

HSBC Global Funds ICAV

Pricing Adjustment

15 November 2024



HSBC
Global Asset
Management

HSBC Global Funds ICAV – Pricing Adjustment

What is a pricing adjustment?

A pricing adjustment (also called swing pricing) is a mechanism specifically designed to protect existing investors in a fund from the transaction costs of large net subscriptions or redemptions. These transactions costs include, but are not limited to, brokerage fees and taxes on transactions.

Without a pricing adjustment, transactions costs would fall on all shareholders in the fund. Instead, when this mechanism applies, the transaction costs are borne only by those client(s) who have just subscribed or redeemed, since it is their transactions that cause the costs.

HSBC Global Funds ICAV (HSBC ICAV) use a pricing adjustment mechanism to protect their existing investors in this way.

How does this mechanism work?

The pricing adjustment mechanism is a system of rates – expressed in % – with three main components (see the example opposite for an illustration).

1. A threshold rate

We calculate the total subscriptions minus the total redemptions in the fund on every valuation day.

If there are more subscriptions, the result will be “net subscriptions” and if there are more redemptions, the result will be “net redemptions”.

If, on any given valuation day, the result of ‘subscriptions – redemptions’ is a larger percentage of the fund’s Net Asset Value (NAV) than the threshold rate, it triggers one of the adjustment rates.

2. A buy adjustment rate

This is applied when the amount of net subscriptions is bigger than the threshold rate.

In this case, the fund’s NAV per share is increased by the buy adjustment rate.

The effect is the same as asking investors to pay an extra fee to subscribe on that day, and then putting this fee back into the fund so the existing shareholders don’t suffer the impact of the transaction costs.

3. A sell adjustment rate

This rate works exactly like the buy adjustment rate, but for situations when the amount of net redemptions is bigger than the threshold rate.

When this happens, the fund’s NAV per share is reduced by the sell adjustment rate.

The rates may be different for each fund, as shown in our table of adjustment rates on page 2.

An example

- Fund AUM: USD100 million
- Threshold rate: 1% of the AUM
- Subscriptions: USD10 million
- Redemptions: USD8 million
- Subscriptions – Redemptions: USD2 million (net subscriptions)

In this example, the percentage of the amount of net subscriptions (USD2 million, therefore 2%) is higher than the threshold rate (1% of USD100 million, which is USD1 million).

Therefore, the fund’s NAV per share will be adjusted up using the buy adjustment rate.

The table in the next page shows the current adjustment rates (buy and sell rates) for each fund where pricing adjustment applies. We do not disclose the threshold figures.

Do threshold and adjustment rates ever change?

We review the thresholds on an annual basis and the adjustment rates on a quarterly basis, at a minimum.

However, we may also adjust the thresholds and the rates on an *ad hoc* basis, to respond to market-specific circumstances and protect our funds’ investors.

Price adjustment for large flows

For HSBC ICAV, additional thresholds have been established to define a capital flow as a large/significant flow. If this significant flow threshold is met, an adjusted swing factor is calculated based on the true costs incurred to invest / disinvest. Such factor would only be applied on the date of the large capital flow. It can be provided upon request from your local distributor.

Conclusion

The sole objective of a pricing adjustment is to protect shareholders.

Whenever investors are impacted by the pricing adjustment when subscribing / redeeming, they are in fact paying for the transaction costs of dealing so existing shareholders are not disadvantaged.

In addition, they would incur these dealing costs themselves if they decided to invest directly.

HSBC ICAV – Pricing Adjustment

The Adjustment Rates disclosed in the table below are effective from 15 November 2024.

- The Repurchase % and Sale % shown in the table below are from the Sub-Fund's perspective.
- A Repurchase from the Sub-Fund's perspective means a sell from investor's perspective.
- A Sale from the Sub-Fund's perspective means a buy from investor's perspective.

Investors should note that the Adjustment Rates are reviewed at least on quarterly basis. However, the Adjustment Rates are also subject to be updated on an *ad hoc* basis. As a result, the Adjustment Rates may suddenly change and therefore differ from the rates provided in this document.

Sub-Fund	Adjustment Rate	
	Repurchase (%)	Sale (%)
ICAV China Government Local Bond UCITS ETF	0.01	0.08
ICAV Global Aggregate Bond Index Fund	0.04	0.12
ICAV Global Corporate Bond UCITS ETF	0.00	0.26
ICAV Global Emerging Market Government Bond Index Fund	0.00	0.43
ICAV Global Equity Index Fund	0.09	0.08
ICAV Global Government Bond UCITS ETF	0.00	0.11
ICAV Global Sukuk Index Fund	0.13	0.48
ICAV Global Sustainable Government Bond UCITS ETF	0.04	0.12
ICAV Japan Equity Index Fund	0.09	0.07
ICAV MF EMU Equity fund	0.10	0.20
ICAV MultiFactor Worldwide Equity	0.34	0.34
ICAV US Equity Index Fund	0.09	0.07
HSBC GF ICAV Cross Asset Trend Fund	0.06	0.06
HSBC Global Funds ICAV - Shariah Multi Asset	0.13	0.20
HSBC Global Funds ICAV - Multi Factor US Equity Fund	0.08	0.09
HSBC Global Funds ICAV - HSBC MSCI Emerging Markets Small Cap ESG Fund	Actual Cost*	Actual Cost*
HSBC Global Funds ICAV – HSBC MSCI Emerging Markets Value ESG Fund	Actual Cost*	Actual Cost*
HSBC Global Funds ICAV - Sustainable Development Bank Bonds UCITS ETF	0.00	0.03
HSBC GF ICAV Multi Thematic Equity Fund	0.10	0.10
HSBC Global Funds ICAV – HSBC MSCI World Fund	Actual Cost*	Actual Cost*
HSBC GF ICAV US Corp Bond Index Fund	0.00	0.20
HSBC GF ICAV Euro Corp Bond Index Fund	0.00	0.20
HSBC Global Funds ICAV - Euro Lower Carbon Government 10+ Year Bond UCITS ETF	0.00	0.07
HSBC Global Funds ICAV - Euro Lower Carbon Government 1-3 Year Bond UCITS ETF	0.00	0.03
HSBC Global Funds ICAV - Global Aggregate Bond ESG UCITS ETF	0.04	0.12

* Actual costs are used as adjustment rate. Current rate can be requested via the sales representative.

Risk Considerations

Investment in any sub-fund carries with it a degree of risk. The value of an investment, and any income from it, may fall as well as rise, and you may not get back the amount you originally invested.

Potential investors should review the HSBC Global Funds ICAV Prospectus in its entirety and the relevant Key Investor Information Document and consult with their legal, tax and financial advisors prior to making a decision to invest.

UK

The funds are sub-funds of the HSBC Global Funds ICAV, an Ireland domiciled SICAV. UK based investors in the sub-funds are advised that they may not be afforded some of the protections conveyed by the provisions of the Financial Services and Markets Act 2000. HSBC Global Funds ICAV is recognised in the United Kingdom by the Financial Conduct Authority under section 264 of the Act. The shares have not been and will not be offered for sale or sold in the United States of America, its territories or possessions and all areas subject to its jurisdiction, or to United States Persons. All applications are made on the basis of the current Prospectus, Key Investor Information Document (KIID), Supplementary Information Document (SID) and most recent annual and semi-annual reports, which can be obtained upon request free of charge from HSBC Global Asset Management (UK) Limited, 8 Canada Square, Canary Wharf, London, E14 5HQ, UK, or the local distributors. **Investors and potential investors should read and note the risk warnings in the prospectus and relevant KIID and additionally, in the case of retail clients, the information contained in the supporting SID.**

Some of the sub-funds are unregulated collective investment schemes for UK Regulatory purposes. The promotion of these sub-funds is therefore restricted in the UK by the Financial Services and Markets Act 2000 and this document can only be issued to persons permitted under COBS 4.12 of the FCA Handbook. This document is approved for issue in the UK by HSBC Global Asset Management (UK) Limited who are authorised and regulated by the Financial Conduct Authority. © Copyright 2020 HSBC Global Asset Management (UK) Limited. All Rights Reserved.

Belgium, Denmark, Finland, France, Greece, Italy, Luxembourg, Malta, Netherlands, Norway, Portugal, Spain and Sweden

The information contained herein is subject to change without notice. All non-authorised reproduction or use of document will be the responsibility of the user and will be likely to lead to legal proceedings. This document has no contractual value and is not by any means intended as a solicitation, nor a recommendation for the purchase or sale of any financial instrument in any jurisdiction in which such an offer is not lawful. It is a marketing communication and does not constitute investment advice or a recommendation to any reader of this content to buy or sell investments nor should it be regarded as investment research. It has not been prepared in accordance with legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of its dissemination.

The funds are sub-funds of the HSBC Global Funds ICAV use the swing principle calculation method which determines the net asset value of the fund. Swing pricing allows investment funds to pay the daily transaction costs arising from subscription and redemptions by incoming and outgoing investors. The aim of swing pricing is to reduce the dilution effect generated when, for example, major redemptions in a fund force its manager to sell the underlying assets of the fund. These sales of assets generate transaction costs and taxes, also significant, which impact the value of the fund and all its investors.

The value of an investment in the portfolios and any income from them can go down as well as up and as with any investment you may not receive back the amount originally invested. The information contained herein is subject to change without notice. All non-authorised reproduction or use of this commentary and analysis will be the responsibility of the user and will be likely to lead to legal proceedings. This document has no contractual value and is not by any means intended as a solicitation, nor a recommendation for the purchase or sale of any financial instrument in any jurisdiction in which such an offer is not lawful.

All data come from HSBC Global Asset Management unless otherwise specified. The commentary and analysis presented in this document reflect the opinion of HSBC Global Asset Management (France) on the markets, according to the information available to date. They do not constitute any kind of commitment from HSBC Global Asset Management (France). Consequently, HSBC Global Asset Management (France) will not be held responsible for any investment or disinvestment decision taken on the basis of the commentary and/or analysis in this document.

The funds are sub-funds of the HSBC Global Funds ICAV, an Ireland domiciled SICAV. All applications are made on the basis of the current HSBC Global Funds ICAV Prospectus, Key Investor Information Document (KIID), Supplementary Information Document (SID) and most recent annual and semi-annual reports, which can be obtained free of charge from HSBC Global Asset Management (UK) Limited, 8 Canada Square, Canary Wharf, London E14 5HQ, UK. Investors and potential investors should read and note the risk warnings in the prospectus and relevant KIID and additionally, in the case of retail clients, the information contained in the supporting SID.

HSBC Global Asset Management (France) - 421 345 489 RCS Nanterre. Portfolio management company authorised by the French regulatory authority AMF (no. GP99026) with capital of 8.050.320 euros. Offices: HSBC Global Asset Management (France) - Immeuble Coeur Défense - 110. esplanade du Général Charles de Gaulle - 92400 Courbevoie - La Défense 4 – France. (Website: www.assetmanagement.hsbc.com/fr).

The contents of this document are confidential and may not be reproduced or further distributed to any person or entity, whether in whole or in part, for any purpose without prior written permission.

© Copyright 2020. HSBC Global Asset Management (France) Inc. All rights reserved

Switzerland

This document has no contractual value and is not by any means intended as a solicitation, nor a recommendation for the purchase or sale of any financial instrument. This document may be distributed in Switzerland only to qualified investors according to Art. 10 para 3, 3bis and 3ter of the Federal Collective Investment Schemes Act (CISA)

The presented funds are authorised for distribution in Switzerland in the meaning of Art. 120 of the Federal Collective Investment Schemes Act. (Potential) investors are kindly asked to consult the latest issued Key Investor Information Document (KIID), prospectus, articles of incorporation and the (semi-)annual report of the fund which may be obtained free of charge at the head office of the representative: HSBC Global Asset Management (Switzerland) Ltd., Gartenstrasse 26, P.O. Box, CH-8002 Zurich. Paying agent: HSBC Private Bank (Suisse) S.A., Quai des Bergues 9-17, P. O. Box 2888, CH-1211 Geneva 1. Investors and potential investors should read and note the risk warnings in the prospectus and relevant KIID. Before subscription, investors should refer to the prospectus for general risk factors and to the KIID for specific risk factors associated with this fund. Issue and redemption expenses are not taken into consideration in the calculation of performance data.

The funds presented in this document are sub-funds of HSBC Global Investment Funds, an investment company constituted as a société à capital variable domiciled in Luxembourg. The shares in HSBC Global Investment Funds have not been and will not be registered under the US Securities Act of 1933 and will not be sold or offered in the United States of America, its territories or possessions and all areas subject to its jurisdiction, or to United States Persons

Germany and Austria

Published in Germany and Austria by HSBC Global Asset Management (Deutschland) GmbH

This marketing document is designed for sales and marketing purposes for the introduced fund and is not an offer, an investment advice/recommendation or an invitation to make an application to invest in this fund. It does not constitute independent investment research. All statutory requirements concerning impartiality of financial analysis are unaffected. This document does not replace a professional investment advice. It is not an offer for subscription. A prohibition of trading concerning mentioned financial products before publishing this document does not exist. This document is not determined to citizens of the USA. It is only intended for the recipient and parts of it may not be disclosed to any third party or used for any other purpose without prior written consent. Past performance contained in this document is not a reliable indicator of future performance whilst any forecasts, projections and simulations contained herein should not be relied upon as an indication of future results. **In addition to the information on performance contained in this document, for gross performance, fees are not included in the presentation and have a negative impact on the performance of the investment.** Due to the composition of the fund prices may fluctuate significantly in the short term to the downside as well as the upside. If awards are mentioned in this document, it is possible that this is not the most recent award. This document is based on information obtained from sources we believe to be reliable but which have not been independently verified; therefore, we accept no responsibility for accuracy and/or completeness. The opinions represented in this document express opinions of the author/the authors, editors and business partners of HSBC Global Asset Management (Deutschland) GmbH and are subject to change. The shift of opinion has not to be published. The fund is not suitable for every investor. It cannot be ruled out that an investment in the fund could lead to losses for the investor. It is also possible that investors might lose all of their initial investment. All information within this document do neither replace the prospectus for the fund nor the Key Investor Information Documents and the most recent annual and semi-annual reports. German citizens can obtain these documents upon request and free of charge from HSBC Trinkaus & Burkhardt AG, Koenigsallee 21/23, 40212 Duesseldorf, Germany or via www.assetmanagement.hsbc.de/de. Austrian citizens can obtain these documents upon request and free of charge from Raiffeisen Bank International AG, Am Stadtpark 9, 1030 Wien, Austria or via www.assetmanagement.hsbc.at/de.

© HSBC Global Asset Management (Deutschland) GmbH 2020. Königsallee 21/23, 40212 Düsseldorf
All rights reserved.