Glossary

ACD: HSBC Global Asset Management (UK) Limited, the Authorised Corporate Director of the Company**.**

Actively Managed: where the fund manager uses their expertise to pick investments to achieve the fund's objectives.

Amortized Cost: the method of calculating a fund's net asset value whereby portfolio securities are valued at the fund's acquisition cost as adjusted for amortization of premium or accretion of discount rather than at their value based on current market factors.

Asset Class: a group of marketable financial assets that have similar financial characteristics and behave similarly in the marketplace.

Assets Under Management (AUM): the total market value of the investments held by a portfolio manager or investment company on behalf of clients.

Beta: an historical measure of volatility to measure how a fund moves versus its benchmark (i.e. an Index)**.**

Blue Sky: refers to the process of complying with state securities laws.

Bond(s): a loan, usually to a company or government, that pays interest**.**

Bond Index Futures: a contract stating that the holder agrees to purchase a bond index at a particular price on a specified future date.

Broad Market Index: The broad market index is shown for the purpose of non-financial/tracking comparator purposes. The broad market index has not been optimised for sustainability factors and includes securities which have been excluded from the reference benchmark.

Committee on Uniform Securities Identification Procedures (CUSIP) Number: a series of letters and numbers used to identify certain securities and facilitate trading and settlement.

Credit Rating: an assessment of the credit risk of a company, government or other organisation. It seeks to measure how likely it is that the issuer of a bond will be able to continue to make interest payments and repay the money loaned to it**.**

Currency: money in general use in a particular country.

Daily Liquid Assets: (i) cash; (ii) direct obligations of the U.S. Government; (iii) securities that will mature or are subject to a demand feature that is exercisable and payable, within one business day; or (iv) amounts receivable and due unconditionally within one business day on pending sales of portfolio securities.

Dealing Frequency: regularity at which fund shares can be traded.

Developed Markets: countries with relatively high levels of personal income and established economies**.**

Distribution Factor: daily dividend declared to money market fund shares.

Dividend Distribution: payment made by a fund to its shareholders.

Dividend Treatment: method used by a fund to pay accumulated income to shareholders (i.e. distributing).

Duration: a measure of how long it takes in years for an investor in a bond to recoup the price they paid for the bond from its interest payments. It provides an indication of how much bond prices are likely to change if and when interest rates change**.**

Emerging Markets (EM): countries that are progressing toward becoming advanced, usually shown by some development in financial markets, the existence of some form of stock exchange and a regulatory body**.**

Futures: a financial contract obligating the buyer to purchase an asset (or the seller to sell an asset), such as a physical commodity or a financial instrument, at a predetermined future date and price**.**

Growth: the increase in the value of investments**.**

Government Bond or Gilt: a loan to a national government in return for regular payments (known as the coupon) and a promise that the original investment (principal) is paid back at a specified date. Gilts are loans to the UK government**.**

Hedge Funds: an investment fund that pools money from investors and invests in a variety of assets, often with complex investment strategies and risk management techniques**.**

Hedge or Hedging: using derivative type investments as a way to reduce risk**.**

High yield bond: a bond paying a higher level of interest but which has a lower credit rating than investment grade**.**

IMMFA: HSBC is a member of the Institutional Money Market Funds Association which is the trade association representing the European money market fund industry**.**

Income: money generated by a fund, such as interest from a bond or a dividend from a share, which can be paid out to its investors or paid back into the fund and reinvested**.**

Individual Savings Account (ISA): Inflows/Outflows: a measure of shareholder purchase and redemption activity.

Information Ratio: a measure of the risk-adjusted return of a fund against its benchmark**.**

International Securities Identification Number (ISIN): a unique, 12-character alphanumeric code that is used to identify securities and financial instruments globally.

Investment Grade: a credit rating that indicates the issuer of a bond has a relatively low risk of being unable to make interest payments and repay the money to it**.**

Management Fee: expense charged for portfolio investment advisory services expressed in annual basis points.

Mark-to-Market: the current net asset value per share of a money market fund calculated using available market quotations (or an appropriate substitute that reflects current market conditions).

Maturity: the period of time left for a bond or gilt to remain outstanding before the original loan and any final interest is repaid to the lender**.**

Minimum credit rating: uses minimum quality rating across S&P, Fitch and Moody's. The aggregate fund and benchmark rating does not include securities rated NR or NA**.**

Net Asset Value (NAV): the value of an investment fund, which is determined by subtracting its liabilities from its assets. A fund's per-share NAV is obtained by dividing the NAV by the number of shares outstanding.

Option adjusted duration (OAD): a duration value based on the probability of early redemption call by the bond issuer**.**

Option adjusted spread duration (OASD): estimates the price sensitivity of a bond to a 100 basis-point movement (either widening or narrowing) in its spread relative to treasuries, taking into account the likelihood of early redemption**.**

Price Earnings (P/E) Ratio: the price paid for a share divided by the annual profit earned by the firm per share**.**

Qualified Interest Income (QII): interest-related dividends exempt from U.S. tax withholding when paid to non-U.S. shareholders.

Return(s): the money made or lost on an investment**.**

Share(s): an equally valued holding in a fund of a company, representing part ownership of that fund.

Share Class: different categories of shares within the same fund, each with unique fee structures, investment minimums, and shareholder rights.

Sharpe ratio: a measure for calculating risk-adjusted return, and this ratio has become the industry standard for such calculations**.**

Ticker: unique series of characters assigned to a publicly traded company or security for trading purposes.

Total Expense Ratio: is based on expenses over a year. Such figure may vary from time to time**.**

Undertakings for the Collective Investment in Transferable Securities (UCITS):

Volatility: a measure of the size and frequency of changes in the value of an investment over a short space of time**.**

Weekly Liquid Assets: (i) cash; (ii) direct obligations of the U.S. Government; (iii) Government securities that are issued by a person controlled or supervised by and acting as an instrumentality of the government of the United States pursuant to authority granted by the Congress of the United States that: (A) Are issued at a discount to the principal amount to be repaid at maturity without provision for the payment of interest; and(B) Have a remaining maturity date of 60 days or less; (iv) securities that will mature or are subject to a demand feature that is exercisable and payable, within five business days; or (v) amounts receivable and due unconditionally within five business days on pending sales of portfolio securities.

Weighted Average Maturity (WAM): the average number of days to maturity calculated using the next coupon fixing date of floating rate notes, and the final legal maturity of all other instruments. The maximum WAM is 60 days.

Weighted Average Life (WAL): the average time to maturity calculated using the final legal maturity of all instruments, including floating rate notes. Thus, where the fund holds no floating rate instruments WAM and WAL will be the same**.**

Yield: the income from an investment, usually stated as a percentage of the value of the investment**.**

Current Yield: income (interest or dividends) for the number of days in the period annualized for the year and divided by the current price of the security.

Effective Yield: the Current Yield assuming the reinvestment of Fund distributions in additional shares of the Fund (i.e. compounding).

Yield to Maturity: the total return anticipated on a bond if the bond is held until the end of its lifetime, excluding strategic currency hedges for Portfolio/Benchmark calculations. Number is shown in percentage**.**

Yield to Worst (Incl BDC Div and Loan TRS): The lowest potential yield that can be received on a bond or loan, taking into account all possible early redemption scenarios. This calculation also includes income from Business Development Company (BDC) dividends and from the Loan Total Return Swaps (TRS), providing a comprehensive measure of the minimum expected yield from these combined sources.

Running yield: is the total return from current coupons of the portfolio and the yield impact from FX hedging of non-USD underlying to USD.

Portfolio distribution yield: is the total return from current coupons of the portfolio and the yield impact from FX hedging of non-USD underlying to USD, with the inclusion of the pull-to-par effect when bonds are repaid in the future.

Yield to Worst: the lowest potential yield that can be received on a bond without the issuer actually defaulting, excluding strategic currency hedges for Portfolio/Benchmark calculations. Number is shown in percentage.

Weighted Average Carbon Intensity	Description	Carbon Intensity Description, Portfolio's exposure to carbon-intensive companies, expressed in tons CO^2e/USD million revenue.
	Formula	$\sum_{n}^{i}\left(\frac{\text{current value of investment}_i}{\text{current portfolio value}} * \frac{\text{issuer's Scope 1 and Scope 2 GHG emissions}_i}{\text{issuer's \$M revenue}_i}\right)$
	Methodology	Carbon Intensity Methodology: Scope 1 and Scope 2 GHG emissions are allocated based on portfolio weights (the current value of the investmnet relative to the current portfolio value), rather than the equity ownership approach. Gross values should be used.
	The carbon intensity calculation for government bonds has been revised to be in line with the draft Regulatory Technical Standards for SFDR. The methodology is now as follows: $\sum_{n}^{i}\left(\frac{\text{current value of investment}_i}{\text{current value of all investments (\$m)}} \times \frac{\text{The country's carbon emissions}_i}{\text{Gross Domestic Product}_i\text{ (\$m)}}\right)$	

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