risks of the sub-funds and to ensure that the liquidity risk profile of the investments of the Sub-Funds will facilitate compliance with the Sub-Funds' obligation to meet redemption requests. Such policy, combined with the governance framework in place and the liquidity management tools of the Management Company, also seeks to achieve fair treatment of Shareholders and safeguard the interests of the remaining or existing Shareholders in case of sizeable redemptions or subscriptions.

The Management Company's liquidity risk management policy takes into account the investment strategy, the dealing frequency, the underlying assets' liquidity (and whether they are priced at fair value) and the ability to defer redemptions in compliance with the Prospectus.

The liquidity risk management policy also involves monitoring the profile of investments held by the Sub-Funds on an on-going basis with the aim to ensure that such investments are appropriate to the redemption policy as stated in section 4.2 **"How to Sell Shares", section 4.3 "How to Sell Shares"** and the relevant Supplement as the case may be. Further, the liquidity risk management policy includes details on periodic stress testing carried out to manage the liquidity risk of the sub-funds in times of exceptional market conditions.

The Management Company's risk management function is independent from the investment portfolio management function and is responsible for performing monitoring of the Sub-Funds' liquidity risk in accordance with the Management Company's liquidity risk management policy. Exceptions on liquidity risk related issues are escalated to the Management Company's management committee and/or the Directors with appropriate actions properly documented.

The Management Company may employ one or more tools to manage liquidity risks including, but not limited to:

- Limiting the number of Shares redeemed for a Sub-Fund on any Dealing Day to 10% or more of the net asset value of any Sub-Fund (subject to the conditions in section 5.3 entitled "**Deferral of Redemptions**");
- Applying Swing Pricing with the aim to mitigate the effect of transaction costs on the NAV per Share of a Sub-Fund incurred by significant net subscriptions or redemptions as outlined in section 5.1 entitled "**Swing Pricing"**;
- Declaring a suspension of the determination of the NAV per Share of a Sub-Fund as outlined in section 6.2 entitled "Suspension of the Calculation of the NAV and Issue, Allocation, Conversion, Redemption and Repurchase of Shares";
- Accepting transfers in kind; and/or
- Making use of an overdraft facility up to 10% of the NAV as described in section 1.5 entitled "Additional Investment Restrictions".

Risk Monitoring Systems

Appropriate tools and systems are utilised to monitor different areas of risk, including counterparty risk, market risk, liquidity risk, concentration risk and operational risks.

Procedure for Counterparty Approval

Systematic procedures are in place to select and approve counterparties, and to monitor the exposure to various counterparties.

Investment Breach Reporting

In case of any investment breach, an "escalation process" up to the Management Company will be triggered to inform relevant parties in order for necessary actions to be taken.

Section 4. The Shares

This section 4 relates only to the subscription, redemption, conversion and transfer of Shares. Investors wishing to deal in Shares should also refer to section 5 "General Provisions Relating to The Shares".

4.1. General

The ICAV may register Shares jointly in the names of not more than four holders should they so require. In such case, the rights attaching to such a Share must be exercised by one person designated to do so. The ICAV may require that such single representative be appointed by all joint holders.

Shares have no preferential or pre-emption rights and are freely transferable, save as referred to under section 5.7.

4.2. How to Buy Shares

Application

Initial applications should be made using an Application Form obtained from the Administrator which may be submitted by fax with the original signed form to follow promptly (where appropriate and if requested by the Administrator). All initial applications shall be subject to prompt transmission to the Administrator of such other papers (such as documentation relating to money laundering prevention checks) as may be required by the Directors. In the case of initial or subsequent applications submitted by electronic means or by fax, it shall not be necessary for the ICAV to subsequently receive the original Application Form provided that the Administrator is satisfied that the appropriate controls and procedures are in place to comply with applicable anti-money laundering legislation and to ensure that any risk of fraud associated with the processing of transactions based on such means are adequately mitigated.

Amendments to a Shareholder's registration details and payment instructions will only be made following receipt of faxed or electronic authorised instructions with appropriate documentation from the relevant Shareholder. Such requests will be sufficient to change such details, however the Administrator on review of any request may advise a Shareholder that an original instruction is required.

Any applications submitted by electronic means must be in a form and method agreed by the Administrator and subject to and in accordance with the requirements of the Administrator and the Central Bank.

Applications will be irrevocable unless the Directors otherwise agree. The Application Form contains certain conditions regarding the application procedure for Shares in the ICAV and certain indemnities, which will be applied in good faith and only on reasonable grounds, in favour of the ICAV, the relevant Sub-Fund, the Administrator, the Depositary and the other Shareholders for any loss suffered by them as a result of certain applicants acquiring or holding Shares.

Investors purchasing any Shares through a Distributor, for onward transmission to the Administrator, should note that they will be subject to the Distributor's account opening requirements.

Payments made by the investors to the ICAV in relation to subscriptions are received into the Subscription Account and therefore upon receipt are treated as assets of the ICAV. As assets of the ICAV such subscription monies do not have the benefit of the protections afforded by the Central Bank (Supervision and Enforcement) Act 2003 (Section 48(1)) Investor Money Regulations 2015 for Fund Service Providers (S.I. 105 of 2015) (as amended). For further details see the **Umbrella Cash Subscription and Redemption Accounts** paragraph in the section entitled "Risk Factors".

Initial Offer Price or Subscription Price

The Initial Offer Price for Shares in the relevant Sub-Fund during the Initial Offer Period shall be set out in the Supplement for the relevant Sub-Fund.

Following the Initial Offer Period, Shares shall be issued at the Subscription Price per Share as determined on the day on which they are deemed to be issued.

Sales Charge

A sales charge may be levied by and at the discretion of a Distributor or sub-distributor at the point of subscription for a Share Class.

The maximum sales charge is set out in the table below and will be charged upon the Net Asset Value per Share (or, if applicable, upon the adjusted Net Asset Value per Share).

The Distributors and sub-distributors reserve the right to waive the whole or part of the sales charge on any application to buy Shares. Neither the ICAV nor the Management Company levy a sales charge.

Category	Maximum Sales Charge (%)
Bond	3.10
Equity	5.00

Dealing Deadlines and Settlement Dates

Details of the Dealing Deadline and the Settlement Date are outlined in the relevant Sub-Fund's Supplement. Additional information is provided as follows:

- Applications received prior to the Dealing Deadline for any Dealing Day will be processed on that Dealing Day.
- Applications received by the Administrator after the Dealing Deadline will normally be dealt on the next following Dealing Day.
- Applications received by the Administrator on a day which is not a Dealing Day will be dealt on the next following Dealing Day.
- Applications for which documentation is missing will be dealt on receipt of the relevant documents, on the appropriate Dealing Day, after taking account of the Dealing Deadlines.
- Shareholders should normally allow up to four Business Days before further converting or redeeming their Shares after purchase or subscription. Shares will not be converted or redeemed until paid for in full.
- Investors and Shareholders dealing through the Distributors or sub-distributors (including those offering nominee services) shall be entitled to deal until the Dealing Deadlines. The Distributors, sub-distributors and nominees shall transmit the amalgamated orders to the ICAV within a reasonable timeframe as agreed from time to time with the Management Company.
- The Directors and/or the Management Company may, under exceptional circumstances and at their discretion, accept applications after the Dealing Deadline provided that they are received before the relevant Sub-Fund's Valuation Point.
- Dealing is carried out at forward pricing basis. i.e. the NAV next computed after receipt of subscription requests.

Acceptance

The Directors or the Management Company reserve the right to reject any subscription application in whole or in part.

If an application is rejected, the application monies or balance thereof will be returned at the risk of the subscriber and without interest as soon as possible after rejection at the expense of the applicant.

Settlement

- **In Cash**

  Settlement should be made by electronic transfer net of bank charges to the relevant correspondent bank(s) quoting the subscriber's name and stating the appropriate Sub-Fund and Share Class in respect of which settlement monies are paid. Details of the relevant correspondent bank(s) are given on the Application Form or can be obtained from a Distributor.

- **In Kind**

  The Directors may, at their discretion, decide to accept payment for Shares of a Sub-Fund in kind, and may allot Shares in the Sub-Fund provided that arrangements are made to vest in the Depositary on behalf of the ICAV investments which would form part of the assets of the relevant Sub-Fund and provided that (i) the Depositary is satisfied that there is unlikely to be any material prejudice to existing Shareholders in the relevant Sub-Fund; and (ii) such investments would qualify as an investment of the relevant Sub-Fund in accordance with its investment objective, strategies and restrictions. The number of Shares to be issued in this way shall be the number which would have been issued for cash against the payment of a sum equal to the value of the investments, and an amount may be deducted from the value of the investments to allow for attributable transaction costs incurred by the Sub-Fund as a result of accepting the assets. The value of the investments to be vested shall be calculated by applying the valuation methods described under the section entitled **"Calculation and Publication of NAV"**.

Settlement Currencies

Payments for subscriptions can only be made in the Reference Currency of the relevant Share Class or, where available, in a Dealing Currency.

Payments made in a currency other than the Reference Currency of the relevant Share Class or a Dealing Currency available for the Share Class will require a foreign exchange transaction between this currency and the Base Currency of the Sub-Fund. This operation will be arranged by the Distributor or the Administrator at the subscriber's expense on the basis of the exchange rate applicable as at the Dealing Day.

All these currencies in which payments for subscriptions shall be made are subsequently referred to as **"Settlement Currency"**.

Share Allocation

Shares are provisionally allotted but not allocated until cleared funds have been received by the ICAV or to its order.

If payment in full has not been received by the Settlement Date, or in the event of non-clearance of funds, all or part of any allotment of Shares made in respect of such application may, at the discretion of the Directors or the Management Company, be cancelled, or, alternatively, the Administrator on the instruction of the Directors or the Management Company may treat the application as an application for such number of Shares as may be purchased with such payment on the Dealing Day next following receipt of payment. In such cases, the ICAV may charge the applicant for any resulting loss incurred by the relevant Sub-Fund. The Directors or the Management Company reserve the right to charge interest at a reasonable commercial rate on subscriptions which are settled late.

Subscribers are advised to refer to the terms and conditions applicable to subscriptions which are detailed in the Application Form.

Fractions of registered Shares will be issued (as necessary) to three decimal points or such other number of decimal places as the Directors or the Management Company may determine from time to time. Shares in the IT Share Class are not fractional, will be issued as whole numbers only and in all cases will be rounded down.

Form of Shares and Confirmation of Ownership

Shares will be in non-certificated and registered form. A contract note providing details of a trade on a Shareholder's account and confirmation of ownership evidencing entry in the register of Shareholders maintained by the Administrator will be sent to Shareholders (or the first named of joint Shareholders) or his/her agent by electronic means, as directed, at his/her own risk normally within 2 Business Days of the Dealing Day. Share certificates will not be issued. All registered Shareholders are sent a statement monthly by electronic means confirming the number and value of registered Shares held by them in each Sub-Fund.

For registered Shares, fractions of Shares will be allocated where appropriate. Shares in the IT Share Class are not fractional, will be issued as whole numbers only and in all cases will be rounded down.

The ICAV does not issue bearer Shares.

Registered Shares in book form can be delivered into the Clearstream or Euroclear platforms.

4.3. How to Sell Shares

Request

Redemption requests should be made to the ICAV either directly to the Administrator or through the Distributors, for onward transmission to the Administrator. Redemption requests may be accepted electronically (in such format or method as shall be agreed in advance with the Administrator) and subject to and in accordance with the requirements of the Administrator and the Central Bank. Requests must be in authenticated form, by electronic means, or by fax with the original to follow promptly (where appropriate and if requested by the Administrator) and must be signed and should include such information as may be specified from time to time by the Directors. Subject to the agreement of the Administrator and in accordance with the terms of the Application Form, the original of the redemption request may not be required prior to payment of redemption proceeds, provided that the redemption proceeds are paid to the account of record. Redemption requests must include the names and personal account number(s) of the Shareholder(s), either the number of Shares to be repurchased or the cash value to be raised relating to each Sub-Fund and any special instructions for despatch of the redemption proceeds.

No redemption payment may be made to a Shareholder until the redemption request has been received (including any documentation required in connection with anti-money laundering requirements) and the anti-money laundering procedures have been completed.

Redemption Price

The Redemption Price at which Shares will be redeemed on a Dealing Day is the Net Asset Value per Share of the relevant Class on the relevant Dealing Day less any duties and charges as set out in this Prospectus or the relevant Sub-Fund's Supplement. Fractions of registered Shares will be redeemed (as necessary) to three decimal points or such other number of decimal places as the Directors may determine form time to time. Shares in the IT Share Class are not fractional, will be redeemed as whole numbers only and in all cases will be rounded down.

Redemption Fee

Where provided for in the relevant Supplement, a redemption fee of up to 3% of redemption proceeds may be charged in respect of a redemption of Shares at the discretion of the Directors. The amount levied may vary depending on the date of redemption of such Shares. The amount of the redemption fee is calculated by applying percentages to the NAV per Share at the date of redemption as set out in the relevant Supplement.

Dealing Deadlines and Settlement Dates

Details of the Dealing Deadline and the Settlement Date are outlined in the relevant Sub-Fund's Supplement. Additional information is provided as follows:

- Applications received prior to the Dealing Deadline for any Dealing Day will be processed on that Dealing Day.
- Applications received by the Administrator after the above Dealing Deadlines will normally be dealt on the next following Dealing Day.
- Applications received by the Administrator on a day which is not a Dealing Day will be dealt on the next following Dealing Day.
- Applications for which documentation is missing will be dealt on receipt of the relevant documents, on the appropriate Dealing Day, after taking account of the Dealing Deadlines. Shares will not be converted or redeemed until paid for in full.
- Investors and Shareholders dealing through the Distributors or sub-distributors (including those offering nominee services) shall be entitled to deal until the above Dealing Deadline. The Distributors, sub-distributors and nominees shall transmit the amalgamated orders to the ICAV within a reasonable timeframe as agreed from time to time with the Management Company.
- The Directors may, under exceptional circumstances and at their discretion, accept applications after the Dealing Deadline provided that they are received before the relevant Sub-Fund's Valuation Point.
- Dealing is carried out at forward pricing basis. i.e. the NAV next computed after receipt of redemption requests.

Settlement

Payments pending distribution to investors from the ICAV in relation to redemptions are received into the Redemption Account and therefore upon receipt are treated as assets of the ICAV. As assets of the ICAV such redemption monies do not have the benefit of the protections afforded by the Central Bank (Supervision and Enforcement) Act 2003 (Section 48(1)) Investor Money Regulations 2015 for Fund Service Providers (S.I. 105 of 2015) (as amended). For further details see the **Umbrella Cash Subscription and Redemption Accounts** paragraph in the section entitled Risk Factors.

- **In Cash**

Redemption proceeds shall be paid by the Settlement Date.

If payment is made by telegraphic transfer at the request of the Shareholder, any costs so incurred will be the liability of the Shareholder. The payment of the redemption proceeds is carried out at the risk of the Shareholder.

- **In Kind**

The ICAV and a Shareholder may agree on an in kind transfer of assets for any redemption subject to the allocation of assets being approved by the Depositary.

The Instrument contains special provisions where a redemption request received from a Shareholder would result in Shares representing more than 5% of the NAV of any Sub-Fund being redeemed by the ICAV on any Dealing Day. In such a case, the ICAV may satisfy the redemption request by a distribution of investments of the relevant Sub-Fund in kind provided that such a distribution would not be prejudicial to the interests of the remaining Shareholders of that Sub-Fund, and the asset allocation is approved by the Depositary. Where the Shareholder requesting such redemption receives notice of the ICAV's intention to elect to satisfy the redemption request by such a distribution of assets that Shareholder may require the ICAV instead of transferring those assets to arrange for their sale and the payment of the proceeds of sale to that Shareholder less any costs incurred in connection with such sale. The Sub-Fund shall not be liable for the shortfall (if any) between the NAV of the redemption in question and the proceeds realised from the sale of the relevant assets. The ICAV shall not seek to satisfy a redemption request in kind with any retail investor without obtaining their express prior consent for each redemption request.

Settlement Currencies

Payments for redemptions will be made in the Reference Currency of the Share Class or, where available, in a Dealing Currency.

However, subject to the agreement of the Management Company, at a Shareholder's request payments may be made in a currency other than the Reference Currency of the Share Class or a Dealing Currency available for the Share Class. Such payments will require a foreign exchange transaction between this currency and the Base Currency of the Sub-Fund. This operation will be arranged by the Distributor or the Administrator at the Shareholder's expense on the basis of the exchange rate applicable as at the Dealing Day.

All these currencies in which payments for redemptions shall be made are subsequently referred to as **"Settlement Currency"**.

In exceptional circumstances, such as during an event of very significant currency markets disruption, should it not be possible for the ICAV to make payments for redemptions in the Reference Currency of a Share Class or in the Dealing Currency the ICAV reserves the right to make such payment only in the Base Currency of the Sub-Fund.

Contract Note

A contract note providing details of a trade on a Shareholder's account will normally be sent to Shareholders within 2 Business Days of the relevant Dealing Day.

4.4. How to Convert Between Sub-Funds / Classes

Request

Unless otherwise provided in the relevant Supplement, Shareholders are entitled to convert all or part of their Shares of one Sub-Fund into Shares of another Sub-Fund, and may also convert from one Class of Shares of a Sub-Fund into other Classes of Shares of that Sub-Fund or Classes of Shares of other Sub-Funds, provided that Shareholders meet the eligibility criteria for the Class of Shares into which they are converting, as detailed in section 1.7 entitled "Description of Share Classes".

Applications received by the Administrator before the Dealing Deadline will be dealt on that Dealing Day.

Applications received by the Administrator after the Dealing Deadline will be dealt on the next Dealing Day.

In the event that an investor seeks to convert between Sub-Funds or Share Classes with different Dealing Deadlines, the earlier of the two Dealing Deadlines will apply.

For Shareholders in the ICAV who invest initially in Share Classes where no or a low sales charge is usually payable and subsequently switch into Share Classes of the same or different sub-funds with higher sales charges, such conversions may be subject to the sales charge, applied at the discretion of a Distributor or sub-distributor, as applicable, which is normally payable on direct investments into such Share Classes.

The general provisions and procedures relating to the subscription and redemption of Shares will apply equally to conversions save in relation to charges payable details of which are set out below and/or in the relevant Supplement.

A conversion request will be executed on the next Dealing Day of the Sub-Fund a Shareholder converts from which is also a Dealing Day of the Sub-Fund a Shareholder converts to, except for Sub-Funds with specific Dealing Deadlines where the conversion request will be executed in accordance with the Dealing Deadlines detailed in the relevant Sub-Fund's Supplement. For example, if a Shareholder converts from a Sub-Fund that deals daily into a Sub-Fund that deals twice a month, the redemption will be processed so that the Shareholder remain invested in the Sub-Fund he/she converts from as long as possible and the conversion request will only be executed to match the next Dealing Day of the Sub-Fund the Shareholder converts to.

If compliance with conversion instructions would result in a residual holding in any Class to fall below the Minimum Holding of that Class, the Directors or the Management Company may compulsorily redeem the residual Shares at the Redemption Price applicable on the day on which conversion requests will be processed and make payment of the proceeds to the Shareholder.

Shareholders in Capital-Accumulation Shares can convert their holding to Distribution Shares in the same or other Sub-Funds and vice versa. Shareholders in Portfolio Currency Hedged Share Classes or Base Currency Hedged Share Classes can convert their holding to unhedged Share Classes in the same or other Sub-Funds and vice versa.

A conversion charge of up to 1% of the value of the Shares which are being converted may be payable to the relevant Distributor.

When a currency conversion is required because the NAVs per Share of the converted shares are denominated in different currencies, the currency conversion rate of Dealing Day applies.

The Directors may, under exceptional circumstances and at their discretion, accept applications after the Dealing Deadline provided that they are received before the relevant Sub-Fund's Valuation Point.

Conversion requests will only be accepted on settled shares and after anti-money laundering procedures have been completed.

Fractions of registered Shares will be issued (as necessary) on conversion to three decimal points or such other number of decimal places as the Directors may determine from time to time.

4.5. How to Transfer Shares

Transfers will only be accepted on settled Shares. Shares will be transferable by instrument in writing via the completion of a stock transfer form, in common form or in any other written form approved by the Administrator and signed by an authorised signatory of the transferor. The transferee will be required to complete an Application Form and any other documentation required by the Administrator in addition to providing any documentation or information under the Criminal Justice (Money Laundering and Terrorist Financing) Act 2010 and 2013 (as amended) (the "CJA") or its anti-money laundering procedures. No Share transfer will be permitted until the Application Form and transfer instruction of the transferor and all documentation required by the Administrator, including any document in connection with the CJA or other requirements and/or procedures have been received by the Administrator. The Administrator will also require a completed Application Form and all documentation required by the Administrator, including any document in connection with the CJA or other requirements and/or procedures have been received by the Administrator, from the transferee.

The transferor shall be deemed to remain the Shareholder of the Share until the name of the transferee is entered in the share register.

The right to transfer Shares is subject to the Minimum Initial Investment and Minimum Holding requirements as detailed in section 1.7 entitled **"Description of Share Classes".** Restrictions on subscriptions of Shares also apply to the transfer of Shares (please see the sections entitled **"Important Information"** and **"Compulsory Redemptions"**).

Shareholders are advised to contact the relevant distributor, sales agent, the Management Company or the Administrator prior to requesting a transfer to ensure that they have the correct documentation for the transaction.

In the event that the Administrator is required to deduct, withhold or account for tax on a transfer of Shares by a Shareholder, the Administrator shall be entitled to arrange for the redemption and cancellation of such number of the Shares of such Shareholder as are sufficient to discharge any such tax liability and the Administrator may decline to register a transferee as a Shareholder until such time as they receive from the transferee such declarations as to residency or status as they may require. The Administrator shall arrange to discharge the amount of tax due.

In the case of the death of one of joint Shareholders, the survivor or survivors will be the only person or persons recognised by the ICAV as having any title to or interest in the Shares registered in the names of such joint Shareholders.

The registration of transfers may be suspended at such times and for such periods as the ICAV from time to time may determine, provided always that such registration shall not be suspended for more than thirty (30) days in any year.

Section 5. General Provisions Relating To The Shares

This section 5 relates to the subscription, redemption, conversion and transfer of Shares.

5.1. Anti-Money Laundering and Prevention of Terrorist Financing

Measures provided for under the CJA which is aimed towards the prevention of money laundering, require identification and verification of the identity of each subscriber and its beneficial owners, as applicable, and on-going due diligence of the subscriber and the subscriber's account with the ICAV. By way of example, an individual will be required to produce a copy of a passport or identification card, which shows a photograph, signature and date of birth, duly certified by any one of the following, and potentially their equivalents in other Jurisdictions: Garda Síochána / Police Officer; Practising Chartered & Certified Public Accountants; Notaries Public / Practising solicitors; Embassy/Consular Staff; Regulated financial or credit institutions; Justice of the peace; Commissioner for oaths; and/or Medical professional. The individual will also need to provide one item evidencing their address such as a utility bill or bank statement (not more than six months old). In the case of corporate applicants this may require production of certified copies of the certificate of incorporation (and any change of name) and of the memorandum and articles of association (or equivalent), a certified copy of the corporation's authorised signatory list, the names, occupations, dates of birth and residential and business addresses of all directors and beneficial owners (who may also be required to verify their identity as described above).

Politically exposed persons ("PEPs"), an individual who is or has, at any time in the preceding year, been entrusted with prominent public functions, and immediate family member, or persons known to be close associates of such persons, must also be identified.

Depending on the circumstances of each application, a detailed verification of source of funds might not be required where (i) the investor makes payment from an account held in the investor's name at a recognised financial intermediary or (ii) the application is made through a recognised intermediary. These exceptions will only apply if the financial institution or intermediary referred to above is located within a country recognised in Ireland as having equivalent anti-money laundering and counter terrorist financing regulations or satisfies other applicable conditions.

The Administrator reserves the right to request information and documentation to comply with its requirements under the CJA or otherwise, including but not limited to information and documentation in relation to the verification of identity of an subscriber and its beneficial owners, as applicable, the source of funds and/or ongoing due diligence of an subscriber and its account with the ICAV. In the event of delay or failure by the Applicant to produce any information or documentation required for such purposes, the Administrator may refuse to accept the application and return all subscription monies or compulsorily redeem such Shareholder's Shares and/or payment of redemption proceeds will be withheld and will not be dispatched to a Shareholder until such information or documentation is received by the Administrator and none of the Sub-Fund, the Directors, the Management Company, the Investment Manager, the Depositary or the Administrator shall be liable to the subscriber or Shareholder where an application for Shares is not processed or Shares are compulsorily redeemed or redemption proceeds are withheld in such circumstances. If an application is rejected, the Administrator will return application monies or the balance thereof by electronic transfer in accordance with any applicable laws to the account from which it was paid at the cost and risk of the subscriber.

Each applicant for Shares acknowledges that the Administrator, the ICAV and the Management Company shall be indemnified and held harmless against any loss arising as result of a failure to process the application for Shares or redemption request, if such information and documentation has been requested by the Administrator and has not been provided by the applicant. Furthermore the ICAV or the Administrator also reserve the right to refuse to make any redemption payment or distribution to a Shareholder if any of the Directors of the ICAV or the Administrator suspects or is advised that the payment of any redemption or distribution moneys to such Shareholder might result in a breach or violation of any applicable anti-money laundering or other laws or regulations by any person in any relevant jurisdiction, or such refusal is considered necessary or appropriate to ensure the compliance by the ICAV, its Directors or the Administrator with any such laws or regulations in any relevant jurisdiction.

Compliance with International Sanctions

The ICAV is required to comply with all applicable Sanctions Laws (as set out below). In order to ensure such compliance, it has adopted HSBC Group's Global Sanctions Policy. In accordance with that policy, the Administrator shall screen all applicants for/investors in Shares and all known beneficial owners of Shares against the applicable Sanctions Laws.

In the event of a potential match, the Administrator may request an existing investor or new applicant to provide further information needed to assess whether that person is the person flagged in the screening. If they are, the ICAV will not authorize any transactions; the account will be blocked and shares frozen.

Sanctions Laws include:

• any EU Regulation adopted under Article 215 of the Treaty on the Functioning of the European Union, and any legal act adopted by a Member State of the EU to implement, establish penalties in relation to or otherwise give full effect to such a Regulation;

• any sanctions resolution passed pursuant to Chapter VII of the United Nations Charter by the United Nations Security Council, and any trade, financial or economic sanctions law or embargo giving legal effect to such a sanctions resolution; and

• any other trade, financial or economic sanctions law or regulation made by a relevant authority of the USincluding the SDN (Specially Designated Nationals) list maintained by the Office of Foreign Asset Control of the US Department of the Treasury, the UK, the EU, the Hong Kong Monetary Authority or other applicable government, including US secondary sanctions.

Whistleblowing Disclosure

The Protected Disclosures Act 2014 (the 2014 Act), as amended in accordance with EU Directive 2019/1937 (the Whistleblowing Directive), gives legal protection to "Workers" who make disclosures. Shareholders are included within the scope of the definition of "Worker" under the 2014 Act. In the event that a Shareholder wishes to report a relevant wrongdoing under the 2014 Act or wishes to be provided with further information on the procedure for doing so, a Shareholder can write to the chairperson of the Board of Directors at the ICAV's registered address. The ICAV encourages reports of wrongdoing to be made internally in the first instance. However, internal reporting does not preclude the making of an external report. Depending on the nature of the wrongdoing, a Shareholder may, subject to complying with the requirements of the 2014 Act, make a report externally to a prescribed person under the 2014 Act or to the Protected Disclosures Commissioner who will identify a suitable prescribed person. Prescribed persons have regulatory functions in the area which are the subject of the alleged wrongdoings. A full list of protected disclosure prescribed persons can be found on the gov.ie website.

5.2. Data Protection Notice

Please note that by completing the Application Form investors are providing personal information to the ICAV, which may constitute personal data within the meaning of the Irish Data Protection Acts 1988 and 2003, the EU Data Protection Directive 95/46/EC, the EU ePrivacy Directive 2002/58/EC (as amended) and any relevant transposition of, or successor or replacement to, those laws (including, when they come into force, the General Data Protection Regulation (Regulation (EU) 2016/679) and the successor to the ePrivacy Directive) (together the "Data Protection Legislation"). Your personal data will be used for the purposes of administration, transfer agency, statistical analysis, research and disclosure to the ICAV, its delegates and agents. Such processing of personal data is required for the performance of tasks that are necessary for the performance of the contract between you and the ICAV and for compliance with certain legal obligations to which the ICAV is subject.

By signing the Application Form, prospective investors further acknowledge that such personal data may be disclosed by the ICAV to its delegates and its or their duly authorised agents and any of their respective related, associated or affiliated companies and that such entities may further process (including obtaining, holding, using, disclosing and otherwise processing) the personal data for any one or more of the following purposes:

- to manage and administer the investor's holding in the Sub-Fund and any related accounts on an ongoing basis;
- for any other specific purposes where the investor has given specific consent;
- to carry out statistical analysis and market research;
- to comply with legal, regulatory and taxation obligations applicable to the investor and the Sub-Fund;
- for disclosure or transfer, whether in Ireland or countries outside Ireland, including, but without limitation to, the U.S. and the United Kingdom (which may not have the same data protection laws as Ireland), to third parties, including financial advisors, regulatory bodies, auditors and technology providers or to the ICAV and its delegates and its or their duly appointed agents and any of their respective related, associated or affiliated companies for the purposes specified above; or
- for other legitimate business interests of the Sub-Fund (including fraud prevention).

In particular, in order to comply with the Common Reporting Standard ("CRS") (see the section of the Prospectus entitled "Irish Taxation – Common Reporting Standard"), as implemented in Ireland by Section 891E, Section 891F and Section 891G of the Taxes Consolidation Act, 1997, as amended ("TCA") and regulations made pursuant to those Sections, an investor's personal data (including financial information) may be shared with the Irish tax authorities and the Revenue Commissioners of Ireland. They in turn may exchange information (including personal data and financial information) with foreign tax authorities (including foreign tax authorities located outside the EEA). Please consult the AEOI webpage on www.revenue.ie for further information in this regard.

Please note that your personal data will be retained by the ICAV for the duration of the relevant investment and otherwise in accordance with the ICAV's legal obligations. Pursuant to the Data Protection Legislation, investors have a right of access to their personal data kept by the ICAV and the right to amend and rectify any inaccuracies in their personal data held by the ICAV and the right to data portability of their personal data held by the ICAV by making a request to the ICAV in writing at Registered Office, 3 Dublin Landings, North Wall Quay, Dublin 1, Ireland. For further information in relation to your data protection rights refer to the website of the Office of the Data Protection Commissioner at www.dataprotection.ie.

The ICAV is a data controller within the meaning of the Data Protection Legislation and undertakes to hold any personal data provided by investors in confidence and in accordance with the Data Protection Legislation.

5.3. Deferral of Redemptions

In order to ensure that Shareholders who remain invested in the ICAV are not disadvantaged by the reduction of the liquidity, Directors may apply the procedures set out below in order to permit the orderly disposal of securities to meet redemptions.

The Directors, having regard to the fair and equal treatment of Shareholders, on receiving requests to redeem Shares amounting to 10% or more of the NAV of any Sub-Fund:

- Are entitled to limit the number of Shares of any Sub-Fund redeemed on any Dealing Day to Shares representing 10% of the total NAV of that Sub-Fund on that Dealing Day. In this event, the limitation will apply pro rata so that all Shareholders wishing to have Shares of that Sub-Fund redeemed on that Dealing Day realise the same proportion of such Shares. Shares not redeemed, but which would otherwise have been redeemed, will be carried forward for redemption on the next Dealing Day. Redemptions carried forward to the next Dealing Day are not given priority over new trades received before the Dealing Deadline on that Dealing Day. If requests for redemption are so carried forward, the Administrator will inform the Shareholders affected.

- May elect to sell assets representing, as nearly as practicable, the same proportion of the Sub-Fund's assets as the Shares for which redemption requests have been received. If the Directors exercise this option, the amount due to the Shareholders who have applied to have their Shares redeemed will be based on the NAV per Share, calculated after such sale or disposal. Payment will be made forthwith upon completion of the sales and the receipt by the ICAV of the proceeds of sale in freely convertible currency. Receipt of the sale proceeds by the ICAV may however be delayed and the amount ultimately received may not necessarily reflect the NAV per Share calculation made at the time of the relevant transactions because of possible fluctuations in the currency values and difficulties in repatriating funds from certain jurisdictions (See section 3.2. entitled **"Risk Factors Relating to Investment").**

Payment of redemption proceeds may be delayed if there are any specific statutory provisions such as foreign exchange restrictions, or any circumstances beyond the ICAV's control which make it impossible to transfer the redemption proceeds to the country where the redemption was requested.

5.4. Cancellation Right

Requests for redemption once made may only be cancelled in full by the applicant in the event of a suspension of the issue of Shares provided for in section 6.2. **"Suspension of the Calculation of the NAV and Issue, Allocation, Conversion, Redemption and Repurchase of Shares"** or in the event of a deferral of the right to redeem Shares of the relevant Sub-Fund as described in section 5.3 above.

5.5. Limitations and Deferral of Conversion

The ICAV reserves the right to reject any conversion application in whole or in part.

In certain circumstances set out in section 6.2., the NAV per Share determinations may be suspended and during any such period of suspension, no Shares relating to the Sub-Fund to which the suspension applies may be issued or allocated (other than those already allotted), converted, redeemed or repurchased.

If the Directors or the Management Company determine that it would be detrimental to the existing Shareholders of a Sub-Fund to accept a conversion application for Shares to exit the relevant Sub-Fund for another Sub-Fund, the Directors or the Management Company may decide to defer that all or part of such applications for Shares in accordance with the relevant deferral provisions described under section 5.3 .

5.6. Umbrella Cash Subscription, Redemption, Dividends and Unclaimed Cash Accounts

The ICAV will establish Umbrella Cash Subscription, Redemption, Dividends and Unclaimed Cash Accounts and will not establish such accounts at Sub-Fund level. All subscriptions payable to a Sub-Fund will be channelled and managed through the Subscription Account.

There may be other instances where cash will be retained in the Umbrella Cash Subscription, Redemption, Dividend and Unclaimed Cash Accounts and treated in accordance with the Central Bank's requirements. Investors should refer to the **"Risks and Risk Management"** section in this Prospectus for an overview of the risks associated with the use the Umbrella Cash Subscription, Redemption, Dividend and Unclaimed Cash Accounts.

5.7. Restrictions on Ownership

The Directors may impose restrictions on the ownership of any Shares and if necessary require the transfer of Shares, as it may think necessary, to ensure that Shares are not acquired or held directly or beneficially by a person or an entity who/which is in the opinion of the Directors any of the following: (i) any person or entity who appears to be in breach of any law or requirement of any country or governmental authority or by virtue of which such person or entity is not qualified to hold such Shares or if the holding of the Shares by any person or entity is unlawful, (ii) who is or will hold Shares for the benefit of a U.S. Person (unless the Directors determine (a) the transaction is permitted under an exemption from registration available under the securities laws of the United States and (b) that the relevant Sub-Fund and the ICAV continue to be entitled to an exemption from registration as an investment ICAV under the securities laws of the United States if such person holds Shares) and (c) does not cause the ICAV to incur any adverse US taxation consequences or regulatory or legal consequences, (iii) any person who does not clear such money laundering checks or provide the required tax documentation or such supporting documentation as the Directors may determine or who has failed to furnish the Directors with such evidence and/or undertakings as they may require for the purpose of any restrictions imposed for compliance with any anti-money laundering provisions applicable to the ICAV, (iv) under the age of 18 (or such other age as the Directors may think fit) or a person of unsound mind, (v) has breached or falsified representations on subscription documents (including as to its status under ERISA), (vi) has breached of any law or requirement of any country or government or supranational authority or by virtue of which such person or entity is not qualified to hold Shares, (vii) if the holding of the Shares by that person or entity is less than the Minimum Holding set or Minimum Initial Subscription for that Sub-Fund or Class of Shares set by the Directors, (viii) in circumstances which (whether directly or indirectly affecting such person or persons or entity, and whether taken alone or in conjunction with any other persons or entities, connected or not, or any other circumstances appearing to the Directors to be relevant), in the opinion of the Directors, might result in the ICAV or a particular Sub-Fund incurring any liability to taxation or suffering any other pecuniary legal or material administrative disadvantage (including endeavouring to ensure that the relevant Sub-Fund's assets are not considered plan assets for the purpose of ERISA) or being in breach of any law or regulation which the ICAV or the relevant Sub-Fund might not otherwise have incurred or suffered or breached (including without limitation, where a Shareholder fails to provide the ICAV with information required to satisfy any automatic exchange of information obligations under, for example, FATCA of a Sub-Fund, or where market timing is suspected, (ix) in circumstances which might result in the relevant Sun-Fund being required to comply with registration or filing requirements in any jurisdiction with which it would not otherwise be required to comply or is otherwise prohibited by the Instrument, or (x) any transfer in regard to which any payment of taxation remains outstanding.

The rights attaching to the Shares relating to any Class (subject to the terms of issue) may be varied by way of consent in writing being received by Shareholders of three-fourths of the issued Shares of that Class or by a resolution passed at a separate general meeting of Shareholders relating to that Class by a majority of three-fourths of the votes cast. Such consent will not be required in the case of a variation, amendment or abrogation of the rights attached to any Shares of any Class if, in the view of the Directors, such variation, amendment or abrogation does not materially prejudice the interests of the relevant Shareholders or any of them. The provisions of the Instrument relating to general meetings shall mutatis mutandis apply to every separate general meeting of Shareholders of a Class or a Sub-Fund.

The rights conferred upon the Shareholders of the Shares of any Class issued with preferred or other rights shall not, unless otherwise expressly provided by this Instrument or the terms of the issue of the Shares of that Class, be deemed to be varied (i) by the creation or issue of further Shares ranking pari passu therewith or subordinate thereto or (ii) by the alteration of the distribution policy attributable to any Class of Share.

Section 6. Calculation and Publication of NAV

6.1. Prices of Shares and Publication of Prices and NAV

Valuations

Unless otherwise provided in the relevant Supplement, the NAVs per Share are calculated on each Dealing Day (and any other day as may be determined by the Directors from time to time) on the basis of the NAV of the relevant Class of Shares of the relevant Sub-Fund in their Reference Currencies. The NAV per Share will be rounded mathematically to three decimal places or such other number of decimal places as may be determined by the Directors from time to time

In certain circumstances set out in section 6.2, the NAV per Share determinations may be suspended and during any such period of suspension, no Shares relating to the Sub-Fund to which the suspension applies may be issued or allocated (other than those already allotted), converted, redeemed or repurchased. Full details of the NAV per Share calculations are set out below.

Swing Pricing

When investors buy or sell shares in a Sub-Fund, the Investment Manager may need to buy or sell the underlying investments within the Sub-Fund. Without an appropriate provision to take account of these transactions, all Shareholders in the Sub-Fund would pay the associated costs of buying and selling these underlying investments. These transaction costs can include, but are not limited to, bid-offer spreads, brokerage and taxes on transactions. Such transaction costs may be provided for through an adjustment in the NAV per Share, known as a "**Swing Pricing**".

Swing Pricing aims to protect existing Shareholders in a Sub-Fund and to mitigate the effect of transactions costs on the NAV per Shares of a Sub-Fund incurred by significant net subscriptions or net redemptions.

"**Full Swing Pricing**" has two main components:

1. A buy adjustment rate
2. A sell adjustment rate

These components may be different for each Sub-Fund.

The NAV of the Share Class will be adjusted up or down using the applicable adjustment rate (buy adjustment rate for net subscriptions or sell adjustment rate for net redemptions) and will apply equally to each Class of Share in a specific Sub-Fund on any particular Dealing Day to ensure an equal economic impact across the investors of different Share Classes.

"**Partial Swing Pricing**" operates in a similar manner but involves a threshold rate. In these circumstances, Swing Pricing will be triggered when the difference between subscriptions and redemptions (based on the initial post-Dealing Deadline estimates) as a percentage of the relevant Sub-Fund's NAV exceeds the threshold on any particular Dealing Day.

In both cases (i.e. Full Swing Pricing and Partial Swing Pricing), Swing Pricing may be applied in order to mitigate the effects of transaction costs. Under normal market conditions, this adjustment is not expected to exceed 2%. However, it may be significantly higher during exceptional market conditions such as period of high volatility, reduced asset liquidity and market stress. Shareholders will be notified by publication on the Investment Manager's website (www.assetmanagement.hsbc.com) as soon as reasonably practicable, and in any event no later than Dealing Day on which such higher adjustment may apply, during such exceptional market conditions.

When Swing Pricing is not applied (which, in the case of Partial Swing Pricing, will arise unless the threshold rate is triggered), the transaction costs will be borne by the Sub-Fund. This will result in a dilution (reduction in the NAV per Share) to existing Shareholders.

For the avoidance of doubt, it is clarified that fees other than the sales charge will continue to be calculated on the basis of the unadjusted NAV.

in the case of Full Swing Pricing, the pricing adjustment rates are reviewed on at least a quarterly basis by the relevant Investment Manager. In the case of Partial Swing Pricing, the threshold rate is reviewed on at least an annual basis. Recommendations to adjust the pricing adjustment rates and the threshold, as applicable, are made through the relevant Investment Manager's pricing/valuation committee and submitted to the Management Company for consideration and review. In the event that the proposal is accepted, the Management Company will implement at the changes at the next available opportunity. Changes to the threshold for Partial Swing Pricing require additional approval from the Directors before implementation.

Publication of Prices

The Subscription Price and Redemption Price of each Class of Shares in each Sub-Fund will be available from the office of the Administrator and on the Investment Manager's website www.assetmanagement.hsbc.com and such other website as disclosed in the relevant Supplement and such other place as the Directors may decide from time to time and as notified to the Shareholders in advance. Such prices will be the prices applicable to the previous Dealing Day's trades and are therefore only indicative after the relevant Dealing Day. This will be published as soon as possible after the prices applicable to the previous Dealing Day's trade become available and will be kept up to date. The frequency of publication may differ between Sub-Funds as it is dependent upon a Sub-Fund's dealing frequency. For daily dealing Sub-Funds it will be published on each Business Day.

NAV Calculation Principles

◆ Valuation Principles

The valuation principles of the assets of the ICAV detailed in the Instrument are summarised below:

1. The NAV of any Sub-Fund or any Class or share thereof shall be expressed in the currency in which the Sub-Fund or the Class or Shares thereof are designated or in such other currency as the Directors may determine, from time to time, and shall be determined, in accordance with the valuation rules set out hereafter.
2. The NAV of any Sub-Fund shall be calculated as at the Valuation Point for each Dealing Day.
3. The NAV of each Sub-Fund will be equal to the value of the Sub-Fund's total assets less its liabilities. The NAV per share of a Sub-Fund will be calculated by dividing the NAV of the Sub-Fund by the number of Shares in the Sub-Fund then in issue or deemed to be in issue as at the Valuation Point for such Dealing Day and rounding the result mathematically to three decimal places or such other number of decimal places as may be determined by the Directors from time to time.
4. In the event the Shares of any Sub-Fund are further divided into Classes, the NAV per share of the relevant Class shall be determined by attributing the NAV of the Sub-Fund between the relevant Classes of that Sub-Fund making such adjustments for subscriptions, repurchases, fees, dividends accumulation or distribution of income and the expenses, liabilities or assets attributable to each such relevant Class (including the gains/losses on and costs of financial instruments employed for derivative and/or hedging transactions undertaken for any Class which is a Hedged Share Class, which gains/losses and costs shall accrue solely to that relevant Class) and any other factor differentiating the relevant classes as appropriate.
5. Where any investment owned or contracted by the ICAV is quoted, listed or dealt in on a Recognised Market the value thereof shall be the last traded price or in the case of fixed income securities the latest mid-market prices, in each case available to the Directors as at the Valuation Point provided that the value of any investment listed or dealt in on a Recognised Market but acquired or traded at a premium or a discount outside or off the relevant Recognised Market may be valued taking into account the level of premium or discount at the date of valuation. Such premiums or discounts shall be determined by the Directors and approved by the Depositary. The Depositary must ensure the adoption of such a procedure is justifiable in the context of establishing the probable realisation value of the security.

6. Where reliable market quotations are not available, the value of such securities may be determined by reference to the valuation of other securities which are comparable in rating, yield, due date and other characteristics. The matrix methodology will be compiled by the Directors or a competent person appointed by the Directors approved by the Depositary for such purpose.

7. If for specific assets the last traded price or in the case of fixed income securities the latest mid-market prices do not, in the opinion of the Directors, reflect their fair value or are not available, the value shall be calculated with care and in good faith by the Directors or by a competent person appointed by the Directors (approved by the Depositary for such purpose), in consultation with the Investment Manager and the Depositary with a view to establishing the probable realisation value.

8. Where an investment is quoted, listed or traded on or under the rules of more than one Recognised Market, the Recognised Market which in the Director's opinion constitutes the main Recognised Market for such investment or the Recognised Market which provides the fairest criteria in ascribing a value to such investment for the foregoing purposes will be referred to for the purposes of valuation.

9. In the event that any of the assets as at the Valuation Point are not listed or traded on any stock exchange or over-the-counter market, such securities shall be valued at their probable realisation value determined by the Directors or by a competent person appointed by the Directors (and approved by the Depositary for such purpose) estimated with care and in good faith in consultation with the Investment Manager.

10. Cash and other liquid assets will be valued at their face value with interest accrued, where applicable, to the relevant Valuation Point unless in any case the Directors are of the opinion that the same is unlikely to be paid or received in full in which case the value thereof shall be arrived at after making such discount as the Directors may consider appropriate in such case to reflect the true value thereof as at the relevant Valuation Point.

11. The value of any demand notes, promissory notes and accounts receivable shall be deemed to be the face value or full amount thereof after making such discount as the Directors may consider appropriate to reflect the true current value thereof as at any Valuation Point.

12. Certificates of deposit, treasury bills, bank acceptances, trade bills and other negotiable instruments shall each be valued at each Valuation Point at the last traded price on the Recognised Market on which these assets are traded or admitted for trading (being the Recognised Market which is the sole Recognised Market or in the opinion of the Directors the principal Recognised Market on which the assets in question are quoted or dealt in) plus any interest accrued thereon from the date on which same were acquired.

13. Exchange traded derivative instruments, share price index, future contracts and options contracts and other derivative instruments will be valued at the settlement price as determined by the Recognised Market in question as at the Valuation Point for the relevant Dealing Day; provided that if such settlement price is not available for any reason as at a Valuation Point such value shall be the probable realisation value estimated with care and in good faith by (i) the Directors or (ii) other competent person appointed by the Directors approved for such purpose by the Depositary.

14. The value of OTC derivatives will be the quotation from an independent pricing vendor or that calculated by the ICAV itself and shall be valued daily. Where an alternative valuation is used by the ICAV, the ICAV will follow international best practice and adhere to specific principles on such valuation by bodies such as IOSCO and AIMA. Any such alternative valuation must be provided by a competent person appointed by the Directors and approved for such purpose by the Depositary. Any such alternative valuation must be reconciled to the counterparty valuation on a monthly basis. Where significant differences arise they must be promptly investigated and explained.

15. The value of units or shares in open-ended collective investment schemes, other than those valued in accordance with the foregoing provisions, shall be the last available net asset value per unit or share or class or bid price thereof as published by the relevant collective investment scheme after deduction of any repurchase charge as at the relevant Valuation Point.

16. Notwithstanding the provisions above:

- in the case of a Sub-Fund which is a short term money market fund in accordance with the Central Bank' UCITS Regulations (a **Short Term Money Market Fund**), the Directors may value any asset through the use of amortised cost. The amortised cost method of valuation may only be used in relation to Sub-Funds which comply with the Central Bank's requirements for Short Term Money Market Funds and where a review of the amortised cost valuation vis-à-vis market valuation will be carried out in accordance with the Central Bank's requirements.
- where a Sub-Fund which is not a Short Term Money Market Fund invests in money market instruments in a money-market fund or non-money market fund, such instruments may be valued by the Directors at their amortised cost if the money market instrument has a residual maturity of less than 3 months and does not have any specific sensitivity to market parameters, including credit risk.

17. Notwithstanding the foregoing valuation rules, in the event of substantial or recurring net subscriptions (where total subscriptions of any Sub-Fund exceeds total redemptions), the Directors may adjust the NAV per Share to reflect the value of the ICAV's Investments using the closing market dealing offer price, where available, as at the relevant Valuation Point in order to preserve the value of the shareholding of continuing Shareholders. In the event of substantial or recurring net redemptions (where total redemptions of any Sub-Fund exceeds total subscriptions), the Directors may adjust the NAV per Share to reflect the value of the ICAV's investments using the closing market dealing bid price, where available, as at the relevant Valuation Point in order to preserve the value of the shareholding of continuing Shareholders. Where any such adjustment is made, it shall be applied consistently throughout the life of the ICAV with respect to the assets of the Sub-Fund. Further detail is set out under "Swing Pricing" in section 6.1 entitled **"Prices of Shares and Publication of Prices and NAV"**.

18. If in any case a particular value is not ascertainable as provided above or if the Directors shall consider that some other method of valuation better reflects the fair value of the relevant investment, then in such case the method of valuation of the relevant investment shall be such as the Directors shall determine, such method of valuation to be approved by the Depositary. The valuation rationale/methodologies used shall be clearly documented.

19. The value of an asset may be adjusted by the Directors (in consultation with the Depositary) where such an adjustment is considered necessary to reflect the fair value in the context of timing differences, currency, marketability, dealing costs and/or such other considerations which are deemed relevant.

20. Any value expressed otherwise than in the Base Currency of the relevant Sub-Fund (whether of any investment or cash) and any non-Base Currency borrowing shall be converted into the Base Currency at the rate (whether official or otherwise) which the Directors shall determine to be appropriate in the circumstances.

21. Notwithstanding the foregoing, where at any Valuation Point any asset of the ICAV has been realised or contracted to be realised there shall be included in the assets of the ICAV in place of such asset the net amount receivable by the ICAV in respect thereof, provided that if such amount is not then known exactly then its value shall be the net amount estimated by the Directors as receivable by the ICAV. If the net amount receivable is not payable until some future time after the Valuation Point in question the Directors shall make such allowance as they consider appropriate to reflect the true current value thereof as at the relevant Valuation Point. In the event that the ICAV has contracted to purchase an asset but settlement has yet to occur, the asset (rather than the cash to be used to settle the trade) will be included in the assets of the ICAV.

The consolidated accounts of the ICAV for the purpose of its financial reports shall be expressed in USD.

Non-Dealing NAV All Share Classes

The Directors may, at their discretion, make available, or may designate other persons to make available, on certain days, an indicative fund value for the Sub-Funds which is an estimate of the NAV per Share of the Shares of a Sub-Fund calculated using market data (the "Non-Dealing NAV"). The Non-Dealing NAV will be made available on any day during which the markets on which a Sub-Fund's investments are listed or traded are closed and as a result of which

countries that comprise a material proportion of the portfolio may not be traded. The Non-Dealing NAV will not be the basis for purchasing, switching, redeeming and/or transferring Shares.

Premiums and discounts between the the Non-Dealing NAV and the market price may occur and the Non-Dealing NAV should be viewed as a "real-time" update of the NAV per Share of the relevant Shares of a Sub-Fund, which is calculated only once a day on a Dealing Day. Neither the ICAV, the Management Company, nor the Investment Manager or any of their affiliates, nor any third party calculation agents involved in, or responsible for, the calculation or publication of the Non-Dealing NAV makes any warranty as to their accuracy.

6.2. Suspension of the Calculation of the NAV and Issue, Allocation, Conversion, Redemption and Repurchase of Shares

The Management Company, on behalf of the ICAV, may at any time declare a temporary suspension of the determination of the NAV of a Sub-Fund and the issue, repurchase and conversion of Shares and the payment of repurchase proceeds during:

any period when dealing in the units/shares of any collective investment scheme in which a Sub-Fund may be substantially invested are restricted or suspended; or

- any period when any of the principal markets on which a substantial portion of the investments of the relevant Sub-Fund from time to time are quoted, listed or dealt is closed, otherwise than for ordinary holidays, or during which dealings therein are restricted or suspended; or
- any period when, as a result of political, economic, military or monetary events or any circumstances outside the control, responsibility and power of the Directors, disposal or valuation of a substantial portion of the investments of the relevant Sub-Fund is not reasonably practicable without this being seriously detrimental to the interests of the Shareholders of the relevant Sub-Fund or if, in the opinion of the Directors, the NAV of the Sub-Fund cannot be fairly calculated or if it is not possible to transfer monies involved in the acquisition or disposition of Investments to or from the relevant account of the ICAV; or
- any breakdown in the means of communication normally employed in determining the price of a substantial portion of the investments of the relevant Sub-Fund or when for any other reason the current prices on any markets of any of the investments of the relevant Sub-Fund cannot be promptly and accurately ascertained; or
- any period during which any transfer of funds involved in the realisation or acquisition of investments of the relevant Sub-Fund cannot, in the opinion of the Directors, be effected at normal prices or rates of exchange; or
- any period when the whole or any part of any subscriptions cannot be transmitted to or from the account of the ICAV or when the ICAV is unable to repatriate funds required for the purpose of making payments due on the repurchase of Shares in the relevant Sub-Fund; or
- when any other reason makes it impracticable to determine the value of a meaningful portion of the Investments of the ICAV or any Sub-Fund; or
- if any Sub-Fund is established as a feeder fund in accordance with the Central Bank UCITS Regulations, where the calculation of the NAV of the relevant master fund into which the feeder fund feeds is suspended; or
- any period when the Directors consider it to be in the best interest of the relevant Sub-Fund; or
- any period following the circulation to Shareholders of a notice of a general meeting at which a resolution proposing to wind up the ICAV or terminate the relevant Sub-Fund is to be considered or prior to the merger of a Sub-Fund with another fund.
- Where possible, all reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

- Any such suspension shall take effect at such time as the Directors shall declare but not later than the close of business on the Business Day next following the declaration and thereafter there shall be no determination of the NAV of the relevant Sub-Fund and no issues, repurchases or conversion of Shares of the relevant Sub-Fund and no repurchase proceeds paid until the Directors shall declare the suspension at an end.
- The Directors may postpone any Dealing Day for a Sub-Fund to the next Business Day if in the opinion of the Directors, a substantial portion of the investments of the relevant Sub-Fund cannot be valued on an equitable basis and such difficulty is expected to be overcome within one Business Day.
- The determination of the NAV of a Sub-Fund shall also be suspended where such suspension is required by the Central Bank in accordance with the UCITS Regulations.
- Shareholders who have requested an issue or redemption of Shares of any Class or conversion or transfer of Shares of one Class to another will be notified of any such suspension in an appropriate manner as may be directed by the Directors and, unless withdrawn but subject to the limitations referred to above and in the relevant Supplement, their requests will be dealt with on the first relevant Dealing Day after the suspension is lifted. Any such suspension will be notified immediately on the same Business Day to the Central Bank and will be communicated without delay to the competent authorities in any country in which the Shares are marketed to the public.

Prevention of Market Timing and Other Shareholder Protection Mechanisms

The ICAV does not knowingly allow investments which are associated with market timing practices as such practices may adversely affect the interests of all Shareholders.

In general, market timing refers to the investment behaviour of an individual or company or a group of individuals or companies buying, selling or exchanging shares or other securities on the basis of predetermined market indicators by taking advantage of time differences and/or imperfections or deficiencies in the method of determination of the NAV. Market timers may also include individuals or groups of individuals whose securities transactions seem to follow a timing pattern or are characterised by frequent or large exchanges.

Accordingly, the Directors or the Management Company may, whenever they deem it appropriate and using their existing discretion take the following decisions or instruct the Administrator, as appropriate, to implement any or all, of the following measures:

- The ICAV may combine Shares which are under common ownership or control for the purposes of ascertaining whether an individual or a group of individuals can be deemed to be involved in market timing practices. Accordingly, the Directors and the Management Company reserve the right to instruct the Administrator to reject any application for converting and/or subscription of Shares from investors whom the former considers market timers.

- If a Sub-Fund is primarily invested in markets which are closed for business at the time the Sub-Fund is valued, the Directors or the Management Company may, during periods of market volatility, and in accordance with the provisions below instruct the Administrator to adjust the NAV per Share to reflect more accurately the fair value of the Sub-Fund's investments in accordance with section 6.1. entitled "Prices of Shares and Publication of Prices and NAV" or, in certain circumstances specified in section 6.2. "Suspension of the Calculation of the NAV and Issue, Allocation, Conversion, Redemption and Repurchase of Shares", to suspend the calculation of the NAV per Share and the issue, allocation, the redemption and the conversion of Shares relating to that Sub-Fund.

- If a Sub-Fund is primarily invested in markets that are closed or operate with substantially restricted or suspended dealings, the Directors or the Management Company may suspend the calculation of the NAV per Share and the issue allocation and the redemption and repurchase of Shares relating to that Sub-Fund (see section 6.2. entitled "Suspension of the Calculation of the NAV and Issue, Allocation, Conversion, Redemption and Repurchase of Shares").

- In addition to the fees listed elsewhere in this Prospectus, the Directors or the Management Company may impose a charge of up to 2.00% of the NAV of the Shares redeemed or exchanged where the Directors or the Management Company reasonably believe that an investor has engaged in market timing activity or active trading that is to the disadvantage of other Shareholders. The charge shall be credited to the relevant Sub-Fund.

Section 7. Fees, Charges and Expenses

7.1. Establishment Expenses

The cost of establishing the ICAV and the initial Sub-Fund(s) at the date of authorisation of the ICAV, obtaining authorisation from the Central Bank, filing fees, the preparation of this Prospectus and the fees of all professionals, including tax and legal advice, is estimated to be €150,000 and will be initially borne by the Management Company or Investment Manager, and then charged to the initial Sub-Fund(s) and amortized over the Term (as defined in the relevant Supplement).

The cost of establishing all other Sub-Funds, obtaining authorisation from the Central Bank, filing fees, the preparation of this Prospectus and the fees of all professionals, including tax and legal advice, incurred by the ICAV will be covered by the ongoing charge set out below.

7.2. Explanation of the Ongoing Charging Structure

Charges and expenses apply to Sub-Funds and Share Classes where appropriate, for their investment management, distribution and for the operating services required.

There are four types of charge:

1. Sales charge (as described under in section 4.2 "Sales Charge", above)
2. Ongoing charges
3. Costs of Investing in Units in Eligible CIS
4. Other charges

The ICAV may also charge redemption fees as set out in the relevant Supplement.

7.3. Ongoing Charges

Ongoing charges may be levied in respect of each Share Class.

The ongoing charges figure ("OCF") is defined as a percentage of the average net asset value of a Share Class over a specified year. The OCF is disclosed for each Share Class in the Key Investor Information Document which is available at https://www.assetmanagement.hsbc.co.uk/en/institutional-investor/funds

Ongoing charges consist of:

1. A management fee
2. Operating, administrative and servicing expenses
3. Operating Currency Hedged Share Class fee
4. Costs of investing in units in Eligible CIS
5. In payment of these fees, the ICAV will use the income arising. If the charges exceed the income of that Share Class the excess will be taken from the capital of that Share Class.

◆ Management Fee

The Management Company is entitled to receive an annual management fee from the ICAV calculated as a percentage of the NAV of each Sub-Fund or Share Class ("Management Fee"), except as otherwise provided hereinafter.

The Management Fee covers investment management, investment advisory and distribution services provided in relation to the relevant Sub-Fund by the Management Company, the relevant Investment Manager and the Distributors.

The Management Fee is accrued daily and payable monthly in arrears at the rates indicated in the relevant Supplement.

The maximum Management Fee that may be charged is as disclosed in the relevant Supplement. No Management Fee is charged for Class W Shares.

The Management Company is responsible for paying out of this fee, the fees of the relevant Investment Manager and the Distributors and may pay part of such fee to recognised intermediaries or such other person as the Management Company may determine, at its discretion.

For all Sub-Funds, in certain circumstances, the Management Company may instruct the ICAV to pay a portion of the Management Fee directly out of the assets of the ICAV to any of such service providers or identified persons. In such case, the Management Fee payable to the Management Company is reduced accordingly.

◆ Operating, Administrative and Servicing Expenses

The Management Company is entitled to receive a fee from the ICAV to cover certain operating, administrative and servicing expenses which are incurred throughout the lifetime of the ICAV, its Sub-Funds or Share Classes.

The Management Company is responsible for paying out of this fee, the fees and expenses payable to the Depositary, the Administrator or any other appointed entity.

The following list is indicative but not exhaustive of the types of services that the operating, administrative and services expenses cover:

- Management Company expenses
- Custody, depositary and safekeeping charges
- Transfer, registrar and payment agency fees
- Administration, domiciliary and fund accounting services
- Legal expenses for advice on behalf of the ICAV
- Audit fees
- Registration fees
- Listing fees (if applicable)
- Directors' fees
- Documentation costs – preparing, printing, translating and distributing documents including, but not limited to, the Prospectus, Supplements, Key Investor Information Documents, annual reports, semi-annual reports and other offering documents necessary under local regulations made available directly or through intermediaries to its Shareholders in markets in which the Sub-Funds are registered for sale in compliance with local regulations.
- Formation expenses for current and new Sub-Funds including initial registration fees may be amortised over a period not exceeding 5 years from the formation date of the Sub-Fund
- Costs associated with the collection, reporting and publication of data about the ICAV, its investments and Shareholders as required by laws and regulations from time to time
- Fees charged by third party vendors for publishing performance data
- Financial index licensing fees
- Any fees charged for Sub-Fund expense data analysis if specifically requested by the ICAV to be obtained from an independent third party
- Any industry association fees for the benefit of the ICAV.

The operating, administrative and servicing expenses for each Sub-Fund and/or Class are paid on the basis of actual expenses up to a maximum rate of the NAV per annum of the Share Class as specified in the relevant Supplement. The

ICAV has agreed with the Management Company that any actual operating, administrative and servicing expenses incurred by the Sub-Fund and/or Class exceeding that maximum rate (if any) will be borne by the Management Company, or its affiliates. Any surplus will be returned to the relevant Sub-Fund.

The expenses will be accrued daily and will be payable monthly in arrears. The accrual amount will be reviewed each quarter using the previous 12 months' expenses as an initial basis and amending when necessary.

The actual amount paid for operating, administrative and servicing expenses will be shown in the semi-annual and annual report of the ICAV.

No operating, administrative and servicing expenses will be charged to Class W Shares. All the fees and charges allocated to such Class of Shares will be paid directly by a member or an affiliated entity of the HSBC Group.

◆ Operating Currency Hedged Share Class Fee

The Management Company is also entitled to receive a fee from the ICAV to cover the execution of the share class currency hedging policy.

The Management Company pays the operating currency share class hedging fee to the Administrator or other parties appointed to execute the currency hedging policy for the Portfolio Currency Hedged Share Classes and Base Currency Hedged Share Classes as defined in the section "Currency Hedged Share Classes" in Section 1.7.

The operating share class currency hedging fee is payable in addition to the operating, administrative and servicing expenses mentioned in the section above.

◆ Other Charges

Other charges are the remaining charges incurred by the ICAV or the relevant Share Class/Sub-Fund. They are paid by the ICAV depending on the services rendered to the Share Class. Other charges are not included in the OCF in the Key Investor Information Documents or in the operating, administrative and servicing expenses.

Other charges consist of, but are not limited to, the following:

1. Duties, taxes and transaction costs associated with buying and selling the underlying assets of the ICAV
2. Brokerage fees and commissions[1]
3. Interest on borrowing and bank charges incurred in negotiating borrowing
4. Litigation expenses
5. Any extraordinary expenses or other unforeseen charges.

1. All transactions are executed in compliance with applicable regulatory requirements and in accordance with the best execution policy of the ICAV. Transactions may be executed by the Management Company, Investment Manager, or their connected persons. The Management Company, Investment Manger and their connected persons will not receive cash or other rebates from brokers or dealers but may enter into soft commission arrangements or commission sharing agreements for the provision of services which are of demonstrable benefit to the ICAV (e.g. research) as long as transactions generating such commission are made in good faith and in strict compliance with applicable laws and regulations.

7.4. Rebates

The Management Company may, in its sole discretion, enter into rebate arrangements with certain Shareholders which have the effect of reducing the management fee with respect to such Shareholders. The Management Company will ensure that any such rebate arrangements meet the requirements set out in UCITS Regulations. Further relevant information on rebate arrangements will be made available by the Management Company upon request. In addition, Shareholders should note that Distributors may enter into rebate arrangements with certain Shareholders independently of the Management Company in respect of their distribution fee.

7.5. Costs of Investing in Units in Eligible CIS

These are the costs associated with holding units or shares of Eligible CIS – including their ongoing charges and any one-off costs (e.g. subscription and/or redemption fees). The payment of these will be taken in accordance with the prospectus for each specific Eligible CIS.

If the ICAV invests in units or shares of Eligible CIS that are managed directly or indirectly by the Investment Manager itself or a company with which it is linked by way of common management or control or by way of a direct or indirect stake of more than 10% of the capital or votes, then there will be no duplication of management subscription or repurchase fees between the ICAV and the CIS scheme into which the ICAV invests.

Subject to the requirements of the Central Bank and this Prospectus, the ICAV may on behalf of a Sub-Fund acquire Shares in another Sub-Fund. Where the ICAV intends to do so, this will be disclosed in the relevant Supplement of the investing Sub-Fund. Cross investment in a Sub-Fund may not be made if that Sub-Fund holds Shares in another Sub-Fund. Where a Sub-Fund (the Investing Sub-Fund) invests in the shares of other Sub-Funds (each a Receiving Sub-Fund), the rate of the annual management fee which investors in the Investing Sub-Fund are charged in respect of that portion of the Investing Fund's assets invested in Receiving Funds (whether such fee is paid directly at Investing Sub-Fund level, indirectly at the level of the receiving Funds or a combination of both) shall not exceed the rate of the maximum annual management fee which investors in the Investing Sub-Fund may be charged in respect of the balance of the Investing Sub-Fund's assets, such that there shall be no double charging of the annual management fee to the Investing Sub-Fund as a result of its investments in the Receiving Sub-Fund. This provision is also applicable to the annual fee charged by the Investment Manager where the fee is paid directly out of the assets of the relevant Sub-Fund.

Where a commission (including a rebated commission) is received by the Investment Manager by virtue of an investment in the shares of another CIS, this commission must be paid into the assets of the relevant Sub-Fund.

The ICAV will indicate in its annual report the total management fees charged both to the relevant Sub-Fund and to the Eligible CIS in which such Sub-Fund has invested during the relevant period.

Section 8. Management and Administration

8.1. Directors

The Directors are responsible for managing the business affairs of the ICAV. The Directors have delegated (a) the administration of the ICAV's affairs, including responsibility for the preparation and maintenance of the ICAV's records and accounts and related fund accounting matters (including the calculation of the NAV per Share) and Shareholder registration and transfer agency services to the Administrator; and (b) the safe-keeping of the ICAV's assets to the Depositary. The Directors will also delegate responsibility for the investment management and disposal of the assets of the ICAV to the Investment Manager. In addition, the Directors may from time to time delegate the marketing, distribution and sale of Shares to a distributor or distributors. The Secretary of the ICAV is Goodbody Secretarial Limited.

The Directors are listed below with their principal occupations. The ICAV has granted indemnities to the Directors in respect of any loss or damages which they may suffer save where this results from the Directors' negligence, default, breach of duty or breach of trust in relation to the ICAV. The Instrument does not stipulate a retirement age for Directors and do not provide for retirement of Directors by rotation. The address of the Directors is the registered office of the ICAV.

Anthony Jeffs (United Kingdom) joined HSBC Global Asset Management in June 1990, initially working for the UK Private Client business and more latterly within the Institutional business. Mr. Jeffs previously held roles in Operations, Multimanager, and Change Management. Since July 2013, Mr. Jeffs has been Head of Product Platforms, which encompasses the design, development and implementation of change for HSBC Global Asset Management's key cross border products, as well as responsibility for the Alternative products following the realignment of HSBC Alternative Investment Ltd into HSBC Global Asset Management. In July 2020, Mr. Jeffs took on the broader role as Global Head of Product for HSBC Global Asset Management.

Eve Finn (Irish Resident) (Independent) is an independent non-executive director on various fund related companies with over 20 years executive experience in financial services. From 2017 to 2023, she was CEO, Executive Director and Ireland Country Head of LGIM Managers (Europe) Limited, LGIM's European fund management company based in Ireland. Ms. Finn was responsible for the overall leadership and management of LGIM's Irish office and EU companies and also served as a director on a number of LGIM's Irish and Luxembourg based UCITS funds and AIFs. Prior to that, she also held senior leadership roles in LGIM's Investment division in London, including as Head of Solutions and Head of LDI Portfolio Construction. Ms. Finn was a member of various committees across LGIM, including risk, audit and product committees. She also held positions as Trustee and Chair of the Investment Committee of both the Legal and General Group Pension Scheme and the Pension Fund.Ms. Finn also had roles in Deutsche Bank and Watson Wyatt LLP (now Willis Towers Watson) in the UK. She has a first-class honours degree in Financial & Actuarial Mathematics from Dublin City University and is a Fellow of the Institute of Actuaries in the UK. During her executive career, Ms. Finn also served on the Irish Funds Council and was a former member of the IFSC Funds Group, a joint government/industry group to advise the government of investment fund related matters. She is also a director of basis.point which is the Irish investment fund industry charity focused on improving opportunities for those who face educational disadvantage.

Feargal Dempsey (Irish Resident) (Independent) is a provider of independent consulting and directorship services with over 20 years' experience in financial services. He serves on the boards of several investment funds and management companies. Mr. Dempsey has held senior positions at Barclays Global Investors/BlackRock including Head of Product Governance, Head of Product Strategy iShares EMEA and Head of Product Structuring EMEA. Previously he has also served as Group Legal Counsel, Eagle Star Life Ireland (now Zurich Financial Services), Head of Legal to ETF Securities and as a senior lawyer in Pioneer Amundi.

Mr. Dempsey holds a BA(Hons) and an LLB(Hons) from University College Galway and a Diploma in Financial Services Law from University College Dublin. He was admitted to the Roll of Solicitors in Ireland in 1996 and to the

England and Wales Law Society in 2005. He has served on the Legal and Regulatory committee of Irish Funds and the ETF Working Group at the European Fund Asset Management Association.

Peter Blessing (Irish Resident) (Independent) is a Chartered Accountant and is also a director of and consultant to a number of International Financial Services Centre ("IFSC") companies. Mr. Blessing has been involved in the IFSC since its commencement in 1987. Mr. Blessing was Managing Director of Credit Lyonnais Financial Services Limited, Dublin ("CLYFS") since its establishment in 1991 until 1995. Before joining CLYFS, Mr. Blessing worked with Allied Irish Banks, p.l.c. as director of its IFSC subsidiary from 1988 to 1991 and as a senior executive in its Corporate Finance division from 1982 to 1988. Mr. Blessing was a director and shareholder of Corporate Finance Ireland, a leading corporate finance and real estate advisory boutique from 1995 until its sale in 2016. He has extensive experience of investment banking, funds management and corporate governance.

Suzanne Williams (Chairperson) (British) is the Global Head of Product Development within HSBC Asset Management. Based in London she has worked in financial services since 1999 and has held various senior positions in Asset Management. In addition to managing the team globally, Ms. Williams is responsible for HSBC AM's Global product range across active and passive strategies and is active in Sustainability across HSBC Asset Management. She serves as a Director for HSBC's Real Economy Global Investment Opportunity Fund. Prior to joining HSBC, she was the Global Head of Product Structuring (Managing Director) for BNY Mellon with responsibility for developing investor solutions across long only and Alternatives out of the U.K, Ireland and Luxembourg. Ms. Williams has held positions as Head of product, iShares solutions at Blackrock/Barclays Global Investors with responsibility for developing ETFs in Europe and building relationships with index & service providers. She holds a Bachelor of Science (Honors) from the University of Glasgow and is passionate in improving the lives of others, mentoring for children in care and volunteering with a London based homeless shelter.

8.2. Directors' Interests

Provided that the nature and extent of his interest shall be disclosed as set out below, no Director or intending Director shall be disqualified by his office from contracting with the ICAV nor shall any such contract or any contract or arrangement entered into by or on behalf of any other company in which any Director shall be in any way interested be avoided nor shall any Director so contracting or being so interested be liable to account to the ICAV for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.

The nature of a Director's interest must be declared by him at the meeting of the Directors at which the question of entering into the contract or arrangement is first taken into consideration, or if the Director was not at the date of that meeting interested in the proposed contract or arrangement at the next meeting of the Directors held after he became so interested, and in a case where the Director becomes interested in a contract or arrangement after it is made, at the first meeting of the Directors held after he becomes so interested.

A Director shall not vote at a meeting of the Directors or of any committee established by the Directors on any resolution concerning a matter in which he has, directly or indirectly, an interest which is material (other than an interest arising by virtue of his interest in Shares) or otherwise in or through the ICAV or a duty which conflicts or may conflict with the interests of the ICAV. A Director shall not be counted in the quorum present at a meeting in relation to any such resolution on which he is not entitled to vote.

8.3. Management Company and Global Distributor

The Directors are responsible for the overall investment policy, objectives and management of the ICAV and the Sub-Funds.

The Directors have appointed HSBC Investment Funds (Luxembourg) S.A. as management company under the Management Agreement to be responsible on a day-to-day basis under the supervision of the Directors, for providing administration, marketing, investment management and advice services in respect of all sub-funds. The Management Company has delegated the administration functions, registrar and transfer agency functions to the Administrator.

Under the Management Agreement, the Management Company has been appointed as global distributor with responsibility for distribution of shares in the ICAV and is authorised to appoint affiliate companies of the HSBC Group as Distributors which may, subject to their terms of appointment, appoint sub-distributors. Distributors and sub-distributors are entitled to receive sales charges applied at their discretion and conversion charges on all Shares they handle. Such Distributors and sub-distributors may reallocate such charges at their absolute discretion.

The Management Company was incorporated on 26 September 1988 as a société anonyme under the laws of the Grand Duchy of Luxembourg and is registered with the register of commerce and companies under the number B28 888. Its articles of incorporation are deposited with the register of commerce and companies. The Management Company is authorised by the CSSF as a management company subject to Chapter 15 of the Luxembourg Law. The share capital of the Management Company is GBP 1,675,000.00 and will be increased to comply at all times with article 102 of the 2010 Law. The Management Company is a wholly owned subsidiary of HSBC Global Asset Management (UK) Limited.

The secretary of the Management Company is HSBC Continental Europe, Luxembourg Branch. Further details on the directors of the Management Company are set out below.

Timothy Caverly (American) is a non–executive independent director based in Luxembourg. He currently serves as a board member for Luxembourg investment management and fund entities including INVESCO and HSBC. Mr. Caverly retired from State Street Corporation as an Executive Vice President in November 2013. During his thirty-year career at State Street Corporation, he held several senior management positions both in Europe and in the United States. At State Street, he led the Global Services business in Continental Europe as well as EMEA Offshore (Luxembourg, Ireland, Channel Islands). He also was responsible for State Street's Global Services business development and relationship management activities across Europe, the Middle East and Africa. He served as Chairman of the Boards of Directors of State Street Bank Luxembourg and State Street Banque France. In addition he was a member of the Board of Directors of State Street Ireland, State Street Poland and State Street Channel Islands. While in Luxembourg Mr. Caverly has served on the Executive Committee and as member of the Board of Directors of the Luxembourg Banker's Association (ABBL) and as President of the American Banker's Club, Mr. Caverly also chaired State Street's company-wide United Way Charity Campaign. He is a graduate of Colgate University (Bachelors of Arts) and Thunderbird School of Global Management (Masters in International Management).

Cecilia Lazzari (Italian) is a Conducting Officer and Chief Risk Officer for HSBC Investment Funds (Luxembourg) S.A. since December 2013. Ms. Lazzari completed her university studies at the University of Buenos Aires, Argentina and graduated as an Economist. Ms. Lazzari is a Certified International Investment Analyst (CIIA) and Certified European Financial Analyst (CEFA). Prior to joining the Management Company, Ms. Lazzari was a Conducting Officer and held senior Risk Management roles for MDO Management Company SA, an independent management company offering services to asset management clients. Ms. Lazzari has also worked within financial services in Argentina for private companies.. Ms. Lazzari is a member of the Luxembourg local management committee of the Management Company.

Richard Long (British) is Head of Global Funds Operations for HSBC Investment Funds (Luxembourg) S.A. Mr. Long joined HSBC in 1986. Mr. Long moved into Asset Management in 1991 to look after unit trust administration and worked in Luxembourg between 1999 and 2002 as senior product manager for the Luxembourg funds. Mr. Long returned to London to look after the global funds operations for the HSBC funds domiciled in Dublin and Luxembourg, before relocating to Luxembourg in October 2011 to head up the Management Company. In September 2018, Mr. Long took on additional responsibility for the day to day fund operations for the UK OEIC ranges and the Dublin domiciled fund ranges promoted by HSBC Asset Management. Mr. Long is a Director of HSBC Investment Funds (Luxembourg) S.A. and is a member of the HSBC Luxembourg Country Executive Committee.

Natasha Cork (British) is Chief Risk and Compliance Officer for HSBC Asset Management, located in London. Natasha has over 25 years of experience in financial services and joined HSBC Asset Management in 2001 where she has held various roles in the Compliance team. In May 2023 Natasha was appointed the Chief Risk and Compliance

Officer for Asset Management with responsibility for Risk and Compliance globally. Natasha is a Director of HSBC Investment Funds (Luxembourg) and holds a BA Hons in Philosophy from Bristol University.

Edmund Stokes (British) is Global Chief Operating Officer and is based in the UK. Prior to taking on his current role, Mr Stokes was Global Head of Product and prior to that Chief Operating Officer of HSBC Asset Management Asia Pacific. Mr Stokes has extensive experience in asset management and capital markets having joined HSBC in 1993, initially in Global Banking & Markets. He has undertaken a variety of Client Management, Business Development, Structuring and Management roles in the UK, Hong Kong and Germany. Having studied Business at Sheffield Polytechnic and Japanese at Durham University, Mr Stokes qualified as an Associate of both the Chartered Institute of Bankers and the Association of Corporate Treasurers..

Susanne Van Dootingh (Dutch) is an independent director and member of the Board since November 2017. Ms. van Dootingh was at State Street Global Advisors from 2002 to 2017 with her final position being as Senior Managing Director, Head of European Governance and Regulatory Strategy, EMEA. In addition she was the Chair of the SSGA Sicav and Management Company and has been a member of various ESMA consultative working groups since 2013. Prior to this she held positions within State Street Global Investors as the Global Head of Institutional Product Development and Research, Head of European Product Development and Management, EMEA, Head of Fixed Income Product Engineering, EMEA and Senior Fixed Income Strategist and Product Engineer. Before 2002, Ms. van Dootingh worked at Fortis Investment Management as Senior Product Manager, European Fixed Income, at Barclays Global Investors as Product Manager, Fixed Income, and at ABN AMRO Asset Management as Portfolio Manager Global Fixed Income. She graduated from Vrije Universiteit Amsterdam with a Master's in Business Administration. Ms. van Dootingh is currently a Director of several Sicav boards in Luxembourg.

The Management Agreement covers the appointment of the Management Company, the standard of care to be applied by the Management Company and the control and supervision of the Management Company.

The Management Agreement details the representations that need to be made by the ICAV and the Management Company. In conjunction with this, the Management Agreement defines the duties and powers of the Management Company together with its responsibilities.

The Management Agreement also details activities related to the delegation of activities by the Management Company concerning the operational aspects and defines such matters as 'proper instructions. Liability of the parties is included in the Management Agreement which stipulates limits based on the impact to the Sub-Funds. A clause covering 'force majeure' is included together with matters related to Conflicts of Interest. The Management Agreement also details obligations around anti-bribery and corruption, the remuneration of the Management Company by the ICAV and the duration and termination details (notice will be not less than three months prior written notice of either party).

The Management Agreement also makes reference to obligations linked to confidentiality and data protection. The Management Agreement also includes obligations in respect of notices, severability, waivers, assignments and amendments, in addition to governing law and jurisdiction.

The Management Company is a member of the HSBC Group, which serves customers worldwide in over 70 countries and territories in Asia, Europe, North and Latin America, and the Middle East and North Africa.

The Management Company shall ensure compliance of the ICAV with the investment instructions and oversee the implementation of the ICAV'sinvestment strategies and investment policies. The Management Company shall send reports to the Directors on a quarterly basis on any non-compliance of the ICAV with the investment restrictions.

The Management Company will receive periodic reports from each Investment Manager detailing the relevant Sub-Funds' performance and analysing their investments. The Management Company will receive similar reports from the other services providers in relation to the services which they provide.

8.4. Investment Manager

Details of the relevant Investment Manager appointed to a Sub-Fund will be disclosed in the relevant Supplement.

Each Investment Manager, in accordance with the investment objectives, policies and investment and borrowing restrictions of the ICAV makes and implements asset management and portfolio selection recommendations in connection with the investment and reinvestment of the assets of the relevant Sub-Funds of the ICAV.Each Investment Manager is part of the group of legal entities that form HSBC Asset Management, the asset management arm of the HSBC Group. Although comprised of different legal entities around the world, HSBC Asset Management is run as a coordinated business across locations, with a globally consistent investment platform. HSBC Asset Management is a major global investment firm managing assets totalling USD 617 billion at the end of December 2023.

Under each Investment Management Agreement, the Investment Manager and the Management Company will be liable to each other in the case of negligence or wilful misconduct. Each Investment Management Agreement also includes an indemnity from the Investment Manager to the ICAV and/or the Management Company from and against all costs, expenses, losses, damages, liabilities, demands, charges, penalties, actions, claims, judgements or measures imposed by the courts, that may be sustained, caused to or incurred that result from the non-performance by the Investment Manager of any of its duties and obligations.

Under each Investment Management Agreement, in the performance of the Investment Manager's duties with respect to the selection of investments and in the exercise of the powers, discretions, privileges and duties granted under the Investment Management Agreement, the Investment Manager is entitled to delegate all or any of its functions. Subject to the approval of the Management Company, the Investment Manager may only delegate to an affiliate. The Investment Manager will pay the fees of any such delegate out of the fees it receives and will disclose the identity of any delegate to Shareholders upon request and provide details in the periodic reports. Each Investment Manager remains responsible for any acts or omissions of any such delegate.

Each Investment Management Agreement shall continue in force until terminated by either party upon three months prior written notice to the other party thereto or immediately by written notice from either party thereto to the other party if the other party goes into liquidation (save for the voluntary liquidation of a solvent company for the purposes of amalgamation or reconstruction) or if either party shall otherwise become insolvent or make any composition or arrangement with creditors or in the event of the appointment of a receiver over any of the assets of either party or if an examiner is appointed to either party or if either party shall otherwise cease or threaten to cease to carry on business. The Management Company may also terminate each Investment Management Agreement with immediate effect if it is of the reasonable view and states so in writing that a change of the Investment Manager is in the interests of the Shareholders in a Sub-Fund.

8.5. Administrator

The Management Company has appointed HSBC Securities Services (Ireland) DAC as the administrator, registrar and transfer agent of the ICAV under the Administration Agreement. Under the terms of the Administration Agreement the Administrator is responsible for providing registrar and transfer agent services, performing the day-to-day administration of the ICAV; for providing fund accounting for the ICAV, including the calculation of the NAV of the ICAV and the Shares.

The Administrator was incorporated as a private limited company incorporated under the laws of Ireland on 29 November 1991 and is engaged in the business of providing administration and accounting services to collective investment schemes. The Administrator is an indirect wholly owned subsidiary of HSBC, a public limited company incorporated in England and Wales.

The appointment of the Administrator may be terminated without cause by not less than ninety days' notice in writing.

The Administrator shall notbe liable to the Management Company, the ICAV, the Investment Manager or to any Shareholder for any act or omission in the course of or in connection with the services rendered by it under the Administration Agreement. The Management Company, out of the assets of the relevant Sub-Fund, has agreed to indemnify the Administrator and its affiliates or third party delegates, and in each case their respective directors and employees (each an "Indemnified Party") from and against any and all direct losses to which each Indemnified Party may be or become subject or which may be incurred by the Indemnified Parties in their discharge of the services or

obligations/duties under the Administration Agreement, (including all losses incurred in disputing or defending any of the foregoing)(other than those resulting from fraud, negligence or wilful default on the part of the Administrator and its directors, officers, employees and delegated affiliates which may be imposed on, incurred by or asserted against the Administrator in performing its obligations or duties under the Administration Agreement

The Administrator shall be entitled to rely on pricing information in relation to specified investments held by the ICAV which is provided by price sources set out in the ICAV's pricing policy, in the Administration Agreement, this Prospectus and/or the Instrument or, in the absence of any such price sources, any price sources on which the Administrator may choose to reasonably rely (where applicable).

The Administrator will use reasonable endeavours to independently verify the price of any such assets or liabilities of the ICAV using its network of automated pricing services, brokers, market makers, intermediaries or using other pricing sources or pricing models provided by any person.

The Administrator in no way acts as guarantor or offeror of the ICAV's Shares or any underlying investment. The Administrator is a service provider to the Management Company on behalf of the ICAV and has no responsibility or authority to make investment decisions, or render investment advice, with respect to the assets of the ICAV. The Administrator is not responsible for, and accepts no responsibility or liability for any losses suffered by the ICAV or any investors in the ICAV as a result of any failure by the Management Company, the ICAV or the Investment Manager to adhere to the investment objectives, policies, investment restrictions, borrowing restrictions or operating guidelines of the ICAV.

The Administrator shall not be liable or otherwise responsible for any loss suffered by any person by reason of: (i) any act or failure to act by any third party service provider to the Administrator used in connection with the services to be provided under the Administration Agreement (ii) any inaccuracy, error or delay in information provided to the Administrator by or on behalf of the Management Company or Investment Manager or the ICAV (including any broker, market maker or intermediary), and (iii) actions or omissions which are reasonably taken by the Administrator or any affiliate related to taxes.

Under the terms of the Administration Agreement, the Administrator is able to delegate certain of its functions and duties to the Administrator's affiliates.

The Administrator is a service provider to the Management Company on behalf of the ICAV and is not responsible for the preparation of this Prospectus and therefore accepts no responsibility for any information contained in this Prospectus.

8.6. Depositary

The ICAV has appointed HSBC Continental Europe as the depositary responsible for providing depositary services to the ICAV for the purposes of and in compliance with the UCITS Regulations pursuant to the Depositary Agreement.

The Depositary is the Dublin branch of HSBC Continental Europe, a société anonyme incorporated in France under French law and having its registered office at 38 Avenue Kléber, 75116 Paris, France. The Depositary is an indirect wholly owned subsidiary of HSBC, a public limited company incorporated in England and Wales. When providing services to the ICAV the Depositary is subject to the supervision of the Central Bank.

Duties of the Depositary

The Depositary's key duties include the following:

a. safekeeping the assets of the relevant Sub-Funds which includes (i) holding in custody all financial instruments that may be held in custody in accordance with Regulations 34(4)(a) of the UCITS Regulations; and (ii) verifying the ownership of other assets and maintaining records accordingly, in each case in accordance with Regulation 34(4)(b) of the UCITS Regulations;

b. ensuring that the relevant Sub-Fund's cash flows are properly monitored and in particular that all payments made by or on behalf of applicants upon the subscription to shares of the Sub-Funds have

been received and that all cash of the relevant Sub-Fund has been booked in cash accounts that are in accordance with Regulation 34(3) of the UCITS Regulations;

c. ensuring that the sale, issue, redemption, repurchase and cancellation of Shares is carried out in accordance with the UCITS Regulations and the Instrument and that the valuation of the shares of the Sub-Funds are calculated in accordance with the UCITS Regulations and the Instrument;

d. carrying out the instructions of the ICAV and/or the Management Company unless they conflict with the UCITS Regulations or the Instrument;

e. ensuring that in transactions involving the relevant Fund's assets any consideration is remitted to the ICAV within the usual time limits;

f. ensuring that the ICAV's income is applied in accordance with the UCITS Regulations and the Instrument;

g. enquiring into the conduct of the ICAV in each accounting period and report thereon to the Shareholders.

The Depositary's report shall state whether in the Depositary's opinion the ICAV has been managed in that period:

(1) in accordance with the limitations imposed on the borrowing powers of the ICAV and the Depositary by the Instrument and by the Central Bank under the powers granted to the Central Bank by the UCITS Regulations; and

(2) otherwise in accordance with the provisions of the Instrument and the UCITS Regulations

If the ICAV has not been managed in accordance with (1) or (2) above, the Depositary must state why this is the case and outline the steps which the Depositary has taken to rectify the situation.

Delegation of Functions and Liability

The Depositary may delegate its safekeeping functions subject to the terms of the Depositary Agreement.

The Depositary may delegate its safekeeping functions to one or more delegates in accordance with, and subject to the UCITS Regulations and on the terms set out in the Depositary Agreement. The performance of the safekeeping function of the Depositary in respect of certain of the ICAV's assets has been delegated to the delegates and sub-delegates listed in Appendix 4. An up to date list of any such delegate(s) or sub-delegates is available from the ICAV and/or Management Company upon request. The Depositary will have certain tax information-gathering, reporting and withholding obligations relating to payments arising in respect of assets held by the Depositary or a delegate on its behalf.

Subject to the paragraph below, and pursuant to the Depositary Agreement, the Depositary will be liable to the ICAV and its Shareholders for the loss of a financial instrument of the ICAV which is entrusted to the Depositary for safekeeping. The Depositary shall also be liable for all other losses suffered by the ICAV as a result of its negligence or intentional failure to properly fulfil its obligations under the UCITS Regulations.

The liability of the Depositary will not be affected by the fact that it has delegated safekeeping to a third party.

The Depositary shall not be liable for the loss of a financial instrument held in custody by the Depositary where the loss of the financial instrument arises as a result of an external event beyond the reasonable control of the Depositary, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. The Depositary shall not be liable for any indirect, special or consequential loss.

The ICAV and the Management Company, out of the assets of the relevant Sub-Fund, shall indemnify the Depositary, every delegate and their respective officers, agents and employees (**"Indemnified Persons"**) on an after-tax basis in respect of any and all Liabilities (as defined below) (but excluding losses of goodwill, reputation, business opportunity, anticipated saving, in each case, whether direct or indirect, special, punitive or consequential losses or indirect losses,

whether or not the ICAV has been advised of the possibility of such Liabilities) brought against, suffered or incurred by that Indemnified Person as a result of or in connection with:

i. the appointment of the Depositary under the Depositary Agreement or the performance by the Depositary of the services set out in the Depositary Agreement;

ii. any breach by the Management Company or ICAV of Applicable Law (as defined below), the Constitutional Documents (as defined below), the Depositary Agreement, this Prospectus or fraud, negligence or wilful default of the ICAV or the Management Company to disclose to the Shareholders any information required by the Depositary Agreement or the UCITS Regulations, or to provide to the Depositary with any information required by the Depositary in order to provide the services listed in the Depositary Agreement;

iii. any Identified Custody Risk or any Identified Segregation Risk (as defined below);

iv. the registration of Financial Instruments and Other Assets in the name of the Depositary or any delegate or Settlement System (as defined below);

v. any breach of or default under any of the representations, warranties, covenants, undertakings or agreements made by the Depositary, a delegate or sub-delegate of a delegate (or a nominee of the Depositary, a delegate or sub-delegate of a delegate) on behalf of the ICAV in connection with any subscription agreements, application forms, Shareholder questionnaires, purchase agreements, related documentation or similar materials relating to the ICAV's investment in any collective investment scheme, managed account, investment company or similar pooled investment vehicle on behalf of the ICAV,

provided that such indemnity shall not apply to any Liabilities arising out of the negligence, fraud or wilful default of the Indemnified Person or to the extent that such indemnity would require the ICAV and the Management Company, out of the assets of the relevant Sub-Fund, to indemnify the Depositary for any loss for which the Depositary is liable to the ICAV under the UCITS Regulations.

The Depositary's liability to the Shareholders of the ICAV may be invoked directly or indirectly though the ICAV provided this does not lead to duplication of redress or to unequal treatment of Shareholders.

Applicable Law means the Regulations and such other applicable law, legislation, or requirement or guidance of any fiscal or Regulatory Authority from time to time applicable to each Party in relation to this Agreement;

Cash means any cash whether representing capital, distributions or Income in any currency (whether arising out of or in connection with the Scheme Property or otherwise) received or collected (and not disbursed) and held for the ICAV and/or a sub-fund of the ICAV, as applicable by the Depositary under this Agreement or a Third Party Bank;

Central Bank UCITS Regulations means the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 as may be amended, supplemented, consolidated or otherwise modified from time to time;

Constitutional Documents means the current instrument of incorporation of the ICAV (as amended from time to time) in accordance with requirements of the Central Bank and all applicable supplemental or ancillary documentation relating to the constitution or operation of the ICAV and any Sub-Fund of the ICAV;

Delegate means any person to whom the Depositary has delegated any of its services pursuant to the Depositary Agreement including any custodian or nominee, but excluding any:

a. Settlement System;

b. Third Party Bank;

c. broker or financial institution selected by the Depositary to effect any transaction for the ICAV;

d. transfer agent or service provider to any fund or similar structure in which the ICAV proposes to acquire units, shares or any other interest; or

e. an Order Routing System.

Financial Instrument means a financial instrument as specified in Section C of Annex I to Directive 2014/65/EC (as amended or replaced from time to time);

Identified Custody Risk means a case where the Depositary considers that any Financial Instrument it holds, or has been asked to hold for the ICAV is exposed to a risk of loss in respect of which the Depositary has no reasonable control;

Identified Segregation Risk means a case where the applicable insolvency law and case law no longer recognise the segregation of the ICAV's assets in the event of the insolvency of the Delegate and/or no longer ensure that the assets of the ICAV do not form part of the Delegate's estate in the case of insolvency and are unavailable for distribution among or realisation for the benefit of creditors of the Delegate

Liabilities means any losses, damages, costs, charges, claims, demands, expenses, judgments, actions, proceedings or other liabilities whatsoever (including in respect of taxes, duties, levies, imposts and other charges) and including any value added tax or similar tax charged or chargeable in respect thereof and legal fees and expenses on a full indemnity basis;

Order Routing System means any electronic order forwarding system (including Vestima);

Other Assets means any assets which are not Financial Instruments held in custody by the Depositary or Cash in any currency and which may include OTC derivatives, shares in private companies, and/or other assets, as agreed by the parties to the Depositary Agreement from time to time and which are eligible assets for UCITS;

Regulations means the UCITS Regulations, the Central Bank UCITS Regulations and such other rules made by the Central Bank, as applicable, as amended, added to or replaced from time to time;

Regulatory Authority means the Central Bank and any other regulatory authority, including without limitation any US regulatory authority, having jurisdiction with respect to the parties to the Depositary Agreement;

Scheme Property means any assets of any kind from time to time including Cash held by or for the ICAV or the relevant sub-fund of the ICAV and entrusted to the Depositary for safekeeping;

Settlement System means any market clearance facility, settlement system, dematerialised book entry system (including the CREST system), centralised custodial depositary or similar reputable facility, system or depositary;

Third Party Bank means any bank other than a bank within the HSBC Group with whom a Third Party Cash Account is opened;

Third Party Cash Account means one or more cash accounts (which may be maintained in a jurisdiction other than Ireland) in the name of the ICAV or a sub-fund of the ICAV, or in the name of the Depositary on behalf of the ICAV or a sub-fund of the ICAV or in the name of the Management Company on behalf of the ICAV or a Sub-Fund of the ICAV in the books of a Third Party Bank recording cash held by such bank for the ICAV and/or a sub-fund of the ICAV; and

UCITS Regulations means the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (SI 352 of 2011) (as amended by European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2016 (SI 143 of 2016)), as amended, added to or replaced from time to time.

Termination Provisions

The appointment of the Depositary under the Depositary Agreement may be terminated without cause by not less than ninety (90) days written notice provided that the Depositary Agreement does not terminate until a replacement Depositary has been appointed.

Conflicts of Interest

From time to time actual or potential conflicts of interest may arise between the Depositary and its delegates, for example, and without prejudice to the generality of the foregoing, where an appointed delegate is an affiliated group company and is providing a product or service to the ICAV and has a financial or business interest in such product or

service, or receives remuneration for other related products or services it provides to the ICAV. The Depositary maintains a conflict of interest policy to address this.

Actual or potential conflicts of interest may arise between the ICAV, the Shareholders, the Management Company or the Investment Manager on the one hand and the Depositary on the other hand. The Management Company, the Investment Manager and the Depositary are part of HSBC, which is a multi-service banking group, providing its clients all forms of banking and investment services. As a result, there may be conflicts of interest between the various activities of these companies and their duties and obligations to the ICAV. For example, such actual or potential conflict of interest may arise because the Depositary is part of a legal entity or is related to a legal entity which provides other products or services to the ICAV. The Depositary may have a financial or business interest in the provision of such products or services, or may receive remuneration for related products or services provided to the ICAV, or may have other clients whose interests may conflict with those of the ICAV, the Shareholders, the Management Company or the Investment Manager.

The Depositary and any of its affiliates may effect, and make a profit from, transactions in which the Depositary (or its affiliates, or another client of the Depositary or its affiliates) has (directly or indirectly) a material interest or a relationship of any description and which involves or may involve a potential conflict of interest with the Depositary's duty to the ICAV. This includes for example circumstances in which the same entity to which the Depositary or any of its affiliates or connected persons belong, acts as Administrator of the ICAV; provides stock lending services and foreign exchange facilities to the ICAV and/or a Sub-Fund and/or to other funds or companies; acts as banker, derivatives counterparty of the ICAV and/or a Sub-Fund; acts in the same transaction as agent for more than one client; or earns profits from or has a financial or business interest in any of these activities.

Where a conflict or potential conflict of interest arises, the Depositary will have regard to its obligations to the ICAV and will treat the ICAV and the other funds for which it acts fairly and such that, so far as is practicable, any transactions are effected on terms which are not materially less favourable to the ICAV than if the conflict or potential conflict had not existed.

The Depositary in no way acts as guarantor or offeror of the ICAV's shares or any underlying investment. The Depositary is a service provider to the ICAV and has no responsibility or authority to make investment decisions, or render investment advice, with respect to the assets of the ICAV. Save as required by the UCITS Regulations, the Depositary is not responsible for, and accepts no responsibility or liability for, any losses suffered by the ICAV or any Shareholders in the ICAV, as a result of any failure by the ICAV, the Management Company or the Investment Manager to adhere to the ICAV's investment objectives, policy, investment restrictions, borrowing restrictions or operating guidelines.

The Depositary is a service provider to the ICAV and is not responsible for the preparation of this Prospectus and therefore accepts no responsibility for any information contained, or incorporated by reference, in this Prospectus.

Miscellaneous

Up to date information regarding the name of the Depositary, a description of its duties, any conflicts of interest and delegations of its safekeeping functions will be made available to Shareholders upon request and free of charge at the registered office of the Depositary.

8.7. Secretary of the ICAV

The Secretary of the ICAV is Goodbody Secretarial Limited ("**GSL**"). GSL provides a range of services such as preparing board resolutions relating to changes in directors, transfers of shares etc. and preparing the requisite statutory forms for filing to the Central Bank. GSL also monitor any change in the Act which impact on the services they provide on behalf of the ICAV and are the registered office for the ICAV.

8.8. Auditors

KPMG has been appointed auditors to the ICAV.

8.9. Local Agents

Shareholders should note that local laws/regulations in the EEA member states may require the appointment of a Local Agent and maintenance of accounts by such Local Agents through which subscription and redemption monies or dividends may be paid. Shareholders who choose or are obliged to under local regulations to pay or receive subscription or redemption monies or dividends via an intermediate entity rather than directly to the Administrator (e.g. a Local Agent in a local jurisdiction) bear a credit risk against the intermediate entity with respect to (a) subscription monies prior to the transmission of such monies to the Administrator for the account of the relevant Sub-Fund and (b) redemption monies payable by such intermediate entity to the relevant Shareholder. Fees and expenses of the Local Agents appointed by the ICAV which will be at normal commercial rates will be borne by the ICAV in respect of which a Local Agent has been appointed. All Shareholders of the relevant Sub-Fund on whose behalf a Local Agent is appointed may avail of the services provided by Local Agents appointed by or on behalf of the ICAV.

8.10. Remuneration Policy

The Management Company has established a remuneration policy for those categories of staff, including senior management, risk takers, control functions, and any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, whose professional activities have a material impact on the risk profiles of the Management Company or the ICAV.

The main features of the remuneration policy are as follows:

- It is compliant with and promotes a sound and effective risk management and does not encourage risk-taking which is inconsistent with the risk profiles of the ICAV or the Instrument and which does not interfere with the obligation of the Management Company to act in the best interests of the ICAV. It takes into account the business strategy, objectives, values and interests of the Management Company, the ICAV and its Shareholders, and includes measures to avoid conflicts of interest.
- It ensures that fixed and variable components of the total remuneration are appropriately balanced and the fixed component represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy on variable remuneration components, including the possibility to pay no variable remuneration component.
- It provides for remuneration decisions to be based on a combination of business results and performance against objectives and is consistent with a medium to long-term strategy, Shareholders' interests and adherence to HSBC values. A portion of the variable component of the total remuneration may be paid using deferred shares depending on the total level of remuneration. The deferral period for these shares is currently three years with 50% of the deferred shares being vested after two years and the remaining 50% vesting at the end of the three-year deferral period. The deferred shares are awarded subject to a 'clawback' clause and all or part can be recovered under certain circumstances, including where the bonus is found to be based on the use of fraudulent data.

The up-to-date remuneration policy of the Management Company, including, but not limited to, a description of how remuneration and benefits are determined, the governance arrangements for determining remuneration and benefits are available on the website www.global.assetmanagement.hsbc.com/about-usl/our-governance. A paper copy is available free of charge upon request at the Management Company's registered office.

8.11. Meetings and Reports

All general meetings of the ICAV will be held in Ireland with notice given in accordance with the provisions of the Instrument. The notice will specify the venue and time of the meeting and the business to be transacted at the meeting. A proxy may attend on behalf of any Shareholder. The requirements for quorum and majorities at all general meetings are set out in the Instrument.

Under Irish law an Ordinary Resolution is a resolution passed by a simple majority of votes cast and a special resolution is a resolution passed by a majority of 75% or more of the votes cast. No alteration shall be made to the Instrument without the prior approval of the Central Bank and, in the case of an alteration other than to change the name of the ICAV, unless the alteration has been approved by Ordinary Resolution or written resolution of Shareholders of the ICAV or the Depository has certified in writing that the alteration does not prejudice the interests of the Shareholders and does not relate to any such matter as may be specified by the Central Bank as one in the case of which an alteration may be made only if approved by Shareholders of the ICAV.

The Directors have elected to dispense with the holding of an annual general meeting of Shareholders in accordance with Section 89 of the Act. Notwithstanding this, one or more members of the ICAV holding, or together holding, not less than 10% of the voting rights in the ICAV, or the auditor of the ICAV, may require the ICAV to hold an annual general meeting in a year by giving notice in writing to the ICAV in the previous year or at least one month before the end of that year and the required meeting shall be held.

The ICAV's accounting period will end on 31 December in each year. The Directors will publish an annual report and audited annual accounts for the ICAV within four months of the end of the financial period to which they relate. The first audited accounts will be for the period to 31 December 2024. The unaudited half-yearly reports of the ICAV will be made up to 30 June in each year. The unaudited half yearly reports will be published within two months of the end of the half year period to which they relate. The first half-yearly report will be published within two months of 30 June 2025. The annual report and the half-yearly report will be sent to Shareholders by electronic mail or other electronic means of communication, although Shareholders and prospective investors may also, upon request, receive hard copy reports by mail. The latest annual report and half-yearly report will also be made available in the Fund Centre on the website www.assetmanagement.hsbc.com and upon request from the Transfer Agent.

8.12. Compulsory Redemption

The ICAV and/or the Management Company may compulsorily redeem all of the Shares of any Sub-Fund if the NAV of the relevant Sub-Fund is less than such amount (if any) as the Directors may from time to time prescribe as the minimum fund size for each Sub-Fund specified in the Supplement for the relevant Sub-Fund or otherwise notified to Shareholders.

In addition, the ICAV and/or the Management Company reserve the right to impose restrictions on the holding or transfer of Shares directly or indirectly by or to (and consequently to redeem Shares held by):

- any person or entity who appears to be in breach of any law or requirement of any country or governmental authority or by virtue of which such person or entity is not qualified to hold such Shares or if the holding of the Shares by any person or entity is unlawful;
- who is or will hold Shares for the benefit of a US Person (unless the Directors determine (i) the transaction is permitted under an exemption from registration available under the securities laws of the United States and (ii) that the relevant Sub-Fund and the ICAV continue to be enti-tled to an exemption from registration as an investment ICAV under the securities laws of the United States if such person holds Shares) and (iii) does not cause the ICAV to incur any adverse US taxation consequences or regulatory or legal consequences; or
- any person who does not clear such money laundering checks or provide the required tax documentation or such supporting documentation as the Directors may determine or who has failed to furnish the Directors with such evidence and/or undertakings as they may require for the purpose of any restrictions imposed for compliance with any anti-money laundering provisions applicable to the ICAV;
- under the age of 18 (or such other age as the Directors may think fit) or a person of unsound mind; or
- has breached or falsified representations on subscription documents (including as to its status under ERISA); or
- has breached of any law or requirement of any country or government or supranational authority or by virtue of which such person or entity is not qualified to hold Shares; or

- if the holding of the Shares by that person or entity is less than the Minimum Holding set or Minimum Initial Subscription for that Sub-Fund or Class of Shares by the Directors; or
- in circumstances which (whether directly or indirectly affecting such person or persons or entity, and whether taken alone or in conjunction with any other persons or entities, connected or not, or any other circumstances appearing to the Directors to be relevant), in the opinion of the Directors, might result in the ICAV or a particular Sub-Fund incurring any liability to taxation or suffering any other pecuniary legal or material administrative disadvantage (including endeavouring to ensure that the relevant Fund's assets are not considered plan assets for the purpose of ERISA) or being in breach of any law or regulation which the ICAV or the relevant Fund might not otherwise have incurred or suffered or breached (including without limitation, where a Shareholder fails to provide the ICAV with information required to satisfy any automatic ex-change of information obligations under, for example, FATCA of a Sub-Fund, or where market timing is suspected; or
- in circumstances which might result in the relevant Sub-Fund, the Management Company or the Investment Manager's corporate group of companies being required to comply with registration or filing requirements in any jurisdiction with which it would not otherwise be required to comply or is otherwise prohibited by the Instrument; or
- any transfer in regard to which any payment of taxation remains outstanding.

If it shall come to the notice of the Directors or the Management Company or if the Directors or the Management Company shall have reason to believe that any Shares are owned directly or beneficially by any person or persons in breach of any restrictions imposed by the Directors or the Management Company, the Directors and/or the Management Company shall be entitled to (i) give notice (in such form as the Directors and/or the Management Company deem appropriate) to such person requiring such person to transfer such Shares to a person who is qualified or entitled to own the same or to request in writing the redemption of such Shares in accordance with the Instrument and/or (ii) as appropriate, compulsorily redeem and/or cancel such number of Shares held by such person and may apply the proceeds of such compulsory redemption in the discharge of any taxation or withholding tax arising as a result of the holding or beneficial ownership of Shares by such person including any interest or penalties payable.

Any outstanding proceeds of such compulsory redemption will not be paid unless the Application Form signed by or on behalf of the Shareholder has been received by the Administrator and all documentation required by the Administrator, including any document in connection with the CJA or other requirements and/or any anti-money laundering procedures have been completed.

8.13. Availability of Documents

The following documents are available for inspection during usual business hours on any Business Day at the registered office of the ICAV:

- the Instrument
- the material contracts
- the most recent Prospectus
- the most recent KIIDs/KIDs of each Class of each Sub-Fund
- the latest financial reports

Investors may obtain copies of the Instrument, the most recent Prospectus, the most recent KIIDs and the latest financial reports, free of charge upon request at the registered office of the ICAV and they will be sent to investors upon request.

In addition, the KIIDs are available in the Fund Centre on the website www.assetmanagement.hsbc.com. Before subscribing to any Class and to the extent required by local laws and regulations each investor shall consult the KIIDs. The KIIDs provide information in particular on historical performance, the synthetic risk and reward indicator and

charges. Investors may download the KIIDs from the above website or obtain it in paper form or on any other durable medium agreed between the Directors or the intermediary and the investor.

Additional information is made available by the Management Company, at its registered office, upon request, in accordance with the provisions of Luxembourg laws and regulations. This additional information includes the procedures relating to complaints handling, the strategy followed for the exercise of voting rights of the ICAV, the policy for placing orders to deal on behalf of the ICAV with other entities, the best execution policy as well as the arrangements relating to the fee, commission or non-monetary benefit in relation with the investment management and administration of the ICAV.

8.14. Queries and Complaints

Information regarding the Management Company's complaints procedure is available to Shareholders free of charge upon request to the Administrator. Shareholders may file any complaints about the Management Company, the ICAV or a Sub-Fund free of charge at the registered office of the Management Company of the ICAV.

8.15. Conflcts of Interest

The Directors, the Management Company, the Investment Manager, the Administrator, the Depositary the Global Distributor or any of their respective subsidiaries, associates or group companies or delegates (each a Connected Party) may contract or enter into any financial, banking or other transaction with one another or with the ICAV. This includes, without limitation, investment by the ICAV in securities of any Connected Party or investment by any Connected Party in any company or bodies any of whose investments form part of the assets comprised in any Sub-Fund or be interested in any such contract or transactions. In addition, any Connected Party may invest in and deal in Shares relating to any Sub-Fund or any property of the kind included in the property of any Sub-Fund for their respective individual accounts or for the account of someone else. It is therefore possible that any of them may, in the due course of their business, have potential conflicts of interest with the ICAV or any Sub-Fund. In the event of a conflict arising, each Connected Party shall ensure that the conflict will be resolved fairly.

Each Connected Party is or may be involved in other financial, investment and professional activities which may on occasion cause a conflict of interest with the management of the ICAV and/or their respective roles with respect to the ICAV. These activities may include managing or advising other funds, purchases and sales of securities, banking and investment management services, brokerage services, valuation of securities (in circumstances in which fees may increase as the value of assets increases) and serving as directors, officers, advisers or agents of other funds or companies, including funds or companies in which the ICAV may invest.

Any cash of the ICAV may be deposited, subject to the provisions of the Central Bank Acts, 1942 to 2015 with any Connected Party or invested in certificates of deposit or banking instruments issued by any Connected Party. Banking and similar transactions may also be undertaken with or through a Connected Party.

Any Connected Party may also deal as agent or principal in the sale or purchase of securities and other investments to or from the relevant Sub-Fund. There will be no obligation on the part of any Connected Party to account to the relevant Sub-Fund or to Shareholders for any benefits so arising, and any such benefits may be retained by the relevant party, provided that such transactions are conducted at arm's length and in the best interests of the Shareholders of that Sub-Fund and:

i. a certified valuation of such transaction by a person approved by the Depositary (or in the case of any such transaction entered into by the Depositary, the Directors) as independent and competent has been obtained; or

ii. the relevant transaction is executed on best terms on organised investment exchanges under their rules; or

iii. where (i) and (ii) are not practical, such transaction has been executed on terms which the Depositary is (or in the case of any such transaction entered into by the Depositary, the Directors) satisfied that such transactions are conducted at arm's length in the best interests of the Shareholders of that Sub-Fund.

In transacting with brokers or dealers which are Connected Parties, the Management Company is obliged to ensure:

a. such transactions are on arm's length terms;

b. due care is used in the selection of brokers or dealers and ensure that they are suitably qualified in the circumstances;

c. transaction execution is consistent with applicable best execution standards;

d. the fee or commission paid to any such broker or dealer in respect of a transaction must not be greater than that which is payable at the prevailing market rate for a transaction of that size and nature;

e. such transactions are monitored to ensure compliance with its obligations; and

f. the nature of such transactions and the total commissions and other quantifiable benefits received by such broker or dealer shall be aggregated by Sub-Fund and disclosed in the annual report.

The Depositary or the Directors, in the case of transactions entered into by the Depositary, will document how it complied with paragraphs (i), (ii) and (iii) and where transactions are carried out in accordance with paragraph (iii), the Depositary or the Directors, in the case of transactions entered into by the Depositary, will document its rationale for being satisfied that the transaction conformed to the principles outlined.

The Directors may have potential conflicts of interest by holding similar positions on other investment firm boards and/or having an interest (direct or indirect) in any existing or proposed contract, transaction or arrangement with the ICAV.

The Investment Manager may provide collective portfolio management and individual portfolio management services to clients other than the ICAV. Accordingly, the Investment Manager and its employees may, in the course of its business, have potential conflicts of interest when providing services to the ICAV and its other clients, for example when allocating orders for the ICAV and its other clients.

The Investment Manager or any affiliates acting in a fiduciary capacity with respect to client accounts may recommend to or direct clients to buy and sell Shares of the ICAV. If a client defaults on its obligation to repay indebtedness to the HSBC Group that is secured by Shares in the ICAV, and the HSBC Group forecloses on such interest, the HSBC Group would become a Shareholder of the ICAV. As a consequence, the HSBC Group and its affiliates could hold a relatively large proportion of Shares and voting rights in the ICAV.

As the fees of the Administrator and the Investment Manager are based on the NAV of a Sub-Fund, if the NAV of the Sub-Fund increases so do the fees payable to the Administrator and the Investment Manager. Accordingly, there is a conflict of interest for the Administrator, the Investment Manager or any related parties in cases where the Administrator, the Investment Manager or any related parties are responsible for determining the valuation price of a Sub-Fund's investments.

It is not intended, unless disclosed in the Supplement for the relevant Sub-Fund, that any soft commission arrangements will be entered into in relation to any Sub-Fund created in respect of the ICAV. In the event that the Investment Manager enters into soft commission arrangement(s) it shall ensure that such arrangement(s) shall (i) be executed at arm's length, in compliance with applicable regulatory requirements and in accordance with best execution standards (ii) assist in the provision of investments services and be of demonstrable benefit to the relevant Sub-Fund; and (iii) brokerage rates will not be in excess of customary institutional full-service brokerage rates. Connected Parties will not receive cash or other rebates from brokers or dealers. Details of any such arrangement will be contained in the next following report of the Sub-Fund. In the event that this is the unaudited semi-annual report, details shall also be included in the following annual report.

Affiliates of the HSBC Group act as counterparties for certain forward foreign exchange and financial futures contracts.

Conflicts of interest may arise as a result of transactions in FDI and EPM techniques and instruments. For example, the counterparties to, or agents, intermediaries or other entities which provide services in respect of, such transactions may be related to the Investment Manager or the Depositary. As a result, those entities may generate

profits, fees or other income or avoid losses through such transactions. Furthermore, conflicts of interests may also arise where the collateral provided by such entities is subject to a valuation or haircut applied by a related party.

Additional details on the possible conflicts of interest for the Depositary are covered further above under section 8.6 entitled **"Depositary"**.

For certain Sub-Funds, entities of the HSBC Group may invest an initial amount, known as 'seed capital'. This seed capital supports the operations of the Sub-Fund in its early existence prior to material external investment. As the size of the Sub-Fund increases, the relevant entity of the HSBC Group will withdraw all seed capital according to a set policy, and will manage any withdrawal with the best interests of the remaining Shareholders. While the seed capital is in the Sub-Fund, the seeding entity of the HSBC Group may choose to hedge some or all of its risk exposures in the Sub-Fund to help manage balance sheet risks. Non-public information on the portfolio will for those purposes be solely made available to the investment manager hedging these risk exposures on behalf of the seed investor. Such non-public information will also be made available on request to all Shareholders in the relevant Sub-Fund.

In addition, the ICAV may provide portfolio holding information to affiliates of the HSBC Group for certain purposes, including but not limited to, risk management and regulatory reporting.

Section 9. Taxation

9.1. Introduction

The following summary is by way of a general guide and does not constitute tax advice.

As Shareholders will be resident for tax purposes in various jurisdictions, no attempt has been made in this Prospectus to summarise the tax consequences for every jurisdiction which may be applicable to Shareholders subscribing for, purchasing, holding, exchanging, selling or redeeming Shares. These consequences will vary in accordance with the law and practice in force in the relevant Shareholder's country of citizenship, residence, domicile or incorporation and with his or her personal circumstances. Hence no Shareholder should solely rely on the following guidance when determining the tax consequences of investing in the Shares.

It is the responsibility of Shareholders or prospective Shareholders to inform themselves of the possible tax consequences of subscribing for, purchasing, holding, exchanging, selling or redeeming Shares in the light of the laws of the country relevant to their citizenship, residence or domicile and of their personal circumstances and to take appropriate professional advice regarding exchange control or other legal restrictions relating thereto. Shareholders and prospective Shareholders also should bear in mind that levels and bases of taxation, as well as tax authority practices, may change and that such changes may have, depending on the countries, retrospective effect.

9.2. General

In many markets the ICAV, as a foreign investment fund, may be subject to non-recoverable tax on income and gains (either by withholding or direct assessment) in relation to the investment returns it realises from its holdings of shares and securities in those markets. Where practicable the ICAV will make claims under the relevant double tax treaties and the domestic law of the countries concerned in order to minimise the impact of local taxation on the investment return and to obtain the best return for its Shareholders. Those claims will be made on the basis of the ICAV's understanding of the validity of such claims given the information available from the ICAV's depositaries, external advisers and other sources as to the interpretation and application of the relevant legal provisions by the tax authorities in the country concerned.

The ICAV will seek to provide for tax on capital gains where it considers that it is more likely than not that the tax will be payable, given the advice and information available to the ICAV at the date concerned. However, any provision held may be insufficient to cover, or be in excess of, any final liability.

The ICAV will seek to claim concessionary tax treatment and account for tax on a reasonable efforts basis, given the tax law and practice at that date. Any change in tax law or practice in any country where the ICAV is registered, marketed or invested could affect the value of the ICAV's investments in the affected country. In particular, where retrospective changes to tax law or practice are applied by the legislature or tax authorities in a particular country these may result in a loss for current Shareholders in the affected sub fund. The ICAV does not offer any warranty as to the tax position of returns from investments held in a particular market nor of the risk of a retrospective assessment to tax in a particular market or country.

Shareholders and potential Shareholders should note **"Emerging Markets Risks"** in section 3.2. entitled **"Risk Factors Relating to Investments"** and also refer to the information on the Foreign Account Tax Compliance Act (FATCA) in section 9.3. entitled **"Irish Taxation".**

9.3. Irish Taxation

Taxation of the ICAV

The Directors have been advised that, under current Irish Law and practice, the ICAV is resident in Ireland for taxation purposes. On the basis that the ICAV is Irish tax resident, the ICAV qualifies as an investment undertaking within the

meaning of Section 739B of the Taxes Consolidation Act 1997, as amended, (**"TCA"**) and consequently not chargeable to Irish tax on its relevant income and relevant gains.

Notwithstanding the above, Irish tax may arise when a **"Chargeable Event"** occurs in the ICAV. A Chargeable Event occurs, for example, on:

- a payment of any kind to a Shareholder by the ICAV;
- a transfer of Shares; and
- on the eighth anniversary of a Shareholder acquiring Shares and every subsequent eighth anniversary (a "Deemed Disposal")

Where the ICAV becomes liable to account for tax on a chargeable event, the ICAV shall be entitled to deduct the appropriate amount of tax on any payment made to a Shareholder in respect of the Chargeable Event. On the occurrence of a Chargeable Event and where no payment is made by the ICAV to the Shareholder, the ICAV may appropriate or cancel the required number of Shares to meet the tax liability. The Shareholder shall indemnify and keep the ICAV indemnified against loss arising to the ICAV by reason of the ICAV becoming liable to account for tax on the happening of a chargeable event.

A "chargeable event" does not include:

a. Any transactions in relation to Shares held in a recognised clearing system as designated by order of the Revenue Commissioners or Ireland;

b. Any exchange by a Shareholder, effected by way of an arm's length bargain, where no payment is made to the Shareholder, of Shares in the ICAV for other Shares in the ICAV;

c. Any exchange by a Shareholder, effected by way of an arm's length bargain, where no payment is made to the Shareholder, of Shares representing one Fund for another Fund in the ICAV;

d. A transfer by a Shareholder of the entitlement to a Share where the transfer is between spouses or civil partners and former spouses or civil partners, subject to certain conditions; or

e. a cancellation of Shares arising on a "scheme of reconstruction or amalgamation" (within the meaning of Section 739H (1)) of the TCA) or a "scheme of amalgamation" (within the meaning of 739HA (1) of the TCA) of the ICAV or other investment undertaking(s), subject to certain conditions being fulfilled;

A chargeable event will not give rise to an obligation for the ICAV to account for the appropriate tax if:

a. the chargeable event occurs solely on account of an exchange of Shares arising on a scheme of amalgamation within the meaning of Section 739D (8C) of the Taxes Act, subject to certain conditions being fulfilled;

b. the chargeable event occurs solely on account of an exchange of Shares arising on a scheme of migration and amalgamation within the meaning of Section 739D (8D) of the Taxes Act, subject to certain conditions being fulfilled; or

c. the chargeable event occurs solely on account of a scheme of migration within the meaning of Section 739D (8E) of the Taxes Act, subject to certain conditions being fulfilled.

Taxation of non-Irish Shareholders

Non-Irish Resident Shareholders will not be chargeable to Irish tax on the happening of a Chargeable Event provided that either:

i. the ICAV is in possession of a completed Relevant Declaration to the effect that the Shareholder is not an Irish Tax Resident: or

ii. the ICAV is in possession of a written notice of approval from the Revenue Commissioners to the effect that the requirement to provide a Relevant Declaration is deemed to have been complied with in respect of that Shareholder and the written notice of approval has not been withdrawn by the Revenue Commissioners.

If the ICAV is not in possession of a Relevant Declaration or the ICAV is in possession of information which would reasonably suggest that the Relevant Declaration is not or is no longer materially correct, the ICAV must deduct tax on the happening of a Chargeable Event in relation to such Shareholder. The tax deducted will generally not be refunded.

Intermediaries acting on behalf of non-Irish Resident Shareholders can claim the same exemption on behalf of the Shareholders for whom they are acting. The intermediary must complete a Relevant Declaration that it is acting on behalf of a non-Irish Resident Shareholder,

A non-Irish Resident corporate Shareholder which holds Shares directly or indirectly by or for a trading branch or agency of the Shareholder in Ireland, will be liable to Irish corporation tax on income from the Shares or gains made on the disposal of the Shares.

Taxation of exempt Irish Shareholders

The ICAV will not be required to deduct Irish tax in respect of exempt Irish Shareholders, so long as the ICAV is in possession of a completed Relevant Declaration confirming the Shareholder's exempt status and is not in possession of any information which would reasonably suggest that the information contained in the Relevant Declaration is not or is no longer materially correct.

Shareholders who can be treated as exempt (referred to herein as an Exempt Irish Shareholder) are set out in the categories listed in Section 739D(6) TCA summarised as follows:

1. Pension schemes (within the meaning of Section 774, Section 784 or Section 785 TCA).
2. Companies carrying on life assurance business (within the meaning of Section 706 TCA).
3. Investment undertakings (within the meaning of Section 739B TCA).
4. Investment limited partnerships (within the meaning of Section 739J TCA)
5. Special investment schemes (within the meaning of Section 737 TCA).
6. Unauthorised unit trust schemes (to which Section 731(5)(a) TCA applies).
7. Charities (within the meaning of Section 739D (6)(f)(i) TCA).
8. Qualifying management companies (within the meaning of Section 734(1) TCA).
9. Specified companies (within the meaning of Section 734(1) TCA).
10. Qualifying fund and savings managers (within the meaning of Section 739D(6)(h) TCA).
11. Personal Retirement Savings Account (PRSA) administrators (within the meaning of Section 739D(6)(i) TCA).
12. Irish credit unions (within the meaning of Section 2 of the Credit Union Act 1997).
13. The National Asset Management Agency.
14. The National Treasury Management Agency or a Fund Investment Vehicle (within the meaning of Section 37 of the National Treasury Management Agency (Amendment) Act 2014 of which the Minister for Finance is the sole beneficial owner, or Ireland acting through the National Treasury Management Agency.
15. Qualifying companies (within the meaning of Section 110 TCA).
16. The Courts Service.
17. A company within the charge to corporation tax under Section 739G(2) TCA but only where the fund is a management fund.

While the ICAV is not required to deduct tax in respect of Exempt Irish Shareholders, Shareholders who claim exempt status will be obliged to account for any Irish tax due in respect of Shares on a self-assessment basis.

If the Relevant Declaration is not received by the ICAV, the ICAV will deduct Irish tax in respect of the Shareholder's Shares as if the Shareholder was a non-exempt Irish resident Shareholder. There is no provision of any refund of tax to Exempt Irish Shareholders where tax has been deducted in the absence of the Relevant Declaration. A refund of tax may be paid to corporate Shareholders who are within the charge to Irish Corporation Tax,

Taxation of other Irish Shareholders

Where a Shareholder is resident (or ordinarily resident) in Ireland for Irish tax purposes and is not an Exempt Irish Shareholder (see above), the ICAV will deduct Irish tax on distributions, redemptions and transfers and, additionally, on 'eighth anniversary' events, as described below.

- **Distributions by the ICAV**

  If the ICAV pays a distribution to a non-exempt Irish resident Shareholder, the ICAV will deduct Irish tax from the distribution. The amount of Irish tax deducted will be:

  1. 25% of the distribution, where the distributions are paid to a Shareholder who is a company which has made the appropriate declaration for the 25% rate to apply; and
  2. 41% of the distribution, in all other cases.

  The ICAV will pay this deducted tax to the Irish Revenue Commissioners.

  Generally, a Shareholder will have no further Irish tax liability in respect of the distribution. However, if the Shareholder is a company for which the distribution is a trading receipt, the gross distribution (including the Irish tax deducted) will form part of its taxable income for self-assessment purposes and the Shareholder may set off the deducted tax against its corporation tax liability.

- **Redemption of Shares**

  If the ICAV redeems Shares held by a non-exempt Irish resident Shareholder, the ICAV will deduct Irish tax from the redemption payment made to the Shareholder. Similarly, if such an Irish resident Shareholder transfers (by sale or otherwise) an entitlement to Shares, the ICAV will account for Irish tax in respect of that transfer. The amount of Irish tax deducted or accounted for will be calculated by reference to the gain (if any) which has accrued to the Shareholder on the Shares being redeemed or transferred and will be equal to:

  1. 25% of such gain, where the Shareholder is a company which has made the appropriate Relevant Declaration for the 25% rate to apply; and
  2. 41% of the gain, in all other cases.

  The ICAV will pay this deducted tax to the Irish Revenue Commissioners. In the case of a transfer of Shares, to fund this Irish tax liability the ICAV may appropriate or cancel other Shares held by the Shareholder. This may result in further Irish tax becoming due.

  Generally, a Shareholder will have no further Irish tax liability in respect of the redemption or transfer. However, if the Shareholder is a company for which the redemption or transfer payment is a trading receipt, the gross payment (including the Irish tax deducted) less the cost of acquiring the Shares will form part of its taxable income for self-assessment purposes and the Shareholder may set off the deducted tax against its corporation tax liability.

  If Shares are not denominated in euro, a Shareholder may be liable (on a self-assessment basis) to Irish capital gains taxation on any currency gain arising on the redemption or transfer of the Shares.

- **Eighth Anniversary' Events – Deemed Disposal**

The ICAV will be liable to account for tax arising on deemed disposals where non-exempt Irish resident Shareholders hold 10% or more of the Shares (by value) in the ICAV as set out below.

If a non-exempt Irish resident Shareholder does not dispose of Shares within eight years of acquiring them, the Shareholder will, for Irish tax purposes, be deemed for to have disposed of the Shares on the eighth anniversary of their acquisition (and any subsequent eighth anniversary). On such deemed disposal, the ICAV will account for Irish tax in respect of the increase in value (if any) of those Shares over that eight year period. The amount of Irish tax accounted for will be equal to:

1. 25% of such increase in value, where the Shareholder is a company which has made the appropriate Relevant Declaration for the 25% rate to apply; and
2. 41% of the increase in value, in all other cases.

The ICAV will pay this tax to the Irish Revenue Commissioners. To fund the Irish tax liability, the ICAV may appropriate or cancel Shares held by the Shareholder

The ICAV may elect not to account for tax arising on deemed disposal where the value of the Shares held by non-exempt Irish Resident Shareholders, is less than 10% of the Shares (by value) in the ICAV. In such a case the ICAV will need to notify relevant Shareholders that it has made an election to the Irish Revenue Commissioners to report annually certain details of each Irish Resident Shareholder, the ICAV will not be required to deduct the appropriate tax and the Irish Resident Shareholder (and not the ICAV) must pay the tax on the Deemed Disposal on a self-assessment basis. Credit is available against appropriate tax relating to the Chargeable Event for appropriate tax paid by the ICAV or the Shareholder on any previous Deemed Disposal. On the eventual disposal by the Shareholder of the Shares, a refund of any unutilised credit will be payable.

- **Shareholder Reporting**

The ICAV is required to provide certain information in relation to certain Irish Resident Shareholders to the Revenue Commissioners in accordance with Section 891C TCA and the Return of Values (Investment Undertakings) Regulations 2013.

The information to be provided to the Revenue Commissioners includes:

a. the name, registered address, contact details and tax reference number of the ICAV;

b. the name, address, tax reference number and date of birth (if applicable) of Shareholders; and

c. the value of the investment

Stamp duty

No Irish stamp duty (or other Irish transfer tax) will apply to the issue, transfer or redemption of Shares. If a Shareholder receives a distribution in specie of assets from the ICAV, a charge to Irish stamp duty could potentially arise.

Gift and Inheritance tax

Irish capital acquisitions tax (at a rate of 33%) can apply to gifts or inheritances of Irish situate assets or where either the person from whom the gift or inheritance is taken is Irish domiciled, resident or Ordinarily Resident or the person taking the gift or inheritance is Irish resident or ordinarily resident.

The Shares could be treated as Irish situate assets because they have been issued by an Irish ICAV. However, any gift or inheritance of Shares will be exempt from Irish gift or inheritance tax once:

1. the Shares are comprised in the gift or inheritance both at the date of the gift or inheritance and at the 'valuation date' (as defined for Irish capital acquisitions tax purposes);
2. he person from whom the gift or inheritance is taken is neither domiciled nor Ordinarily Resident in Ireland at the date of the disposition; and

3. the person taking the gift or inheritance is neither domiciled nor Ordinarily Resident in Ireland at the date of the gift or inheritance.

Foreign Account Tax Compliance Act (FATCA) and Cross Border Reporting Systems

Sections 1471 through 1474 of the US Internal Revenue Code (**"FATCA"**) impose a 30% withholding tax on certain payments to a foreign financial institution (**"FFI"**) if that FFI is not compliant with FATCA. The ICAV is a FFI and thus, subject to FATCA.

This withholding tax applies to payments to the ICAV that constitute interest, dividends and other types of income from US sources (such as dividends paid by a US corporation) and beginning on 1 January 2019, this withholding tax is extended to the proceeds received from the sale or disposition of assets that give rise to US source dividend or interest payments.

Ireland has entered into an Intergovernmental Agreement (**"IGA"**) with the US to facilitate FATCA compliance and reporting. Under the terms of the IGA, the ICAV will be required to report to the Irish Revenue Commissioners certain information about US investors (including indirect investments held through certain passive investment entities) as well as non-US financial institutions that do not comply with FATCA. Such information will be onward reported by the Irish Revenue Commissioners to the US Internal Revenue Service.

The ICAV intends to comply with the terms of the IGA and relevant implementing legislation in Ireland. Therefore, the ICAV expects to be treated as a compliant financial institution and does not expect any FATCA withholding to apply on payments made to it.

If a Shareholder or an intermediary fails to provide the ICAV, its agents or authorised representatives with any correct, complete and accurate information that may be required for the ICAV to comply with FATCA, the Shareholder may be subject to withholding on amounts payable to them, or may be compelled to sell their interest in the ICAV or, in certain situations, the Shareholder's interest in the ICAV may be sold involuntarily (in doing so the ICAV will observe relevant legal requirements and will act in good faith and on reasonable grounds). The ICAV may at its discretion enter into any supplemental agreement without the consent of Shareholders to provide for any measures that the ICAV deems appropriate or necessary to comply with FATCA.

Shareholders in the ICAV should consult their own tax advisors regarding the FATCA requirements with respect to their own situation. In particular, Shareholders who hold their Shares through intermediaries should confirm the FATCA compliance status of those intermediaries to ensure that they do not suffer FATCA withholding tax on their investment returns.

Although the ICAV will attempt to satisfy any obligations imposed on it to avoid the imposition of the FATCA withholding tax, no assurance can be given that the ICAV will be able to satisfy these obligations. If the ICAV becomes subject to a withholding tax as a result of the FATCA regime, the value of the Shares held by Shareholders may suffer material losses.

Common Reporting Standard

The Common Reporting Standard (**"CRS"**) framework was first released by the OECD in February 2014. To date, more than 100 jurisdictions have publically committed to implementation, many of which are early adopter countries, including Ireland. On 21 July 2014, the Standard for Automatic Exchange of Financial Account Information in Tax Matters (the **"Standard"**) was published, involving the use of two main elements, the Central Bank Agreement (**"CAA"**) and the CRS.

The goal of the Standard is to provide for the annual automatic exchange between governments of financial account information reported to them by local Financial Institutions (FIs) relating to account holders tax resident in other participating countries to assist in the efficient collection of tax.

Ireland is a signatory jurisdiction to a Multilateral Central Bank Agreement on the automatic exchange of financial account information in respect of CRS while Sections 891F and 891G of the TCA contain measures necessary to implement the CRS internationally and across the European Union, respectively. Regulations, the Returns of Certain Information by Reporting Financial Institutions Regulations 2015 (the **CRS Regulations**), giving effect to the CRS from 1 January 2016 came into operation on 31 December 2015.

Directive 2014/107/EU on Administrative Cooperation in the Field of Taxation (**DAC II**) implements CRS in a European context and creates a mandatory obligation for all EU Member States to exchange financial account information in respect of residents in other EU Member States on an annual basis. Section 891G of the TCA contained measures necessary to implement the DAC II Regulations, the Mandatory Automatic Exchange of Information in the Field of Taxation Regulations 2015 (together with the CRS Regulations, the **Regulations**), giving effect to DAC II from 1 January 2016, came into operation on 31 December 2015.

Under the Regulations reporting financial institutions, are required to collect certain information on accountholders and on certain Controlling Persons in the case of the accountholder(s) being an Entity, as defined for CRS purposes, (e.g. name, address, jurisdiction of residence, TIN, date and place of birth (as appropriate), the account number and the account balance or value at the end of each calendar year) to identify accounts which are reportable to the Irish tax authorities. The Irish tax authorities shall in turn exchange such information with their counterparts in participating jurisdictions. Further information in relation to CRS and DAC II can be found on the Automatic Exchange of Information (AEOI) webpage on www.revenue.ie.

DAC6

On 25 May 2018, the EU Council adopted a directive (2018/822 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation) that imposes a reporting obligation on parties involved in transactions that may be associated with aggressive tax planning ("**DAC6**").

More specifically, the reporting obligation will apply to cross-border arrangements that, among others, meet one or more "hallmarks" provided for in DAC6 that is coupled in certain cases, with the main benefit test (the "**Reportable Arrangements**").

In the case of a Reportable Arrangement, the information that must be reported includes *inter-alia* the name of all relevant taxpayers and intermediaries as well as an outline of the Reportable Arrangement, the value of the Reportable Arrangement and identification of any member states likely to be concerned by the Reportable Arrangement.

The reporting obligation in principle rests with the persons that design, market or organise the Reportable Arrangement or provide assistance or advice in relation thereto (the so-called "intermediaries"). However, in certain cases, the taxpayer itself can be subject to the reporting obligation.

Intermediaries (or the case maybe, the taxpayer) may be required to report a Reportable Arrangement as soon as 30 January 2021.

The information reported will be automatically exchanged between the tax authorities of all Member States.

In light of the broad scope of DAC6, transactions carried out by the ICAV may fall within the scope of DAC6 and thus be reportable.

Investors should consult their professional advisors on the possible tax and other consequences with respect to the implementation of the CRS and DAC6.

9.4. Taxation of Shareholders

The ICAV

It is the intention of the Directors to conduct the affairs of the ICAV so that it does not become resident in the United Kingdom. On the basis that the ICAV is not resident in the United Kingdom for tax purposes it should not be subject to United Kingdom corporation tax on its income and capital gains.

UK Shareholders

Holders of Shares who are resident in the United Kingdom or carrying on a trade in the United Kingdom will, depending on their individual circumstances, be liable to United Kingdom Income Tax or Corporation Tax in respect of any income allocated or dividends paid to them whether directly or by way of reinvestment of income and on capital gains and such holders should include details of this income on an appropriate return to their local Inspector of Taxes.

Shareholders, who are companies, tax resident in the United Kingdom and whose investment in the Sub-Funds is not made in connection with or incidental to a trade (for UK tax purposes), will not be liable to corporation tax in relation to any dividends paid to them provided that the investment in the Sub-Fund concerned is not taxed under the loan relationship provisions mentioned below.

Shareholders, who are companies, that are resident in the United Kingdom or one which carries on a trade in the United Kingdom may be subject to tax under the loan relationship provisions of United Kingdom tax legislation during any accounting period of that Shareholder when more than 60% of the investments of the Sub-Fund (in which the Shares are held) broadly comprise of interest bearing investments (including interests in collective investment schemes which themselves have more than 60% of their investments as interest bearing assets and FDI whose subject matter is broadly linked to interest bearing investments, currency, creditworthiness or currency). Under these provisions the change in value of the Shares in that Sub-Fund during the corporate's accounting period will be taxed as part of the corporate's income for that accounting period the change in value being assessed on a fair value basis.

Shareholders should note that dividends paid by the ICAV comprise foreign dividends for UK tax purposes.

Generally, where at any time in the accounting period in which the dividend is paid (or the prior accounting period or twelve months prior to the start of the accounting period in which the dividend is paid if longer) more than 60% of the investments of the Sub-Fund (in which the Shares are held) comprise of broadly interest bearing investments (including interests in collective investment schemes which themselves have more than 60% of their investments as interest bearing assets and FDI whose subject matter is broadly linked to interest bearing investments, currency, creditworthiness or currency) then the dividend will be treated as a payment of interest to the Shareholder for UK income tax purposes.

Any United Kingdom resident Shareholder who realises a gain on the disposal of their investment in an offshore fund (which is not certified as a reporting status fund, during the Shareholder's entire period of ownership) will normally be charged to United Kingdom Income Tax (or Corporation Tax) on the gain, rather than to United Kingdom Capital Gains Tax (Corporation Tax on chargeable gains in the case of corporate Shareholders).

Shareholders holding shares in a non-reporting offshore fund which converts to a reporting status fund can elect to make a deemed disposal on the time of conversion. Such an election would crystallise any gains accrued to that date and would be subject to income tax. Gains which then accrue after the deemed disposal date would be treated as capital gains. The election must be made by the Shareholder on their UK tax return for the year in which the deemed disposal occurs. If an election is not made, the entire gain will be taxed as income on the eventual disposal of their investment.

It is the intention of the Directors to apply for UK Reporting Fund status for share classes which have been registered with FCA or other share classes at the Directors' discretion from their date of launch. However, Shareholders and

potential Shareholders should note that whether UK Reporting Fund status is obtained and retained for a particular Share Class may be subject to changes in HM Revenue and Customs' practice or other matters outside of the ICAV's control.

Details of which Share Classes have UK reporting fund status can be found on the HM Revenue & Customs' website at www.hmrc.gov.uk. At the date of this Prospectus the exact location of this list is: www.gov.uk/government/publications/offshore-funds-list-of-reporting-funds.

Shareholders in reporting status funds may be taxed on the reportable income arising in an accounting period whether or not that income is distributed to them. The amount taxable per Share will be the total reportable income (adjusted by any qualifying equalisation) for the period, divided by the relevant Shares in issue at the end of that period.

Reporting Fund status must be applied for in advance or shortly after the start of the period for which it is required and (subject to a serious breach of the regulations governing the regime) will provide a greater degree of confidence to Shareholders as to the UK tax status of their shareholding.

Shareholders who are individuals and resident in the United Kingdom should note the provisions of Chapter 2 of Part 13 of the Income Tax Act 2007. These provisions are directed at the prevention of avoidance of income tax through transactions resulting in the transfer of assets or incomes to persons (including companies) abroad and may render them liable to income received by those persons on their behalf.

Shares in the ICAV will be classified as foreign assets for the purposes of United Kingdom inheritance tax.

Genuine Diversity of Ownership

The intended category of investors in the ICAV is any investor that complies with the requirements set out in the section entitled **"Anti-Money Laundering and Prevention of Terrorist Financing"** of section 5.

The Shares in the ICAV will be made widely available to investors of the intended category by the Distributors and/or by sub-distributors as appointed from time to time. These Distributors will actively promote investment in the Shares of the ICAV to a wide variety of investors of the intended category and make the Prospectus available to them. In addition, the Prospectus, the Key Investor Information Document and the Application Form can be obtained directly from the registered office of the ICAV, the Management Company and the Distributors (details of which are provided in section 10 **"Directory"**). Also section 4.2 "How to Buy Shares" sets out how to buy Shares in the ICAV. As a consequence, the ICAV considers it allows any investor, including but not limited to any investors of the intended category, the opportunity to obtain information about the ICAV and to subscribe for Shares.

The ICAV intends, through the Distributors in the countries concerned, for its Shares to be promoted and made available through those Distributors (acting as financial intermediaries) in a manner designed to attract investors of the intended category.

Section 10. Directory

HSBC Global Funds II ICAV

Registered Office:
3 Dublin Landings
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Ireland

Directors:

Anthony Jeffs
Eve Finn
Fergal Dempsey
Peter Blessing
Suzanne Williams (Chair)

Depositary:

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Management Company:

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18 Boulevard de Kockelscheuer
L-1821 Luxembourg

Investment Manager:

Disclosed in the relevant Supplement

Global Distributor:

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18 Boulevard de Kockelscheuer
L-1821 Luxembourg

Administrator:

HSBC Securities Services (Ireland) DAC
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One Harbourmaster Place
IFSC
Dublin 1
Ireland

Legal Advisers as to Irish law:

Arthur Cox LLP
10 Earlsfort Terrace
Dublin 2 D02 T380
Ireland

Secretary of the ICAV:

Goodbody Secretarial Limited
3 Dublin Landings
North Wall Quay
Dublin 1
Ireland

Section 11. Appendices

11.1. Appendix 1 - UCITS Investment Restrictions

The assets of each Sub-Fund will be invested in accordance with the investment restrictions contained in the UCITS Regulations which are summarised below and such additional investment restrictions, if any, as may be adopted by the Directors and further details in relation to which will be set out in the relevant Supplement.

1. **Permitted Investments**

Investments of a Sub-Fund are confined to:

a. transferable securities and money market instruments which are either admitted to official listing on a stock exchange in a Member State or non-Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in a Member State or non-Member State;

b. recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year;

c. money market instruments, as defined in the Central Bank UCITS Regulations, other than those dealt on a regulated market;

d. shares or units of UCITS;

e. shares or units of AIFs as set out in the Central Bank UCITS Regulations;

f. deposits with credit institutions as prescribed in the Central Bank UCITS Regulations;

g. FDI as prescribed in the Central Bank UCITS Regulations.

2. **Investment Restrictions**

a. A Sub-Fund may invest no more than 10% of its net assets in transferable securities and money market instruments other than those referred to in paragraph 1 above.

b. Recently Issued Transferable Securities

i. Subject to 2(b) ii) a Sub-Fund shall not invest any more than 10% of assets in securities of the type to which Regulation 68(1)(d) of the UCITS Regulations apply.

ii. 2(b) i) does not apply to an investment by a Sub-Fund in certain US securities known as "Rule 144A securities" provided that;

- the relevant securities have been issued with an undertaking to register the securities with the US Securities & Exchanges Commission within one year of issue; and
- the securities are not illiquid securities i.e. they may be realised by the Sub-Fund within seven days at the price, or approximately at the price, which they are valued by the Sub-Fund.

c. A Sub-Fund may invest no more than 10% of its net assets in transferable securities or money market instruments issued by the same body provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5% is no more than 40%.

d. Subject to the prior approval of the Central Bank, the limit of 10% (as described in paragraph (c)) is raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bond-holders. If a Sub-Fund invests more than 5% of its Net Asset Value in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the net asset value of the Sub-Fund.

e. The limit of 10% in paragraph (c) is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State or its local authorities or by a non-Member State or public international body of which one or more Member States are members.

f. The transferable securities and money market instruments referred to in paragraphs (d) and 2 (e) shall not be taken into account for the purpose of applying the limit of 40% referred to in paragraph (c).

g. Cash booked in accounts and held as ancillary liquidity shall not exceed:

a) 10% of the net assets of the Sub-Fund; or

b) where the cash is booked in an account with the Depositary, 20% of net assets of the Sub-Fund.

h. The risk exposure of a Sub-Fund to a counterparty to an OTC derivative may not exceed 5% of net assets.

This limit is raised to 10% in the case of a credit institution authorised in the EEA; a credit institution authorised within a signatory state (other than an EEA member state) to the Basle Capital Convergence Agreement of July 1988; or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.

i. Notwithstanding paragraphs (c), (g) and (h) above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of net assets:

i. investments in transferable securities or money market instruments;

ii. deposits; and/or

iii. risk exposures arising from OTC derivatives transactions.

j. The limits referred to in (c), (d), (e), (g), (h) and (i) above may not be combined, so that exposure to a single body shall not exceed 35% of the net assets of the relevant Sub-Fund.

k. Group companies are regarded as a single issuer for the purposes of paragraphs (c), (d), (e), (g), (h) and (i). However, a limit of 20% of net assets of a Sub-Fund may be applied to investments in transferable securities and money market instruments within the same group.

l. Subject to the restrictions and limits set out in the UCITS regulations and to the approval of the Central Bank, a Sub-Fund may invest up to 100% of its net assets in different transferable securities and money market instruments issued or guaranteed by any Member State, its local authorities, non-Member States or by one of the following supranational or public international bodies of which one or more Member States are members: OECD Governments (provided the relevant issues are investment grade), Government of the People's Republic of China, Government of Brazil (provided the issues are of investment grade), Government of India (provided the issues are of investment grade), Government of Singapore, European Investment Bank, European Bank for Reconstruction and Development, International Finance Corporation, International Monetary Fund, Euratom, The Asian Development Bank, European Central Bank, Council of Europe, Eurofima, African Development Bank, International Bank for Reconstruction and Development (The World Bank), The Inter American Development Bank, European Union, Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Government National Mortgage Association (Ginnie Mae), Student Loan Marketing Association (Sallie Mae), Federal Home Loan Bank, Federal Farm Credit Bank, Tennessee Valley Authority or Straight-A Funding LLC.

A Sub-Fund must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of its net assets.

3. **Investment in Collective Investment Schemes ("CIS")**

a. A Sub-Fund may not invest more than 10% of net assets in total in other CIS. Such CIS must themselves be prohibited from investing more than 10% of net assets in total in other CIS.

b. Where a Sub-Fund invests in the units of other CIS that are managed directly or by delegation by a UCITS management company or by any other company with which that management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription, conversion or redemption fees on account of the ICAV's investment in the shares of the other CIS.

c. Where a commission (including a rebated commission) is received by the Investment Manager by virtue of an investment in the units of another CIS, this commission must be paid into the assets of the relevant Sub-Fund.

4. **Index Tracking UCITS**

a. A Sub-Fund may invest up to 20% of its net assets in shares and/or debt securities issued by the same body where the investment policy of the relevant Sub-Fund is to replicate an index which satisfies the criteria set out in the UCITS Regulations and is recognised by the Central Bank.

b. The limit in paragraph (a) may be raised to 35%, and applied to a single issuer, where this is justified by exceptional market conditions.

5. **General Provisions**

a. A Sub-Fund, or management company acting in connection with all of the CIS which it manages, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.

b. A Sub-Fund may acquire no more than:

i. 10% of the non-voting shares of any single issuer;

ii. 10% of the debt securities of any single issuer;

iii. 25% of the shares or units of any single CIS;

iv. 10% of the money market instruments of any single issuing body.

NOTE: The limits laid down in paragraphs (ii), (iii) and (iv) above may be disregarded at the time of acquisition, if at that time, the gross amount of the debt securities or of the money market instruments, or the net amount of the securities in issue cannot be calculated.

c. Paragraphs (a) and (b) shall not be applicable to:

i. transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;

ii. transferable securities and money market instruments issued or guaranteed by a non-Member State;

iii. transferable securities and money market instruments issued by public international bodies of which one or more Member States are members;

iv. shares held by a Sub-Fund in the capital of a company incorporated in a non-Member State which invests its assets mainly in the securities of issuing bodies with the registered offices in that non-Member State, where under the legislation of that non-Member State such a holding represents the only way in which the Sub-Fund can invest in the securities of issuing bodies of that non-Member State. This waiver is applicable only if in its investment policies the company from the non-Member State complies with the limits laid down in paragraphs 2(c) to 2(i), 3(a), 5(a), 5(b), 5(d), 5(e) and 5(f) and provided that where these limits are exceeded, paragraphs 5(e) and 5(f) below;

v. shares held by the ICAV in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the redemption of units at unit-holders' request exclusively on their behalf.

d. A Sub-Fund need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or money market instruments, which form part of their assets.

e. The Central Bank has allowed each Sub-Fund to derogate from the provisions of paragraphs 2(c) to 2(j), 3(a), 4(a) and 4(b) for a period of up to six months from the date of authorisation of such Sub-Fund, provided that such Sub-Fund observes the principle of risk spreading.

f. If the limits laid down herein are exceeded for reasons beyond the control of a Sub-Fund, or as a result of the exercise of subscription rights, that Sub-Fund must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its Shareholders.

g. A Sub-Fund may not carry out uncovered sales of:

i. transferable securities;

ii. money market instruments;

iii. units of collective investment undertakings; or

iv. financial derivative instruments.

h. A Sub-Fund may hold ancillary liquid assets.

6. **Financial Derivative Instruments ("FDIs")**

a. A Sub-Fund's global exposure (as prescribed in the Central Bank UCITS Regulations) relating to FDI must not exceed its total NAV.

b. Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Central Bank UCITS Regulations. (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in the Central Bank UCITS Regulations.)

c. A Sub-Fund may invest in FDIs dealt in over-the-counter (OTC) provided that the counterparties to over-the-counter transactions (OTCs) are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.

d. Investment in FDIs are subject to the conditions and limits laid down by the Central Bank.

11.2. Appendix 2 – How the Sub-Funds Use Derivative Instruments and Techniques

FDI

A derivative is a financial contract whose value depends on the performance of one of more reference assets (such as a security or basket of securities, an Index or an interest rate). Futures are generally exchange-traded. All other types of derivatives are generally OTC. For any index-linked derivatives, the Index provider determines the rebalancing frequency.

- Futures: Futures are contracts to buy or sell a standard quantity of a specific asset (or, in some cases, receive or pay cash based on the performance of an underlying asset, instrument or index) at a pre-determined future date and at a price agreed through a transaction undertaken on an exchange.
- Options: Contracts which give one party the right, but not the obligation, to buy or sell to the other party to the contract, a specific quantity of a particular product, such as options on equities, interest rates, indices, bonds, currencies, or commodity indices.

- Warrants: A time-limited right to subscribe for shares, debentures, loan stock or government securities, and is exercisable against the original issuer of the securities.
- Foreign Exchange Forwards: These instruments allow the holder to purchase one currency and sell another currency at a pre-determined rate of exchange at a pre-determined date in the future. Forwards are not undertaken on an exchange.
- Swaps: Contracts where two parties exchange the returns from two different reference assets. Swaps in which Sub-Funds may invest may include foreign exchange, interest rate, total return, credit default, commodity index, volatility and variance swaps. They may be deliverable or non-deliverable (being a cash-settled contract which doesn't involves delivery of the underlying, i.e. there is no physical exchange).
  - A foreign exchange swap is a contract which simultaneously purchases (the "near leg") and sells (the "far leg") the same amount of the same currency. Usually the "near leg" will be a spot foreign exchange and the "far leg" will effectively be a forward foreign exchange contract.
  - An interest rate swap involves the exchange by a Sub-Fund with another party of their respective commitments to pay or receive cash flows (e.g., an exchange of floating rate payments for fixed-rate payments).
  - A Total Return Swap (as defined above).
  - A credit default swap is a type of credit derivative which allows one party (the protection buyer) to transfer credit risk of a reference entity (the reference entity) to one or more other parties (the protection seller). The protection buyer pays a periodic fee to the protection seller in return for protection against the occurrence of a number of events experienced by the reference entity. Protection may also be sold under a credit default swap in anticipation of a stable or improving credit position.
  - A volatility swap is a type of forward contract whose underlying is the volatility of a given product which allows exposure to be gained solely upon the movement of a stock's volatility without the influence of its price and so a position can be taken on how volatile the stock will be.
  - A variance swap is used to speculate on or hedge risks associated with the magnitude of movement of the underlying asset price i.e. it enables a user to isolate a pure view on future variance.
  - A commodity index swap is a contract where two sides of the deal agree to exchange cash flows, which are dependent on the price of an underlying commodity index. Any commodity index to which exposure is achieved will be cleared in advance by the Central Bank.
- TBA Derivatives: Forward contracts on a generic pool ofmortgages.
- Structured financial derivatives, such as credit-linked and equity-linked securities.
  - A credit-linked security is a security that is structured by embedding a credit default swap agreement in a funded asset to form an investment that has credit risk and cash flow characteristics resembling a bond or a loan.
  - An equity-linked security is an instrument whose return is determined by the performance of a single, underlying equity security or a basket of equity securities. The return on investment is dependent on upon the performance of the underlying equities that are linked to the equity-linked securities.
- Contracts for difference. These allow a direct exposure to the market, a sector or an individual security. Contracts for difference are used to gain exposure to share price movements without buying the shares themselves. A contract for differences on a company's shares will specify the price of the shares when the contract was started. The contract is an agreement to pay out cash on the difference between the starting share price and when the contract is closed. A contract for difference may come within the definition of a Total Return Swap.

Details of the FDI to be used by any Sub-Fund are disclosed in the Supplement for the relevant Sub-Fund.

What the Sub-Funds May Use Derivatives For

- **Hedging** - Hedging is taking a market position that is in the opposite direction from the position created by other portfolio investments, for the purpose or reducing or cancelling out exposure to price fluctuations or certain factors that contribute to them.

- **Currency hedging** Typically done using currency forwards. The goal is to hedge against currency risk. Can be done at the Sub-Fund level and at the share class level (for share classes that are hedged to a different currency than the Sub-Fund's base currency). A Sub-Fund may engage in direct hedging (same currency, opposite position) and in cross-hedging (reducing exposure to one currency while increasing exposure to another). When a Sub-Fund holds assets denominated in multiple currencies, there is a greater risk that currency risk will not be fully hedged.
- **Interest rate hedging** Typically done using interest rate futures, interest rate swaps, writing call options on interest rates or buying put options on interest rates. The goal is to hedge against interest rate risk.
- **Credit hedging** Typically done using credit default swaps. The goal is to hedge against credit risk. This includes hedges against the risks of specific assets or issuers as well as proxy hedges (hedges against securities to which the Sub-Fund is not directly exposed but which are expected to behave similarly to securities to which it is directly exposed).
- **Duration hedging** Typically done using futures. The goal is to seek to manage the exposure of bonds to changes in interest rates. Duration hedging can be done at the Sub-Fund level only.

- **Investment exposure** - A Sub-Fund may use any allowable derivative as a substitute for permissible direct investment.
- **Leverage** - A Sub-Fund may use any allowable derivative to increase its total investment exposure beyond what would be possible through direct investment (leverage). A leveraged portfolio is typically more volatile than an unleveraged one. Unless otherwise stated in the relevant Supplement, the Investment Manager will not utilise derivatives for leverage purposes.

Details of the reasons for use of FDI will be set out in the Supplement for the relevant Sub-Fund.

Counterparties to Derivatives

All counterparties to derivatives must be authorised by the Investment Manager. The authorisation process includes regular credit assessments that use both external information such as credit rating agency ratings as well as internal analysis of audited financials for the past three years. Counterparty creditworthiness is monitored continually and any adverse information is considered a matter of urgency.

Counterparties are reviewed at least annually to ensure that they remain appropriate for the requirements of the business. An independent front office function monitors counterparty exposures daily (see **"Counterparty Risk"** in section 3.2. of this Prospectus). Exposures may also be managed through a collateral and margining arrangement supported by appropriate, enforceable agreements.

No counterparty to a Sub-Fund derivative can serve as an investment manager of a Sub-Fund or otherwise have any control over the management of a Sub-Fund's investments or transactions or over the assets underlying a derivative. All authorised counterparties will be identified in the ICAV's annual report.

EPM

EPM means the cost-effective use of techniques and instruments to reduce risks or costs or to generate additional capital or income. The techniques and instruments must relate to transferable securities or money market instruments, and the risks generated must be consistent with the Sub-Fund's risk profile and be adequately captured by the risk management process.

Collateral policy

Collateral obtained in respect of OTC financial derivative transactions and EPM, such as Securities Financing Transactions, must comply with the following criteria:

Types of Collateral

- **Non Cash Collateral**

  Non-cash collateral for Sub-Funds must, at all times, meet with the following requirements as applicable:

1. **Liquidity:** Non-cash collateral should be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation. Collateral received should also comply with the provisions of Regulation 74 of the UCITS;
2. **Valuation:** Collateral must be capable of being valued on at least a daily basis at mark-to-market value and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place;
3. **Issuer credit quality:** Collateral received should be of high quality;
4. **Correlation:** Collateral received should be issued by an entity that is independent from the counterparty and is not expected to display a high correlation with the performance of the counterparty;
5. **Diversification (asset concentration):** Collateral should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20% of the NAV of the relevant Sub-Fund. When a Sub-Fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer. By way of derogation from this requirement, a Sub-Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, a third country, or a public international body to which one or more Member States belong, provided that the Sub-Fund must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of the NAV of the Sub-Fund. Please see Appendix 1 – "UCITS Investment Restrictions" under "Investment Restrictions" at section 2(l) for individual issuers.
6. **Immediately available:** Collateral received should be capable of being fully enforced by the ICAV at any time without reference to or approval from the relevant counterparty; and
7. Non-cash collateral received cannot be sold, pledged or reinvested by the Sub-Fund.

Generally, the ICAV will accept the following types of non-cash collateral: obligations issued or guaranteed by the U.S., U.K. any other OECD member states or their local governments, agencies, instrumentalities or authorities, obligations issued by supranational entities, corporate debt securities, including commercial paper and convertible securities, issued by U.S. and non-U.S. corporations, equities from major indices (including, but not limited to Australia, Canada, Denmark, France, Germany, Hong Kong, Japan, the Netherlands, Norway, Sweden, Switzerland, United Kingdom and United States). Maturity is not a feature considered when accepting collateral.

- **Cash Collateral**

Reinvestment of cash collateral must be in accordance with the following requirements:

1. cash received as collateral may only be invested in the following:
    a. deposits with a credit institution authorised in the European Economic Area (EEA) (EU Member States, Norway, Iceland, Liechtenstein), a credit institution authorised within a signatory state, other than an EU Member State or a Member State of EEA, to the Basle Capital Convergence Agreement of July 1988 (Switzerland, Canada, Japan, United States) or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand (the Relevant Institutions);
    b. high quality government bonds;
    c. reverse repurchase agreements provided the transactions are with credit institutions referred to in (a) above and the ICAV is able to recall at any time the full amount of cash on an accrued basis;
    d. short-term money market funds as defined in the ESMA Guidelines on a Common Definition of European Money Market Funds (ref CESR/10-049);
2. invested cash collateral must be diversified in accordance with the requirements for diversification set out under "Diversification (asset concentration)" above;
3. invested cash collateral may not be placed on deposit with the counterparty or a related entity.

Investing this cash subjects that investment, as well as the securities loaned, to market appreciation or depreciation and the risks associated with such investments, such as failure or default of the issuer of the relevant security.

- **Level of Collateral Required**

Unless otherwise specified in the relevant Supplement for a Sub-Fund, the levels of collateral required are as follows:

Lending of portfolio securities	at least 100% of the exposure to the counterparty.
OTC derivatives	Such collateral to ensure, in any event, that counterparty exposure is managed within the limits set out in UCITS Investment Restrictions in Appendix 1.
Reverse repurchase agreements	at least 100% of the exposure to the counterparty.

- **Haircut Policy**

  In advance of a Sub-Fund entering into OTC derivative transactions, reverse repurchase agreements and/or stock-lending transactions, the Investment Manager will determine what, if any, haircut may be required and acceptable for each class of asset to be received as collateral, which will be set out in the agreement with the relevant counterparty or otherwise documented at the time of entering into such agreement. Such haircut will take into account the characteristics of the asset such as the credit standing or price volatility of the assets received as collateral and, where applicable, the outcome of any stress test performed in accordance with the Central Bank's requirements.

11.3. Appendix 3 - List of Recognised Markets

The exchanges/markets are set out below in accordance with the regulatory criteria as defined in the Central Bank UCITS Regulations. The Central Bank does not issue a list of approved markets.

With the exception of permitted investment in unlisted securities, investment in securities will be limited to the following stock exchanges and regulated markets:

i. Any stock exchange or market in any EU Member State or in any of the following member countries of the OECD: Australia, Canada, Japan, New Zealand, Norway, Switzerland, the United Kingdom and the United States of America.

ii. Any of the following exchanges or markets:

Argentina Buenos Aires Stock Exchange, Cordoba Stock Exchange, La Plata Stock Exchange, Mendoza Stock Exchange, Mercado Abierto Electronico, Rosario Stock Exchange, Mercado a Termino de Buenos Aires S.A. (MATba)

Bahrain	Manama Stock Exchange
Bangladesh	Dhaka Stock Exchange, Chittagong Stock Exchange
Bermuda	Bermuda Stock Exchange
Botswana	Botswana Stock Exchange
Brazil	Bolsa de Valores, Mercadorias & Futuros de São Paulo
Cayman Islands	Cayman Islands Stock Exchange
Chile	Santiago Stock Exchange, Valparaiso Stock Exchange, La Bolsa Electronica de Chile
China	Shanghai Stock Exchange and Shenzhen Stock Exchange
Colombia	Bolsa de Valores de Colombia (BVC)
Croatia	Zagreb Stock Exchange
Egypt	Egyptian Stock Exchange
Ghana	Ghana Stock Exchange
Guernsey	The International Stock Exchange
Hong Kong	Stock Exchange of Hong Kong
India	The National Stock Exchange of India Limited, Madras Stock Exchange, Delhi Stock Exchange, Ahmedabad Stock Exchange, Bangalore Stock Exchange, Cochin Stock Exchange, Gauhari Stock Exchange, Magadh Stock Exchange, The Bombay Stock Exchange, Pune Stock Exchange,

	Hyderabad Stock Exchange, Ludhiana Stock Exchange, Uttar Pradesh Stock Exchange, Calcutta Stock Exchange
Indonesia	Indonesia Stock Exchange
Israel	Tel Aviv Stock Exchange
Jersey	The International Stock Exchange
Jordan	Amman Stock Exchange
Kazakhstan	Central Asian Stock Exchange, Kazakhstan Stock Exchange
Kenya	Nairobi Stock Exchange
Kuwait	Kuwait Stock Exchange
Malaysia	The Bursa Malaysia Berhad,
Mauritius	Stock Exchange of Mauritius
Mexico	Mexico Stock Exchange
Morocco	Casablanca Stock Exchange
Nigeria	Nigeria Stock Exchange
Oman	Oman Stock Exchange
Pakistan	Karachi Stock Exchange (Guarantee) Ltd,
	Lahore Stock Exchange, Islamabad Stock Exchange
Palestine	Nablus Stock Exchange
Peru	Lima Stock Exchange
Philippines	Philippines Stock Exchange Inc.
Qatar	Doha Securities Market
Saudi Arabia	Saudi Stock Exchange (Tadawul)
Serbia	Belgrade Stock Exchange
Singapore	Singapore Exchange Limited
South Africa	Johannesburg Stock Exchange
South Korea	Korea Stock Exchange
Sri Lanka	Colombo Stock Exchange
Taiwan	Taiwan Stock Exchange Corporation, Gretai Securities Market
Thailand	Stock Exchange of Thailand, Bangkok
Turkey	Istanbul Stock Exchange
Uganda	Uganda Securities Exchange
United Arab	Abu Dhabi Stock Exchange,
Emirates	Dubai Financial Market,
	Dubai International Financial Exchange
Vietnam	Ho Chi Minh Securities Trading Center, Hanoi Securities Trading Center
Zambia	Lusaka Stock Exchange

iii. The following markets:

- the market organised by the International Capital Markets Association;
- the UK market (i) conducted by banks and other institutions regulated by the Financial Conduct Authority (**"FCA"**) and subject to the Inter-Professional Conduct provisions of the FSA's Market Conduct Sourcebook and (ii) in non-investment products which are subject to the guidance contained in the "Non-Investment Product Code" drawn up by the participants in the London market, including the FSA and the Bank of England (formerly known as "The Grey Paper");
- (a) NASDAQ in the United States, (b) the market in the US government securities conducted by the primary dealers regulated by the Federal Reserve Bank of New York; (c) the over-the-counter market in the United States conducted by primary and secondary dealers regulated by the Securities and Exchange Commission and the National Association of Securities Dealers and by banking institutions regulated by the US Controller of Currency, the Federal Reserve System or Federal Deposit Insurance Corporation;
- (a) NASDAQ Japan, (b) the over-the-counter market in Japan regulated by the Securities Dealers Association of Japan, and (c) Market of the High-Growth and Emerging Stocks **("MOTHERS")**
- the alternative investment markets in the United Kingdom regulated and operated by the London Stock Exchange;

- the China Interbank Bond Market;
- the Hong Kong Growth Enterprise Market (**"GEM"**);
- TAISDAQ
- the Stock Exchange of Singapore Dealing and Automated Quotation (**"SESDAQ"**)
- the Taiwan Innovative Growing Entrepreneurs Exchange (**"TIGER"**)
- the Korean Securities Dealers Automated Quotation (**"KOSDAQ"**)
- the French Market for Titres de Créances Négotiables (OTC market in negotiable debt instruments)
- the OTC market in Canadian Government Bonds, regulated by the Investment Dealers Association of Canada
- EASDAQ (European Association of Securities Dealers Automated Quotation)

Financial Derivative Instruments

NASDAQ, the Chicago Mercantile Exchange American Stock Exchange, Chicago Board of Trade, Chicago Board of Options Exchange, Coffee, Sugar and Cocoa Exchange, Iowa Electronic Markets, Kansas City Board of Trade, Mid-American Commodity Exchange, Minneapolis Grain Exchange, New York Cotton Exchange, Twin Cities Board of Trade, New York Futures Exchange, New York Board of Trade, New York Mercantile Exchange, Hong Kong Futures Exchange, Singapore International Monetary Exchange, Singapore Commodity Exchange, Tokyo International Futures Exchange, New Zealand Futures and Options Exchange and any exchange or market, including any board of trade or similar entity, or automated quotation system, which exchanges and markets are regulated, operating regularly, recognised and open to the public in a Member State, or the United Kingdom or a member state of the EEA.

With the exception of permitted investments in unlisted securities, and off-exchange derivative instruments, investment in securities or FDI will be made only in securities or FDI listed or traded on a Recognised Market which meets the regulatory criteria (regulated, operating regularly, recognised and open to the public) and which is listed in the Prospectus. The Recognised Markets in the Prospectus will be drawn from the foregoing list. These exchanges and markets are listed in accordance with the requirements of the Central Bank and the Central Bank does not issue a list of approved markets

11.4. Appendix 4 - Sub Delegates of Depositary

Country	Sub Delegate
Argentina	HSBC Bank Argentina S.A.
Australia	HSBC Bank Australia Ltd
Austria	HSBC Trinkaus & Burkhardt AG
Bahrain	HSBC Bank Middle East Ltd
Bangladesh	The Hongkong and Shanghai Banking Corporation Ltd (Bangladesh)
Belgium	BNP Paribas Securities Services
Belgium	Euroclear Bank S.A./N.V.
Bermuda	HSBC Bank Bermuda Ltd
Botswana	Standard Chartered Bank Botswana Ltd
Brazil	Bradesco-Kirton Corretora de Títulos e Valores Mobiliários S.A.
Bulgaria	UniCredit Bulbank AD
Canada	Royal Bank of Canada
Chile	Banco Santander Chile

China	Citibank (China) Co Ltd
China	HSBC Bank (China) Ltd
Colombia	Itau Securities Services Colombia S.A. Sociedad Fuduciaria
Croatia	Privredna Banka Zagreb d.d.
Cyprus	HSBC Continental Europe, Greece
Czech Republic	Ceskoslovenska obchodni banka, a. s.
Denmark	Skandinaviska Enskilda Banken AB
Egypt	HSBC Bank Egypt Ltd
Estonia	SEB Pank
Finland	Skandinaviska Enskilda Banken AB
France	BNP Paribas Securities Services (France)
France	CACEIS Bank
Germany	HSBC Trinkaus & Burkhardt AG
Ghana	Standard Chartered Bank Ghana Ltd
Ghana	Stanbic Bank Ghana Ltd
Greece	HSBC Continental Europe, Greece
Hong Kong	The Hongkong & Shanghai Banking Corporation Ltd (CNC) (HK)
Hungary	Unicredit Bank Hungary Zrt
India	The Hongkong and Shanghai Banking Corporation Ltd (India)
Indonesia	PT Bank HSBC Indonesia
Ireland	HSBC Bank Plc (Ireland)
Israel	Bank Leumi Le-Israel BM
Italy	BNP Paribas Securities Services
Japan	The Hongkong and Shanghai Banking Corporation Ltd (Japan)
Jordan	Bank of Jordan plc
Kazakhstan	JSC Citibank Kazakhstan
Kenya	Standard Chartered Bank Kenya Ltd
Kenya	CFC Stanbic Bank Ltd
Kuwait	HSBC Bank Middle East Ltd (Kuwait)
Latvia	AS SEB Banka

Lithuania	AS SEB bankas
Luxembourg	Clearstream Banking SA
Malaysia	HSBC Bank Malaysia Berhad
Mauritius	The Hongkong and Shanghai Banking Corporation Ltd (Mauritius)
Mexico	HSBC Mexico, SA
Morocco	Citibank Maghreb
Netherlands	BNP Paribas Securities Services (Netherlands)
New Zealand	The Hongkong and Shanghai Banking Corporation Ltd (New Zealand)
Nigeria	Stanbic IBTC Bank plc
Norway	Skandinaviska Enskilda Banken AB
Oman	HSBC Bank Oman S.A.O.G.
Pakistan	Citibank NA
Palestine	Bank of Jordan Plc
Peru	Citibank del Peru S.A.
Philippines	The Hongkong and Shanghai Banking Corporation Ltd (Philippines)
Poland	Bank Polska Kasa Opieki SA
Poland	Societe General SA, Polish Branch
Portugal	BNP Paribas Securities Services
Qatar	HSBC Bank Middle East Ltd
Romania	Citibank Europe plc, Romania branch
Saudi Arabia	HSBC Saudi Arabia Ltd
Serbia	Unicredit Bank Srbija a.d.
Singapore	The Hongkong and Shanghai Banking Corporation Ltd (Singapore)
Slovakia	Ceskoslovenska obchodni banka, a. s
Slovenia	Unicredit Banka Slovenija DD
South Africa	Standard Bank of South Africa Ltd
South Korea	The Hongkong and Shanghai Banking Corporation Ltd (South Korea)
Spain	BNP Paribas Securities Services
Sri Lanka	The Hongkong and Shanghai Banking Corporation Ltd (Sri Lanka)

Sweden	Skandinaviska Enskilda Banken AB
Switzerland	Credit Suisse (Switzerland) Ltd
Taiwan	HSBC Bank (Taiwan) Ltd
Tanzania	Standard Chartered Bank (Mauritius) Ltd
Thailand	The Hongkong and Shanghai Banking Corporation Ltd (Thailand)
Tunisia	Union Internationale de Banque SA
Turkey	HSBC Bank AS
Uganda	Standard Chartered (Uganda) Ltd
Uganda	Stanbic Bank Uganda Ltd
United Arab Emirates	HSBC Bank Middle East Ltd
United Kingdom	HSBC Bank Plc (UK)
United States	HBSC Bank (USA) NA
Vietnam	HSBC Bank (Vietnam) Limited
Zambia	Standard Chartered Bank (Zambia) Plc
Zambia	Stanbic Bank Zambia Ltd
Zimbabwe	Standard Bank of South Africa Limited

