

The Directors of HSBC Global Funds ICAV (the “**Directors**”) listed in the Prospectus in the “**Management and Administration**” section, accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

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## **HSBC Global Funds ICAV – Global Emerging Market Government Bond Index Fund**

**(A sub-fund of HSBC Global Funds ICAV, an umbrella fund with segregated liability between sub-funds authorised by the Central Bank of Ireland pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011) (as amended)**

**20 May 2024**

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This Supplement forms part of the Prospectus dated 17 November 2023 (the “Prospectus”) in relation to HSBC Global Funds ICAV (the “ICAV”) for the purposes of the UCITS Regulations. Unless otherwise provided for in this Supplement, all capitalised terms shall have the same meaning herein as in the Prospectus. This Supplement should be read in the context of, and together with, the Prospectus and contains information relating to the HSBC Global Funds ICAV – Global Emerging Market Government Bond Index Fund (the “Sub-Fund”) which is a separate sub-fund of the ICAV, represented by the HSBC Global Funds ICAV – Global Emerging Market Government Bond Index Fund series of shares in the ICAV (the “Shares”). Please see the List of Sub-Funds Supplement for a list of the other Sub-Funds of the ICAV.

Prospective investors should review this Supplement and the Prospectus carefully and in their entirety. Prospective investors 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 Supplement and the Prospectus.

Potential investors should consider the risk factors set out in the Prospectus and in this Supplement before investing in this Sub-Fund. An investment in the Sub-Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.

The Index, including the trademarks associated therewith, is the property J.P. Morgan Chase & Co and/or its affiliates (“Licensors”) and is used under license. Licensors are not affiliated with HSBC Global Asset Management Limited and do not approve, endorse, review or recommend the HSBC Global Funds ICAV – Global Emerging Market Government Bond Index Fund. Licensors do not guarantee the timeliness, accurateness or completeness of the Index or any data relating thereto and disclaim liability in respect of the use or accuracy of the Index or any data relating thereto.

A full disclaimer is provided in the Prospectus.

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## GENERAL

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The following provisions shall be applicable to the Sub-Fund:

|  |   |
|--|---|
| <b>Base Currency</b>                     | US Dollar   |
| <b>Index</b>                             | JPMorgan EMBI Global Diversified Index (total return)   |
| <b>Profile of a Typical Investor</b>     | <p>The Sub-Fund is designed for investors with a focus on income and planning to invest for at least 3 years. The Sub-Fund may appeal to investors who:</p> <ul style="list-style-type: none"> <li>(i) are looking for a core Emerging Market fixed income investment; and</li> <li>(ii) are interested in low cost exposure to the global emerging market government bond market.</li> </ul> |
| <b>Risk Management Method</b>            | Commitment approach. Detail on the commitment approach, including the leverage limits that apply, is set out in the Prospectus under Section “Risk Management Process”.   |
| <b>Dealing Deadline</b>                  | 2.00 pm (Irish time) on the Business Day prior to the relevant Dealing Day.   |
| <b>Settlement Date for Subscriptions</b> | Within two Business Days after the Dealing Day or such other day as the Management Company may determine and notify to Shareholders.  |
| <b>Settlement Date for Redemptions</b>   | Within two Business Days after the Dealing Day or such other day as the Management Company may determine and notify to Shareholders.  |
| <b>Valuation Point</b>                   | 11.00 p.m. Irish time on each Dealing Day after the Dealing Deadline.   |
| <b>Initial Offer Price</b>               | With the exception of Share Classes HCHKD, HC, BC, XC, SC, S1CHGBP and ZQ, the initial offer price for Shares in the Sub-Fund is 10.00 (or in the case of Japanese Yen, 100.00) in the Reference Currency of the relevant Share Class. After the Initial Offer Period, Shares will be issued at the Subscription Price.   |
| <b>Initial Offer Period</b>              | From 9.00 a.m. (Irish time) on 20 November 2023 to 5.00 p.m. (Irish time) on 17 May 2024 or such later or earlier date and time as the Directors may determine. Any extension or shortening of the initial offer period will be in accordance with the Central Bank's requirements.   |

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## INVESTMENT OBJECTIVE AND POLICY

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**Investment Objective:** To achieve regular income and capital growth.

**Investment Policy:** To track the performance of the Index, while minimising as far as possible the Tracking Error between the Sub-Fund performance and that of the Index.

The Sub-Fund may invest in fixed income securities which are Index constituents (as described under the Index section below).

If the overall portfolio matches the characteristics of the Index, the Sub-Fund may also invest in assets which are not Index constituents for the purpose of assisting in tracking the Index, including: 1) securities which are no longer or not yet part of the Index, or other securities that provide similar performance and risk profile to securities in the Index; 2) cash and money market instruments including bills, commercial paper and certificates of deposits for ancillary liquidity purposes; and 3) units or shares of CIS for hedging, EPM and cash management purposes.

Credit Ratings of the underlying securities may vary from time to time. The average Credit Rating of the investments comprising the Sub-Fund's portfolio is expected to be approximate to the average Credit Rating of those comprising the Index.

With the exception of permitted investments in unlisted securities or over-the-counter derivative instruments, the securities in which the Sub-Fund invests will be listed or traded on global Recognised Markets. Further details on permitted investments and Recognised Markets are given in Section "Appendix 1 - UCITS Investment Restrictions" and Section "Appendix 3 - List of Recognised Markets" in the Prospectus.

The Sub-Fund is currently registered for retail distribution in Hong Kong and accordingly it is required to make certain disclosures and set certain limits. The relevant disclosures and limits which apply to the Sub-Fund are:

- The Sub-Fund may invest up to 100% of its NAV in Non-Investment Grade and/or unrated debt securities.
- The Sub-Fund will not, under normal market conditions, invest more than 25% of its NAV in debt securities issued and/or guaranteed by a single sovereign issuer which are Non-Investment Grade or unrated (e.g., Turkey, South Africa, Brazil). Such investments are made with reference to the Index weighting of the Index-eligible country which, although capped at 10% at Index re-balancing, may exceed 10% between the period of re-balancing. Such investments will be in accordance with the restrictions set out in Section 12.1 "Appendix 1 - UCITS Investment Restrictions" in the Prospectus. Please note the ratings of sovereign issuers may change from time to time and the abovementioned sovereigns are named only for reference and are subject to change as their ratings change.

**Investment Approach:** The Sub-Fund will use Optimisation techniques which take into account tracking error, trading costs and availability of Index constituents when constructing the portfolio. Further detail on Optimisation is set out in the Section "Investment Techniques" in the Prospectus.

**Derivatives:** The Sub-Fund does not intend to use FDI extensively and is not expected to have an above average risk profile as a result of its use of or investment in FDI. The usage of FDIs and EPM techniques applicable to the Sub-Fund are set out in the Prospectus in the Section "Use of Financial Derivative Instruments".

The FDIs which the Sub-Fund may use are financial futures, foreign exchange contracts (including spot and forward contracts) and credit default swaps.

Financial futures may be used for duration management which allows the Sub-Fund to track, as closely as possible, the sensitivity of the Index's underlying asset prices to movements in yields. Foreign exchange contracts may be used for share class currency hedging and credit default swaps may be

used for credit exposure management to enable the Sub-Fund to track closely the overall credit risk of the Index.

It is the intention of the Sub-Fund that all of the above FDIs will be used for hedging and EPM purposes only with the objective to reduce the tracking error between the Sub-Fund's performance and that of the Index.

**Securities Financing Transactions and/or Total Return Swaps:** The Sub-Fund may engage in securities lending subject to the requirements of the Securities Financing Transactions Regulation, the UCITS Regulations and the Central Bank UCITS Regulations. This is more particularly described in the Prospectus under Section "Portfolio Investment Techniques". Less than 30% of the Sub-Fund's net assets may be subject to securities lending arrangements at any one time, however the amount subject to securities lending arrangements is generally expected to range from 0% to 25% of the Sub-Fund's net assets. Subject to the limitations referred to above, any of the assets of the Sub-Fund may be subject to Securities Financing Transactions.

The Sub-Fund will not enter into Total Return Swaps or Securities Financing Transactions, other than securities lending.

**Investment in Funds:** The Sub-Fund will not invest more than 10% of its net assets in CIS which may include units or shares of CIS that are managed directly or indirectly by the Investment Manager. Further information is provided in the Prospectus under Section "Fees, Charges and Expenses", "Costs of Investing in Units in Other Collective Investment Schemes". The Sub-Fund may invest in the units or shares of CIS which mainly invest in securities included in the Index in order to gain indirect exposure to such securities.

**Tracking Error:** The tracking error is the annualised standard deviation of the difference between the monthly (or daily) returns of the Sub-Fund and the Index. A series of factors may give rise to tracking error, as disclosed in the Prospectus in the Section "Tracking Error". As at the date of this Supplement, the Anticipated Tracking Error for the Sub-Fund is expected to be up to 0.55% per annum in normal market conditions.

**Volatility:** The Sub-Fund is expected to have medium levels of volatility.

The Sub-Fund is passively managed. There is no guarantee that the investment objective of the Sub-Fund will be achieved. In particular, no financial instrument enables the returns of the Index to be reproduced exactly.

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## INVESTMENT RISKS

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Investment in the Fund carries with it a degree of risk including the risks described in Section "**Risks and Risk Management**" in the Prospectus.

Risks mainly associated with ordinary market conditions are as follows:

|                                    |
|------------------------------------|
| Index Tracking Risk                |
| Investment Techniques              |
| The Index                          |
| Tracking Error                     |
| Hedged Share Classes               |
| Currency Risk                      |
| Emerging Markets Risk              |
| People's Republic of China         |
| Investment Fund Risk               |
| Reliance on the Investment Manager |
| Market Risk                        |
| Fixed Income Securities Risk       |

|   |
|---|
| Lower-Rated Securities Risk – Non-Investment Grade Debt |
| Particular Risks of Financial Derivative Instruments    |

Risks mainly associated with unusual market conditions are as follows:

|                   |
|-------------------|
| Counterparty Risk |
| Liquidity Risk    |
| Operational Risk  |

As the markets in which some of the issuers are based are considered to be emerging markets and the Sub-Fund may hold Non-Investment Grade Debt, an investment in the Sub-Fund should only be made by those persons who could sustain a loss on their investment. It should not constitute a substantial portion of an investment portfolio and may not be appropriate for all investors.

These investment risks are not purported to be exhaustive and potential investors should review the Prospectus and this Supplement carefully and consult with their professional advisors before making an application for Shares. Investment in the Sub-Fund is not for investors who cannot afford to lose all or a significant part of their investment.

An investor should consider his/her personal tolerance for the daily fluctuations of the market before investing in the Sub-Fund.

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## SHARE CLASSES

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The Sub-Fund has different Share Classes which are described in the Section “**Description of Share Classes**” in the Prospectus. Only certain Share Classes may be available for subscription as at the date of this Supplement. Additional Share Classes may be added in the future in accordance with the requirements of the Central Bank.

### Investment Minima

Please refer to the Section “**How to Buy Non-ETF Shares**” in the Prospectus for details of the minimum initial subscription amounts and minimum holding amounts for Shares.

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## FEES AND EXPENSES

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### Share Class Ongoing Charge\*

| A           | B           | H           | IT          | S           | S1          |
|-------------|-------------|-------------|-------------|-------------|-------------|
| Up to 0.70% | Up to 0.50% | Up to 1.00% | Up to 0.50% | Up to 0.50% | Up to 0.50% |
| S2          | S3          | S4          | S5          | S6          | S7          |
| Up to 0.50% | Up to 0.50% | Up to 0.50% | Up to 0.50% | Up to 0.50% | Up to 0.50% |
| S8          | S9          | S10         | W           | X           | Z           |
| Up to 0.50% | Up to 0.50% | Up to 0.50% | 0.00%       | Up to 0.50% | Up to 0.50% |

\* Ongoing charges are fixed and include the Management Fee, Operating, Administrative and Servicing Expenses. An additional fee of up to 0.03% may apply to Hedged Share Classes.

For further information, please refer to the “Fees, Charges and Expenses” Section of the Prospectus.

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## INDEX DESCRIPTION

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*This section is a summary of the principal features of the Index and is not a complete description of the Index.*

### General

The Index aims to reflect the performance of the USD-denominated fixed income bond market issued by global emerging market governments as further described below.

Index constituents consist of fixed-rate and floating rate emerging market bonds issued by sovereign and quasi-sovereign entities (entities which are 100% guaranteed or 100% owned by the national government, and that resides in an index-eligible country) from index-eligible countries. Index constituents may also, in certain circumstances, include capitalizing/amortizing bonds with embedded options and warrants. Index constituents will be USD denominated and will be Investment Grade rated Non-Investment Grade rated or unrated with a minimum issue size of at least \$500 million. At each monthly rebalance, eligible securities may be added to the Index constituents provided they have at least 2.5 years until maturity and the exposure to each eligible country will be capped to 10%. Eligible countries may have any credit rating (including Investment Grade, Non-Investment Grade and unrated) but must have a gross national income (“GNI”) per capita below the Index income ceiling (“IIC”) for 3 consecutive years. J.P. Morgan Securities LLC (the “Index Provider”) set the base level of the IIC in 1987 to match the World Bank high income threshold at US\$6,000 GNI per capita and then adjusts it every year by the growth rate of the world GNI per capita.

The currency of the Index is USD and returns are unhedged.

The Index is based on the J.P.Morgan Index Methodology which applies an eligibility criteria based on a set of fundamental core design principles (namely securities that are representative of the market, replicable, relevant, objective and transparent) which are designed to accurately and comprehensively measure the underlying Index constituents. The Index is priced daily, except on market holidays, using Pricing Direct Inc’s pricing service, with certain securities priced by third party sources. The Index is measured by total return, is market value weighted and rebalanced monthly.

### Publication of the Index

Further information about the Index, its composition, calculation and rules for periodical review and about the general methodology behind the JPMorgan indices can be found on <https://www.jpmorgan.com/country/GB/en/jpmorgan/investbk/solutions/research/indices/composition>.

The Index methodology may be amended from time to time by the Index Provider. Information on the Index methodology is available on the website above.