# PROSPECTUS

**UCITS governed by European Directive 2009/65/EC**

## I General characteristics

### Form of the UCITS

▶ *Name:*

**HSBC MONETAIRE**

▶ **Legal form and member state in which the retail investment fund was established:**

Mutual fund (FCP) governed by French law

▶ **Date of inception and expected life span:**

Established on 04 June 1992 for a duration of ninety-nine (99) years.

▶ **Summary of the offer:**

| Units | ISIN code | Subscribers concerned | Initial NAV | Maximum front-end fee | Minimum amount 1st subscription | Appropriation of distributable amounts | Currency | Minimum amount of subsequent subscriptions: |
|---|---|---|---|---|---|---|---|---|
| C | FR0007486634 | All subscribers, especially institutional investors and legal entities | €1,524.49 | 0.50% | €1,000,000 | Net earnings: Capitalisation<br><br>Realised net capital gains: Capitalisation | Euro | Whole units |
| Z | FR0013229432 | Reserved for HSBC Global Asset Management (France) funds and mandates | €1,000 | 6%(*) | 1 thousandth of a unit | Net earnings: Capitalisation<br><br>Realised net capital gains: Capitalisation | Euro | Thousandths of units |

(*) except HSBC Global Asset Management (France) funds and mandates

▶ **Indication of where the most recent annual report and interim statement can be obtained as well as information that is made available on a weekly basis under the heading "Fund centre", and the subheading "Liquidity"**

www.assetmanagment.hsbc.fr

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

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

## II - Parties involved

**▶ Management company:**

HSBC Global Asset Management (France)
Company address: Coeur Défense - 110 esplanade du Général de Gaulle - La Défense 4 - 92400 Courbevoie
Porfolio management company approved under no. GP99026 by the French financial markets authority (AMF) on 31 July 1999.

**▶ Depositary:**

Caceis Bank
Limited liability company (*Société Anonyme*), credit establishment approved by the investment services bank CECEI
Company address: 89-91 rue Gabriel Péri – 92120 Montrouge
Postal address: 12 place des États-Unis - CS 40083 - 92549 Montrouge CEDEX

The Depositary functions include various missions, as defined by applicable regulations, including custody of assets, control of the compliance of the Management Company decisions with applicable laws and regulations and tracking UCITS cash flows.
The Depositary is independent from the Management Company.

Delegates
The description of delegated custody functions, the list of delegates and sub-delegates of CACEIS Bank and the information related to conflicts of interest which may arise out of these delegations are available on the CACEIS website: www.caceis.com.
Up to date information are available to investors upon request.

**▶ Custodian:**

Caceis Bank
Limited liability company (*Société Anonyme*), credit establishment approved by the investment services bank CECEI
Company address: 89-91 rue Gabriel Péri – 92120 Montrouge
Postal address: 12 place des États-Unis - CS 40083 - 92549 Montrouge CEDEX

**▶ Institution in charge of centralising subscription/redemption orders:**

Caceis Bank
Limited liability company (*Société Anonyme*), credit establishment approved by the investment services bank CECEI
Company address: 89-91 rue Gabriel Péri – 92120 Montrouge
Postal address: 12 place des États-Unis - CS 40083 - 92549 Montrouge CEDEX

The Depositary is also in charge, by delegation of the Management Company, of the administration of unitholders register, which includes centralization of subscriptions and redemptions of units and units' issuance account of the Funds.

**▶ Statutory Auditor:**

KPMG Audit
2 Avenue Gambetta
CS 60055
92066 Paris La Défense Cedex France
Represented by Mr Nicolas Duval-Arnould

▶ **Marketers:**

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

▶ **Delegatees:**

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

CACEIS FUND ADMINISTRATION is a commercial company specialising in mutual fund accounting and a subsidiary of the CACEIS group.
CACEIS FUND ADMINISTRATION shall deal in particular with the valuation of the mutual fund and the production of interim documents..

## III Operating and management methods

### III-1 General characteristics:

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

**Unit C: ISIN code:** FR0007486634
**Unit Z: ISIN code:** FR0013229432
**Type of rights attached to the units:** Each unitholder is entitled to joint ownership of the mutual fund's assets in proportion to the number of units held.
Liabilities are handled by CACEIS Bank.
The administration of units is dealt with in Euroclear France.
**Voting rights:** Since no voting rights are associated with the units in a mutual investment fund, decisions are made by the management company.
**Form of units**: Bearer. Subscriptions in registered form are only authorised on the prior decision of the management company.
Fractional units:
**Unit C**: Whole units.
**Unit Z:** Subscriptions and redemptions may be made in thousandths of units.

▶ **Closing date:**

Last Tuesday of June (closure of 1st financial year: last Tuesday of June 1993).

▶ **Details of the tax regime if relevant:**

The UCITS is not subject to corporation tax. According to the transparency principle, the tax administration considers that the holder directly possesses a fraction of the financial instruments and liquidities held in the UCITS.

The tax system applying to the amounts distributed by the UCITS or the unrealised or realised capital gains or losses of the UCITS depends on the tax provisions applying to the investor and/or the Fund jurisdiction. The investor is advised to contact a specialised advisor on this matter.

## III-2 Special provisions

▶ **Classification:**

Short-term variable net asset value (VNAV) money market fund.

▶ **Date of approval of the money market fund:** 16/04/2019

▶ **Management objective:**

The management objective is to seek to outperform the €STR over the recommended investment period less ongoing charges of the unit. However, under certain exceptional circumstances and in market conditions such as very low (or even negative) money market interest rate levels, the mutual fund's net asset value may occasionally or structurally decline, the portfolio's yield being negative or not sufficient to cover the management fees.

▶ **Benchmark:**

The benchmark is the €STR.

The €STR (Euro Short Term Rate) is an interest rate calculated and administered by the European Central Bank. It represents the wholesale euro unsecured overnight borrowing cost of euro area banks (Bloomberg ticker code: OISESTR Index).

▶ **Investment strategy:**

**1 Strategies used:**

The Fund's performance will be obtained through:

- a rigorous selection of issuers on the basis of their risk/return profile, the objective being to minimise the risk to equal return. This selection is based on thorough knowledge of the issuers, related to the expertise of our team of credit analysts,
- good diversification by sector and issuer (by the choice of issuers during the renewal of maturing issues and by active management through arbitrage between liquid securities),
- opportunistic management of the maturity of securities in order to take the specific nature of the money market into account (year-end and half-year-end movements, anticipation of liquidity requirements of banks).

  - The weighted average maturity until the maturity date (WAM) is less than or equal to 60 days.

  - The weighted average life until the termination date of the financial instruments (WAL) is less than or equal to 120 days.

  - The residual maturity until the maturity date of the securities in the portfolio is less than or equal to 397 days.

**2 Assets (excluding embedded derivatives):**

**1 Money market instruments and debt securities:**

The main characteristics of the planned investments are, in particular:

Distribution of private/public debt: Up to 100% private debt.

Type of instruments used: Negotiable European Commercial Paper or Negotiable European Medium-Term Note (EMTN), bonds and Asset-Backed Commercial Paper (ABCP) (up to 100%), Euro Commercial Paper (up to 100%).

Exceptionally, the Fund may invest between 5-100% of its assets in different money market instruments issued or guaranteed individually or jointly by the European Union, national, regional, or local authorities in member States (CBC, ACOSS, UNEDIC, APHP, BPI or their equivalents principally in the developed countries of the EU), the European Central Bank, the European Investment Bank, the European Investment Fund, the European Stability Mechanism, the European Financial Stability Facility, the central bank or the central authority of a principally developed member State of the OECD (United Kingdom, United States, Canada, Australia, Switzerland, etc.), the International Monetary Fund, the International Bank for Reconstruction and Development, the Council of Europe Development Bank, the European Bank for Reconstruction and Development, the Bank for International Settlements, and any other pertinent international financial organization or institution which is part of one or numerous member States (IBRD-World Bank, IMF, AfDB, ADB).

Foreign exchange risk: None

Existence of rating criteria: Yes

The manager ensures that the instruments that make up the Fund's portfolio are of high credit quality. In order to determine the credit quality of the instrument, the management company has its own internal evaluation procedure on credit quality. This procedure ensures the monitoring of credit quality of the instruments on a continuous basis and review of the selection of securities at least once annually. The investment may only be carried out with issuers/instruments having received a positive evaluation (internal rating).

Short-term rating: The internal evaluation procedure of credit quality is independent of ratings provided by external agencies. However in addition to this approach, the investment shall only be carried out with issuers having an external minimum rating of Standard & Poor's A-2 for short-term and A-1 for ABCPs or the equivalent by a rating agency registered with ESMA.
The downgrading of the external rating of an issuer is one of the elements triggering review of the internal evaluation.

In any event, the management company does not exclusively or automatically rely upon ratings provided by credit rating agencies and favours its own credit risk analysis to evaluate the credit quality of assets and in selecting securities.

**2 Fund units or shares or other foreign investment funds less than 10% of the net assets**

☑ French or foreign UCITS within the short-term VNAV classification, low volatility NAV funds, public debt constant NAV funds;
☐ French retail investments funds, within one of the classifications mentioned above;
☐ alternative management investment funds, specifying whether they are listed or not;
☐ other investment funds (to be specified).

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

For each of the classes mentioned above:

☑ the holding ranges that will be respected are 0-10%
☑ existence of investments in financial instruments of emerging countries (non-OECD): Yes
☐ existence of possible investment restrictions imposed by the management company: None
☐ the existence of other criteria

**3 On derivative instruments:**

Type of investment markets:
☑ regulated;
☑ organised;
☑ over-the-counter.

Risks in which the manager may invest:
☐ equity;
☑ interest rate;
☑ Forex;
☐ credit
☐ other (to be stipulated).

The types of investments and all transactions must be limited to achieving the management objective:
☑ hedge;
☐ exposure;
☐ arbitrage;
☐ other (to be stipulated).

Nature of the financial instruments:
☑ futures; on Euribor contracts for hedging purposes
☑ options; on Euribor contracts for hedging purposes
☑ swaps; on interest rates for exposure and hedging purposes, on currencies for hedging purposes.
☑ currency futures for hedging purposes;
☑ caps and floors (over-the-counter instruments) for hedging purposes;
☐ credit derivatives, for exposure and hedging purposes;
☐ other (to be stipulated).
The fund shall not use any total return swaps.

OTC derivative instruments are subject to a daily accurate and verifiable valuation and may, at the initiative of the Fund, be sold, liquidated, or closed by an asymmetrical transaction at any point and at their fair value.

The strategy for using derivatives in order to fulfil the management objective:
☑ general hedging of the portfolio against currency and rate fluctuation;
☐ reconstitution of a synthetic exposure to assets and risk;
☐ increase in market exposure and specification of the maximum leverage authorised and sought
☐ other strategy (to be stipulated).

*Financial collateral contracts:*

*Counterparts eligible for OTC financial futures transactions are establishments subject to regulation and prudent monitoring which belong to categories approved by the AMF and are selected according to the procedure described in the section entitled "Brief description of the intermediary selection procedure."*

*Financial collateral put in place for OTC financial futures is the subject of a financial collateral policy available on the management company's website.*

*These transactions may be completed with counterparties selected by the management company among the financial establishments whose registered offices are located in an OECD member state. These counterparties may be companies affiliated with HSBC Group.*

*These counterparties must have trustworthy credit, and regardless, the minimum Standard & Poors rating of BBB-, the equivalent, or a rating deemed equivalent by the management company.*

*This financial collateral policy specifies:*

*- The haircut applicable to financial collateral. It relies on the volatility of the security, which is characterised by the type of assets received, the rating, the maturity of the security, etc. This haircut has the effect of requiring financial collateral greater than the market value of the financial instrument.*
*- The assets accepted as collateral, which can be composed of cash, government securities, Negotiable European Commercial Paper, and debt securities/bonds issued by private issuers.*

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

*Securities received as financial collateral may not be sold, reinvested, or pledged. These securities must be liquid, transferable at any time, and diversified and must be issued by high-quality issuers that are not an entity of the counterparty or of its group. Discounts may be applied to the collateral received; they shall take into account, in particular, the credit quality and the volatility of the prices of the securities.*

*Financial collateral made in cash is mandatory:*

*- deposited in credit establishments whose registered offices are in an OECD member state or a third party state with equivalent reserve regulations,*
*- invested in high quality government bonds,*
*- invested in reverse repo agreements whose counterpart is a credit establishment subject to reserve monitoring, and from which the UCITS may withdraw cash at any point, and*
*- invested in "short-term money market" UCI.*
Financial collateral discounts in the form of securities and/or cash are held in distinct accounts by the custodian.

**4 For securities with embedded derivatives (warrants, credit link note, EMTNs, share warrants, etc.)**

Risks in which the management may invest:
☐ equity;
☑ interest rate;
☑ exchange rates;
☑ credit;
☐ other (to be stipulated).
The types of investments and all transactions must be limited to achieving the management objective:
☑ hedge;
☑ Exposure (only callables/puttables bonds);
☐ arbitrage;
☐ other (to be stipulated).

Type of instruments used: EMTN (rate and currency risk hedging), callables/puttables bonds.

Embedded derivatives are used as an alternative to direct intervention with pure derivatives.

**5 For deposits:**

Deposits contribute to carrying out the management objective of the mutual fund by allowing it to manage its cash.
Deposits made to credit establishments in which the Fund may invest must fulfil all of the following conditions: a) they are reimbursable upon request or may be withdrawn at any point; b) they mature within twelve (12) months maximum; C) the credit establishment has a home office in a member State or, if its home office is in a third-party country, it is subject to prudential standards considered equivalent to rules enacted by the Union in accordance with the procedure covered in article 107, section four, Regulation (EU) 575/2013.

**6 Temporary purchases and sales of securities:**

The Fund may buy or sell securities on a temporary basis up to a limit of 100% of its net assets.

Reverse repurchase agreements of assets are governed by restrictions notably in terms of eligible assets and reuse in context of what is defined below:

- Types of transactions used:

☑ repurchase and reverse repurchase agreements according to the modalities of European Regulation, 2017/1131 of the European

Parliament and Council of 14 June 2017 regarding money market funds

o Type of interventions:
Repurchase agreement transactions may only be used in context of the management of the liquidity of the Fund and cash received may only be invested as deposits or reinvested in a restrictive list of assets. These transactions aim to:
- For repurchase agreements:
- repurchase agreements: managing the UCITS residual cash flow related to subscriptions/repurchases.
- reverse repurchase agreements: ensuring a pocket of highly short-term mobilisable liquidity in the Fund.

UCITS assets which may be subject to securities financing transactions are bonds and/or debt securities and/or money market instruments, to the exclusion of securitization assets and ABCP.
For protection against default of a counterparty, temporary purchases and sales of securities may provide for financial collateral discounts in the form of securities and/or cash which are held in distinct accounts by the depository. These conditions are stipulated in the section "Derivatives."
These transactions may be completed with counterparties selected by the management company among the financial establishments whose registered offices are located in an OECD member state. These counterparties may be companies affiliated with HSBC Group.
These counterparties must have trustworthy credit, and regardless, the minimum Standard & Poors rating of BBB-, the equivalent, or a rating deemed equivalent by the management company.

o planned and authorised level of use: up to 100%
o possible leverage effects: 0%
o remuneration: Additional information is available under Charges and commissions.

| Asset type | Average intended holding rate (information purposes - not contractual) | Maximum authorised level |
|---|---|---|
| Bonds and debt securities | 10%-30% | 100% |
| Negotiable European Commercial Paper or Negotiable European Medium-Term Note | 30%-60% | 100% |
| ECP, ABCP | 0%-100% | 100% |
| Derivatives | 100% | 100% |
| Acquisitions – Temporary sales of securities | 0%-30% | 100% |
| Deposits | 0-100% | 100% |
| Money Market Funds | 0%- 5% | <10% |

▶ **Risk profile:**

*Your money will be invested mainly in financial instruments selected by the management company. These instruments will be affected by developments and disturbances in the markets*

HSBC Monétaire has the objective of daily appreciation of the value of its investments. As such, its volatility will be close to that of the €STR . Because of it nature, it will be invested in fixed income products with relatively short maturity.

The Fund will be exposed to the following risks:

- Significant exposure to the credit market, but limited to credit quality greater than or equal to A-2/P-2 in the short term at purchase or equivalent.

- The weighted average maturity until the maturity date (WAM) is less than or equal to 60 days.

- The weighted average life until the termination date of the financial instruments (WAL) is less than or equal to 120 days.

Subscribers should be aware that the Fund may be predominantly invested in ABS and ABCP rated A-1+/P-1 in the short term or deemed equivalent by the management company, at the time of their purchase.

*Key risk*

Interest rate risk:
The price of fixed rate bonds and other fixed income securities (with no options attached) varies inversely with interest rate fluctuations. Thus, if interest rates rise, the value of fixed-rate bonds falls, as does that of the net asset value. In addition, the manager has the possibility of carrying out interest rate arbitrage transactions, that is to say he anticipates a distortion of the yield curve. However, it may be distorted in a direction he did not anticipate, which could cause a significant drop in the net asset value.

Risk related to securitisation vehicles:
For these instruments, the credit risk is based primarily on the quality of the underlying assets, which can be of various types (bank loans, debt securities, etc.) These instruments result from complex structures that may include legal risks and specific risks due to the characteristics of the underlying assets. The materialisation of these risks may result in a decrease in the net asset value of the UCITS.

ABCP are short-term negotiable debt securities whose payment of interest and principal comes from cash flows of a portfolio of underlying assets. They may involve trade receivables, credit cards, auto loans, equipment leasing, as well as bank loans and bonds issued by companies or banks. ABCP are typically established and conducted by major commercial banks in order to provide inexpensive, competitive flexible financing to their customers. The issued commercial paper may take a variety of forms, from traditional discounted notes to extendable or redeemable notes.
The main risk for investors is the credit risk on the sponsor bank because it is generally the supplier of the line of liquidity of the ABCP conduit.

Credit risk: Credit risk is the risk of deterioration in the issuer's financial situation, with the extreme risk being the issuer's default. This deterioration could lead to a drop in the value of the issuer's securities and thus a reduction in the value of the portfolio. This may, for example, involve the risk of non-redemption of a bond within the deadlines.

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

*Ancillary risks:*

Counterparty risk:

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

Risk associated with investments on futures markets:

The UCITS may invest in forward financial instruments up to the limit of once its assets. This exposure to markets, assets and indices through forward financial instruments can lead to drops in net asset value that are significantly greater or more rapid than the variation observed for the underlying of these instruments.

**Risk of potential conflicts of interest:**
The risk of conflict of interest, as part of transactions on financial contracts and/or temporary purchases and sales of securities, may exist when the intermediary used to select a counterparty, or the counterparty itself, is linked to the management company (or the custodian) by a direct or indirect equity link. The management of this risk is described in the "Conflict of interest policy" established by the management company and available on its website.

Risk related to management of financial collateral:
The unitholder may be exposed to legal risks (in line with legal documentation, execution of contracts and the limits within them), transactional risks, and risks related to the reuse of cash received as collateral. The mutual fund NAV may change due to fluctuations of the value of securities purchased for investment from cash received as collateral. In exceptional market circumstances, the holder can also be exposed to a liquidity risk, leading to difficulties to trade certain securities, for example.

Inflation risk:
The UCITS does not offer any systematic protection against inflation, that is to say the increase in the general level of prices over a given period. The performance of the UCITS measured in real terms will

thus be reduced in proportion to the rate of inflation observed over the reference period.

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

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

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

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

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

The Investment Manager acts in the best interest of investors. Over time, sustainability risks can influence the performance of Funds through their investment with regard to emissions by companies, sectors, regions and asset classes. Although the Funds have their own management strategy, the Investment Manager's objective is to generate competitive risk-adjusted returns for investors. To do so, it conducts in-depth financial analysis and comprehensive sustainability risk assessment as part of a broader risk assessment for each Fund.

The sustainability risk policy can be found on HSBC Global Asset Management website: www.assetmanagement.hsbc.fr/fr.

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

The potential impacts of sustainability risks on the Fund performance will also depend on the investments made by the Fund and the materiality of sustainability risks. The likelihood that sustainability risks will occur should be mitigated by the relevant Investment Manager's approach to integrating sustainability risks in its investment decision-making process as outlined in the Policy. The potential impacts of sustainability risks on the performance of Funds that use ESG criteria are further mitigated. However, there is no guarantee that these measures will completely mitigate or prevent the occurrence of sustainability risks for these Funds. As a result, the likely impact on Fund performance of an actual or potential material decline in the value of an investment due to a sustainability risk will vary and depend on several factors.

3. The Fund takes sustainability risks into consideration in the investment decision-making process. The Investment Manager integrates sustainability risks by identifying the ESG factors likely to have a material financial impact on an investment's performance. Exposure to a sustainability risk does not

necessarily mean that the Investment Manager will refrain from taking or maintaining a position. Rather, it means that the Investment Manager will take into consideration sustainability risk assessments as well as other material factors in the context of the company in which it is investing or the issuer, the investment objective and the investment strategy of the Fund.

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

5. The Fund's strategy does not include non-financial approaches. Principal adverse impacts on sustainability factors are therefore not taken into account

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

The investments underlying the fund do not take into account the EU criteria for environmentally sustainable economic activities.

▶ **Guarantee or protection:**

None

▶ **Subscribers concerned and standard investor profile:**

Mutual fund open to all subscribers, especially institutional investors and legal entities.

The Fund is directed to investors seeking an investment with a performance objective of approaching the performance of its benchmark, the €STR, as regularly as possible. Investors should be aware that the Fund will never deliver performance greater than its benchmark.

With regard to a monetary fund presenting very good levels of credit quality and offering a very low exposure to interest rate risk, this mutual fund may represent the entire financial holdings of unitholders.

The minimum recommended investment period is 1 day.

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

From 12 April 2022, pursuant to EU regulation no. 833/2014 as amended and EU regulation no. 765/2006 as amended, the subscription of units in this fund is prohibited to any Russian or Belarusian national, to any natural person residing in Russia or Belarus or to any legal person, entity or organisation established in Russia or Belarus except for nationals of a Member State of the European Union (EU) and natural persons holding a temporary or permanent residence permit in a Member State of the European Union (EU).

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

- **REGULATIONS RELATED TO THE AUTOMATIC EXCHANGE OF INFORMATION ON TAX MATTERS**

FATCA refers to Sections 1471 to 1474 of the US code, any current or future regulation or their official interpretations, any agreement concluded pursuant to Section 1471(b) of the Code, or any tax regulation, law, or practise adopted pursuant to any inter-governmental agreement concluded in relation to the implementation of these sections of the US Code. FACTA was implemented in

France through the signing of the inter-governmental agreement concluded between France and the United States on 14 November 2013 for the application of the US regulation Foreign Account Tax Compliance Act (FATCA).

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

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

The FATCA and CRS regulations were transposed into French law by Article 1649 AC of the French General Tax Code. They formalise the collection by financial institutions of information related to the status of a US Person and to the tax residence of their clients, particularly upon the opening of a financial account.

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

The determination of the financial institution upon which these obligations are incumbent depends on the holding arrangement of the units.

- ***RESTRICTIONS ON THE ISSUANCE AND REDEMPTION OF UNITS FOR US PERSONS***

*The mutual fund's units may not be offered or sold to any US person. For the purposes of this restriction, the term "US person" ("USP") refers to:*

1. *A natural person who is deemed to be a resident of the United States under a law or regulation of the United States.*

*2 An entity:*

*i.that is a joint stock company, a private company, a limited liability company, or other commercial entity:*

- *a. that has been created or incorporated under a federal law or a state of the United States, including any foreign agency or branch of this entity; or*
- *b. that, regardless of its place of inception or incorporation, was incorporated mainly for passive investments (such as a company or an investment fund or a similar entity, other than an employee savings scheme or an employee savings fund, managers or officers of a foreign entity whose principal place of business is located outside of the United States);*
  - *and that is directly or indirectly owned by one or more USP, in respect of which these USPs (unless they are defined as Qualified Eligible Persons under Regulation 4.7(a) of the CFTC) hold in total, directly or indirectly, an equity interest of 10% or more; or*
  - *if a USP is the general partner, managing partner, or managing director or has another function with the power to direct the activities of the entity; or*
  - *was incorporated by or for a USP mainly in order to invest in securities that are not registered with the SEC; or*
  - *more than 50% of whose equity securities with voting rights or equity securities without voting rights are held directly or indirectly by USPs; or*
- *c. that is an agency or branch of a foreign entity located in the United States; or*
- *d. whose principal place of business is located in the United States; or*

*ii.that is a trust created or formed under a federal law or a law of state of the United States regardless of its place of inception or formation;*

*a. in which one or more USPs have the power to control all major decisions; or*
*b. whose administration or whose incorporation documents are subject to the control of one or more courts of the United States; or*
*c. whose creator, founder, trustee, or other person responsible for decisions regarding the trust is a USP; or*

*iii.that is an estate of a deceased person, irrespective of the place of residence of the person when he or she was alive, whose executor or administrator is a USP.*

*3 An employee savings scheme established and managed in accordance with the laws of the United States.*

*4 A discretionary or non-discretionary management mandate or a similar investment method other than an estate or trust) held by a foreign or US broker or other authorised representative to the benefit of or for the account of a USP (as defined above).*

*For the purposes of this definition, "United States" or "US" refers to the United States of America (including the States and the District of Columbia), its territories, possessions, and other areas subject to its jurisdiction.*

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

*From time to time, the mutual fund may amend the aforementioned restrictions or waive them.*

- ***RESTRICTIONS ON THE ISSUANCE AND REDEMPTION OF UNITS FOR CANADIAN RESIDENTS***

*The units described in this prospectus may be distributed in Canada only through HSBC Global Asset Management (Canada) Limited; in addition, this prospectus may not be used for solicitation purposes or constitute a solicitation or an offer to purchase the units in Canada, unless HSBC Global Asset Management (Canada) Limited carries out the said solicitation. A distribution or solicitation shall be deemed to have taken place in Canada when it is made to a person (i.e., a natural person, a joint stock company, a trust, a private company or other entity, or other legal entity) residing or established in Canada at the time of the solicitation. For these purposes, the following persons are generally regarded as Canadian Residents:*

*1. A natural person, if*

*i. the primary residence of this natural person is located in Canada; or*

*ii. the natural person is physically present in Canada at the time of the offer of the sale or other activity concerned.*

*2. A joint stock company, if*

*i. its registered office or principal place of business is located in Canada; or*

*ii. the securities of the joint stock company entitling their holder to elect a majority of the directors are held by natural persons constituting Canadian Residents (according to the definition above) or by legal entities established or located in Canada; or*

*iii. the natural persons who make the investment decisions or give instructions in the name of the joint stock company are Canadian Residents (according to the definition above).*

*3. A trust, if*

*i. the principal place of business of the trust (where applicable) is located in Canada; or* *ii. the trustee (in case of multiple trustees, a majority of them) is a natural person who is a Canadian Resident (as described above) or legal entity residing or otherwise located in Canada; or*

*iii. natural persons who make investment decisions or provide instructions on behalf of the trust are natural persons who are Canadian Residents (as described above).*

*4. A limited partnership, if*

*i. the registered office or principal place of business (where applicable) of the company is located in Canada; or*

*ii. the holders of a majority of the company's equity securities are Canadian Residents (as described above); or*

*iii. the general partner (if applicable) is a Canadian Resident (as described above); or*

*iv. natural persons who make investment decisions or provide instructions on behalf of the company are natural persons who are Canadian Residents (as described above).*

## ▶ Calculation and allocation of the distributable amounts:

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

*The amounts distributable by an undertaking for collective investment in transferable securities (UCTIS) consist of:*

*1. Net income plus retained earnings, plus or minus the balance of income accruals;*
*2. Capital gains realised, net of costs, minus capital losses realised, net of costs, recognised during the fiscal year, plus net capital gains of the same type recognised during earlier fiscal years that were not the subject to any distribution or accumulation, and minus or plus the balance of accrued capital gains.*

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

| Distributable amounts | Units C and Z |
|---|---|
| Net earnings (1) | Capitalisation |
| Net realised capital gains (2) | Capitalisation |

## ▶ Distribution frequency:

None

## ▶ Characteristics of the units or shares:

**Currency**: Euro
**Decimalisation:**
Unit C: None.
Unit Z: Thousandths of units

**Initial NAV:**
Unit C: €1,524.49
Unit Z: €1,000

## ▶ Subscription and redemption:

Requests for subscriptions and repurchases arising from day D (the transfer date) before noon local time in Paris are executed on the NAV applicable to the date of the transfer, hence D. The settlement and delivery of units occurs on the transfer date, hence D.

The NAV which "strips" the subscriptions/repurchases on a given day is dated the day prior and calculated on the basis of the price of the prior trading day (D-1). In the case of an exceptional market event, this net asset value may be recalculated to ensure the absence of any market timing opportunities.

Orders are executed in accordance with the table below:

| Day D trading day | Day D trading day | D trading day: the established date of the NAV | D trading day | D trading day | D trading day |
|---|---|---|---|---|---|
| Transfer before noon of subscription orders* | Transfer before noon of repurchase orders* | Execution of the order at the very latest on D | Publication of the NAV | Subscription settlement | Repurchase settlement |

*except for potential deadlines specifically agreed upon with your financial institution.

The Fund's NAV on which subscription and redemption orders will be executed may be recalculated between the moment at which orders are placed and their execution, to take into account any exceptional market events incurring in the interim.

**Establishments designated to receive subscriptions and redemptions, and in charge of complying with the transfer deadline indicated in the paragraph above:**

CACEIS Bank and HSBC Continental Europe in the name of customers for whom it acts as the custodian.

*Unitholders are hereby notified that orders transmitted to marketers other than the establishments mentioned above must take into account the order transfer deadline which applies to said marketers regarding CACEIS Bank. Consequently, these marketers may apply their own deadlines, prior to the one mentioned above, in order to account for their transmission deadline of orders to CACEIS Bank.*

Units C are expressed in whole units and units Z are expressed in thousandths of units.
The minimum initial subscription amount for C units is €1 million per unitholder.
The minimum initial subscription amount for Z units is one thousandth of a unit per unitholder.

## ▶ Frequency of calculation of the net asset value:

Daily
The NAV is calculated daily, except on Saturdays, Sundays, legal holidays in France and the closing days of the French market.

## ▶ Charges and commissions:

**Subscription and redemption commissions**

*The subscription and redemption commissions are added to the subscription price paid by the investor or reduce the reimbursement price. The commissions paid into the UCITS compensate for the costs borne by the UCITS to invest or stop investing the entrusted assets. Commissions not paid into the UCITS go to the management company, marketer, etc.*

| Charges billed to the investor, deducted at the time of subscriptions and redemptions | Base | Rate scale | |
|---|---|---|---|
| Subscription commission not paid into the UCITS | VL x number of units | Unit C: 0.50% maximum | Unit Z: 6% maximum (*) |
| Subscription commission paid into the UCITS | VL x number of units | None | |
| Redemption commission not paid into the UCITS | VL x number of units | None | |
| Redemption commission paid into the UCITS | VL x number of units | None | |

(*)except HSBC Global Asset Management (France) funds and mandates

***Fees and charges:***
*Financial management and administrative charges external to the Management Company cover all charges directly invoiced to the UCITS, other than transaction fees. Transaction costs include intermediation costs (brokerage, stock exchange taxes, etc.) and transaction commissions, if applicable, that may be received in particular by the depositary and the management company.*

*In addition to financial management and external administrative fees, the management company may also include:*
*- performance commissions. These commissions remunerate the management company when the UCITS exceeds its objectives. They are therefore charged to the UCITS;*
*- transaction commissions charged to the UCITS;*

| | Costs charged to the UCITS: | Base | Scale rate | |
|---|---|---|---|---|
| 1 and 2 | External administrative and management* charges, i.e. non-management company | Net assets | Unit C: Maximum 0.09% including taxes | Unit Z: Maximum 0.10% including taxes |
| 3 | Maximum indirect costs (commissions and management fees) | Net assets | Insignificant** | |
| 4 | Commissions on fund transfers | Deduction from each transaction | None | |
| 5 | Top performance commission | None | None | |

*
A percentage of the management fees may be retroceded to third-party distributors in return for marketing the mutual fund.

**The UCITS invests less than 10% in the money market funds

***The following costs may be added to the above-listed fees charged to the UCITS:***

*- contributions due for the management of the UCITS pursuant to paragraph 4 of section II of Article L. 621-5-3 of the French Monetary and Financial Code;*
*- exceptional and non-recurring taxes, levies and government duties (in relation to the UCITS);*

*- exceptional and non-recurring costs for the recovery of receivables (e.g. Lehman) or proceedings to assert a right (e.g. class action).*

**Additional information about temporary purchases and sales of securities**

The management company receives no compensation in context of these temporary purchases and sales of securities.

Revenues and income generated by temporary purchases and sales of securities are fully earned by the UCITS.

Operational costs and charges relating to these transactions may also be the responsibility of the management company and not be charged to the Fund.

**Brief description of the credit quality evaluation and intermediary selection processes**

- **Description of the internal evaluation process of credit risk**

*In accordance with Regulation (EU) 2017/1131 regarding money market funds (articles 19-23) and augmented by the Delegated Regulation 2018/990 of 10 April 2018 (hereafter "Money Market Regulation"), HSBC Global Asset Management (France), management company of the HSBC Monétaire Money Market Fund, has established an internal evaluation process of the credit quality which takes into account the issuer of the instrument and the characteristics of the instrument itself to determine the credit quality of instruments held in the Fund.*

*The evaluation procedure of credit quality, applicable to money market funds, aims to minimize the likelihood of an issuer being downgraded below minimum rating requirements of "internal investment rules for money market funds" over the maximum term permitted by the maximum limit set for each issuer. Therefore, the objective of the evaluation procedure of credit quality is to only approve issuers with a minimum default risk and a low probability of deterioration of the credit quality beyond what is considered acceptable for a money market fund.*

*The procedure is applied systematically. Only assets having received a positive evaluation may be included in the fund portfolio; there are no exceptions according to this rule.*

*The perimeter of its application concerns the Money Market Regulation, i.e.:*

- *Money market instruments, bonds whose residual maturity is less than one year, ABCPs which take into account the issuer and the characteristics of the instrument itself*
- *Instruments likely to be received in context of a reverse repurchase agreement.*

***The organization of the parties and their roles:***

*The Board of Directors of HSBC Global Asset Management (France) has delegated the examination, evaluation and monitoring of the procedure to the General Management of HSBC Global Asset Management (France). It is based on the governance in place within the management company via the Local Credit Authorisation Committee (hereafter "LCAC"), which validates the procedure at least once annually. It evaluates its results and continuously revises the methodology as needed. The Deputy CEO and Vice President, Investments is a member of this committee*

- *The LCAC is the deployment in France of the Global Liquidity Credit Approval Committee (hereafter "Global LCAC" which may be understood as the Global Credit Authorisation Committee for money market products.) The LCAC reviews and validates all decisions of the Global LCAC for France. The LCAC is empowered to be more but not less restrictive than the Global LCAC. The money market management team has no voting rights on this committee.*

***Composition of the LCAC***

*The chairmanship of the LCAC is assumed by the Deputy CEO and Vice President, Investments for HSBC Global Asset Management (France).*
*The Committee Secretariat is assumed by the Credit Research team.*

- *Other permanent members: The Vice President, Credit Management or their representative, the Vice President, Credit Research or their representative and another member of the Credit Research team, a representative of the Investment Risk team, the Internal Control team, a representative of the Compliance team, a representative of the Middle Office Regulatory Control team and a representative of the of the Middle Office Referential*
- *A representative of the Monétaire management may be present.*

*Minimum quorum: the presence of the Deputy CEO and Vice President, Investments of HSBC Global Asset Management (France), the Vice President, Credit Research or their representative, the Vice President, Credit Management or their representative, and a representative of the Investment Risk team.*

*Voting: decisions are made collectively, in case of disagreement among the members of the committee, the HSBC Global Asset Management (France) Deputy CEO is the final arbiter. The representative of the money market fund management does not participate in voting.*

- *For a new issuer to join the list of issuers authorised by the LCAC, the Credit Research function, which is functionally independent from the money market fund management team, completes a Credit Quality Evaluation (CQE) on the issuer. Credit Research makes its recommendation to approve or reject a new issuer to the Global LCAC. This recommendation includes the proposed internal credit rating as well as a proposed size qualification, e.g. global, large, medium, or small, notably based on the size of the balance sheet for a bank, and the financial debt on the balance sheets for other issuers. The combination of the credit quality rating and the size of the issuer is expressed by the limit and maximum maturity of the investment of the issuer concerned. They are determined by the internal matrix established and maintained by the Global LCAC.*
- *Credit Research works on the basis of the principles established and governed by the Global LCAC.*
- *When an issuer is approved by the Global LCAC, it is added to the list of approved issuers, and it is then possible for the manager of the Fund to invest in this issuer with respect to investment rules established for each money market fund by the Liquidity Credit Investment Committee (hereafter “LCIC”). The LCIC is a global committee which establishes the eligibility conditions for each potential investment. For instance, the minimum levels of credit quality, maximum maturity and maximum exposure.*

- *The manager of the HSBC Monétaire Mutual Fund may only invest in issuers included on the List of Approved Issuers*

*Credit Research re-evaluates at least annually each issuer appearing on the List of Approved Issuers and continuously monitors issuers based on publicly available data, such as annual reports, consolidated financial statements, announcements and press releases, from the issuers and ratings provided by external rating agencies.*

*If the credit risk profile of an issuer actually improves their internal rating then the new rating must be submitted to the Global LCIC to be evaluated and approved or rejected. Moreover, a progressive downgrading of the credit quality of an issuer, within the acceptable limits for money market funds, shall be evaluated and approved by the Global LCIC on the recommendation of the analyst.*
*However, if the credit risk profile of an issuer on the approved list deteriorates suddenly, sufficient to lower their internal rating, then the credit analyst in charge may themselves immediately assign this lower rating. If the new rating is less than the minimum internal rating authorised then the issuer is removed from the approved list. This is a downgrading procedure.*

*Credit Research conducts a fundamental credit analysis which is composed of a quantitative element analysis and a qualitative factor analysis.*

***Quantitative analysis***

*Credit Research constructs proprietary financial models on the different types of issuers. These financial models focus on the analysis of financial data, and identifying trends and key credit risk factors. They use, but are not restricted to, indicators such as the analysis of profitability, cash flow, liquidity, leverages, asset quality etc. This analysis is based on historical figures as well as forecasting if needed.*

*The quantitative analysis also uses historical data on changes in ratings and default volatility according to the rating and the terms/sectors.*

*Moreover, Credit Research compares the prices of medium/long-term instruments of an issuer as well as the credit spread of an appropriate benchmark to get a snapshot of the issuer's position within their sector/region.*

***Qualitative analysis***

*In order to complete their qualitative analysis of the credit quality of the issuer, the credit analyst relies on different elements including notes from meetings with executives, quarterly and annual earnings statements, sectoral publications, external research, issuer publications, rating agencies and the media. The qualitative evaluation of the credit quality takes into account the macroeconomic situation and the market conditions which may affect the issuer. This analysis covers the following factors for each issuer/instrument to the extent possible:*

- *Sectoral trends, sectoral concentration and market share*
- *Product/geographic diversification and entry barriers*
- *The size and competitiveness of the issuer*
- *Regulations*
- *The organizational structure as well as the potential support of the government or shareholders*
- *Management and strategy*
- *Governance and auditing*
- *Sources of liquidity and the ability of the issuer to react to events affecting the market in its totality, and notably its reimbursement capacity in a difficult environment. Secondary reimbursement sources are also analysed.*
- *For banks, the ability to manage earnings to satisfy regulated ratios of capital and asset quality.*
- *For issuers representing national, regional or local government authorities, political stability and the size, health and diversity of the economy in relationship to debt and potential liabilities*

*More specifically concerning the analysis methodology of ABCP issues, it among others stipulates a profound evaluation of the following risk factors:*

- *the credit quality of the sponsor bank as principal provider of credit lines and by its multiple roles in the administrative management of the program;*
- *the contractual conditions of credit lines granted by the sponsor bank;*
- *the legal and structural context of the conduit issuer in order to evaluate the level of protection investors have against a bankruptcy and/or operational risk;*
- *the credit quality of the underlying assets to ensure, on the one hand, that they are structured adequately for an investment in money market funds and, on the other hand, that their performance logically lasts over time.*

*Finally, the short-term nature of money market instruments is taken into account, such that the instruments held have a sufficient short-term maturity to minimize severe downgrading risks of the credit quality. The categorization of the instrument is made from its liquidity profile and asset type. Hence only high ranking instruments or greater are considered for money market fund investment. Contractually lower instruments are ineligible.*

*The internal evaluation methodology of the credit quality takes into account different quantitative and qualitative data, in function of the type of issuer: national, regional or local government authorities, related agencies, banks, ABCPs or other corporates.*

*For each category of issuer, the qualitative and quantitative factors are chosen and reviewed/validated at least once annually by the Global LCAC. For each qualitative and quantitative factor, the credit analyst determines an individual score.*

*The qualitative factor scores are aggregated (weight assigned according to an internal systematic method) to yield a global qualitative factor. The same holds for quantitative factor scores which are aggregated to provide a global quantitative score. The internal credit rating is then determined by the weighted average of its financial (quantitative) profile and its operational (qualitative) profile.*
*The analysis must be presented to the Global LCAC for approval and the issuer to be included on the approved list. The minimum authorised internal rating for the Fund is decided by the Global LCIC.*

*The methodological principal set above is the same for the different categories of identified issuers. The qualitative and quantitative factors chosen vary by category. They are specific and selected because of their significance to the concerned category, i.e. national, regional or local government authorities, related agencies, banks, ABCPs, and other corporates.*

*The evaluation of the credit quality relies on the Credit Research team which is the expert team in charge of credit analysis. There is no purely quantitative step in the methodology implemented. The scoring/score aggregation models are developed by Credit Research and the fundamental research is determinant. All internal credit ratings are reviewed and validated by the Global LCAC. Exceptions are not permitted.*

*An issuer is reviewed at least once annually. Any significant event or disclosure which may have an impact on the existing rating of the issuer, as defined by article 19.4.d of the Regulation, for instance if the credit quality of an issuer becomes "uncertain" or potentially deteriorates rapidly, for instance due to a significant negative financial event or a significant downgrade from a rating agency, triggers an immediate re-evaluation of the internal credit rating of the issuer and the appropriate measures shall be taken for any specific instrument of the issuer concerned.*
*Internal ratings are documented and archived in the proprietary internal database of Credit Research.*
*The management company may adapt its evaluation procedure of the credit quality if its monitoring reveals flaws. Consequently the procedure as described herein may temporarily not perfectly reflect the procedure in force.*

*The evaluation methodology of the credit quality which is based on market event and trigger point criteria is reviewed annually by the LCAC. This review is validated by the General Management of HSBC Global Asset Management (France).*

- **Description of the intermediary selection procedure:**

The management company selects brokers or counterparties according to a procedure consistent with the applicable regulations. As part of this selection, the management company respects its 'best execution' obligation at all times.

The objectives of the selection criteria used by the management company especially include the quality of order execution, fees used, as well as the financial solvency of each broker or counterparty.

The selection of counterparties, investment companies and HSBC Global Asset Management (France) service providers is made according to a specific evaluation process intended to ensure quality service is provided to the company. It is a key element of the overall decision encompassing the impact of the quality of service provided by the broker to all of our departments: Management, Financial Analysis and Credit, Trading, and Middle Office.

Counterparty selection can involve an entity linked to the HSBC Group or the Fund depositary.

The "Policy on best execution and intermediary selection" is provided on the management company website.

## IV Commercial and regulatory information

The management company provides the following information on its website at the following address www.assetmanagement.hsbc.fr, under the heading “Fund centre” and the “Liquidity” subheading:

- The net asset value of the Fund;
- Breakdown by maturity of the Fund portfolio
- The credit profile of the Fund
- The weighted average maturity and weighted average life of the Fund
- Details about the ten largest investments of the Fund
- The net return of the Fund

All information concerning the Fund may be obtained by contacting the marketer directly.

**Information on environmental, social and governance quality (ESG) criteria**

Pursuant to Article L533-22-1 of the French Monetary and Financial Code, the policy on taking into account environmental, social and governance quality (ESG) criteria in the investment strategy is available on the management company’s website www.assetmanagement.hsbc.fr.

## V Investment rules

The legal investment rules which are applicable to this mutual fund are those arising from Regulation (EU) 2017/1131 of the European Parliament and Council of 14 June 2017 regarding money market funds as well as UCITS covered by Directive 2009/65/CE, as well as those which apply to its AMF classification.

## VI Overall risk

The commitment method is used to calculate the overall risk on forward financial instruments.

The management company has implemented crisis simulation scenarios as regards article 28 of Regulation EU 2017/1131 regarding money market funds and guidelines regarding these scenarios provided by ESMA.

These scenarios are periodically reviewed.

## VII Asset valuation and accounting rules

The asset valuation rules applied by the accounting manager are outlined below according to the instruments held by the UCITS:

The mutual fund has adopted the euro as its reference currency.

The assets are valuated at least once daily.

The prices used for the valuation of securities traded on the stock exchange are the market price valuations:

- The assets of a money market fund are valuated at the average market price
- The assets of the money market fund may be valuated on the basis of the purchase or sales price in case of significant subscriptions or repurchases
- The management company relies on an externally recognized service provider for its capacity to provide quality market data and which takes into consideration criteria established by the regulations.
- When resorting to valuation of the market price is impossible or the market data is of an insufficient quality, the assets shall be valuated prudently through valuation by using a model which shall estimate the intrinsic value on the basis of the key data updated by market risks, interest rates, liquidity, and credit risk related to the asset.
- The prices applied for the valuation of bonds are an average contributor.

When the recourse to the valuation of the market price is impossible or the market data is of an insufficient quality, the data shall be valuated prudently through valuation using a model in the context stipulated by regulations.

UCI are valued at the last known price.

Repo agreements are valuated during the contract.

Futures, options or exchange transactions made on OTC markets, authorised by applicable mutual fund regulations, are valuated at their market value or an estimated value according to methods chosen by the management company. Interest rate and/or currency exchange contracts are valuated at their market value pursuant to the price calculated by updating the future cash flows (principal and interest), at the market interest rate and/or currency.

European and foreign futures are valuated on the basis of the clearing prices.

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

The valuation of interest rate swap contracts is based on:
- market conditions for the rate sector
- the price of the underlying security for the equity sector.

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

The commitments appearing on the off-balance sheet in the European and foreign futures markets are calculated

- FUTURES
(Qty x Nominal x Daily Price x Contract Currency)

- OPTIONS
(Qty x delta) x (Nominal of the underlying x Daily price of the underlying x Currency of the contract).

For swaps, the off-balance sheet commitment corresponds to the nominal amount of the contract, increased or reduced by interest spreads as well as unrecognised gains or losses observed on the closure date.

Interest is recognised according to the accrued interest method.

Transaction fees are recognised in specific Fund accounts and are not added to the price.
Additions and redemptions of securities are booked without expenses.

Financial instruments whose rate was noted on the valuation date or whose rate was adjusted are valued at their probable trading value under the responsibility of the management company. These valuations and proof therein are provided to the auditor in connection with its audits.

Valuation of financial collateral

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

“Alternative practical methods in exceptional circumstances

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

In the event of an issue with the service provider's systems, the service provider's backup plan shall be implemented in order to guarantee continuity in the calculation of the net asset value. As a last resort, the management company has the necessary means and systems to temporarily mitigate issues with the provider and to determine the net asset value of the fund under its own responsibility.

However, the redemption by the Fund of units and the issuance of new shares may be temporarily suspended by the management company according to Article L.214-8-7 of the French monetary and financial code when required by exceptional circumstances and if this is in the interest of the unitholders.

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

a) Trading on one of the markets on which a significant proportion of the mutual fund's investments are generally traded are suspended, or one of the methods generally used by the service provider to value investments or determine the net asset value of the mutual fund is temporarily discontinued, or
b) The valuation of the financial instruments held by the mutual fund cannot be completed according to the service provider in a reasonable, quick, fair manner, or
c) According to the management company, it is not reasonably possible to sell all or some of the assets in the mutual fund or to invest in the investment markets of the mutual fund, or this is not possible without seriously harming the interests of unitholders in the mutual fund, particularly in case of force majeure that temporarily deprives the management company of its management systems, or
d) The fund transfer transactions required for the sale or payment of assets in the mutual fund or for the execution of subscriptions or redemptions of units in the mutual fund are postponed or, according to the management company, cannot be carried out quickly under normal exchange rates.

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

## VIII Remuneration

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

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

This remuneration policy has been drawn up to reflect the economic strategy, objectives, values and interests of the Management Company within the HSBC Group, those of managed UCIs and those of their investors/shareholders.

The objective of the policy is to discourage risk-taking that is excessive when compared to the risk profile of the managed UCIs.

The Management Company has introduced adequate measures to prevent conflicts of interest.

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

The remuneration policy is available at the following address: www.assetmanagement.hsbc.fr or at no cost simply by contacting the management company.

| | |
|---|---|
| • *Approved by the COB on:* | *02 January 1992* |
| • *Created on:* | *04 June 1992* |

| | |
|---|---|
| • *Date of approval Regulation (EU) 2017/1131* | *16 April 2019* |
| • *Updated on* | *1 July 2023* |

# MUTUAL FUND RULES

# HSBC MONETAIRE

SECTION I

## ASSETS AND UNITS

### ARTICLE I - JOINTLY-OWNED UNITS

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

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

Units may be divided, grouped, or split, on the decision of the management company's Board of Directors or its Chairman, into tenths, hundredths, thousandths, or ten-thousandths of units, called fractional units.

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

Lastly, the Board of Directors of the Management Company may decide, at its sole discretion, to split the units by creating new units which are allocated to unitholders in exchange for the former units.

### ARTICLE II - MINIMUM ASSET AMOUNT

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

### ARTICLE III - ISSUANCE AND REDEMPTION OF UNITS

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

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

Any initial subscription is €1,000,000 for C units and one thousandth of a unit for Z units.

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

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

Except in the case of inheritance or inter vivos distribution, the disposal or transfer of units between holders or from holders to a third party shall be equivalent to a redemption followed by a subscription: if a third party is involved, the disposal or transfer amount must, if applicable, be supplemented by the beneficiary so that it corresponds at least to the minimum subscription required by the prospectus.

In accordance with Article L214-8-7 of the French monetary and financial code, the redemption of units by the investment fund and the issuance of new units may be temporarily suspended by the management company when required by exceptional circumstances and if this is in the interests of the unitholders.

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

The management company's board of directors may restrict or prevent the holding of units of the Fund by any person or entity prohibited from holding units of the Fund (below "Non-Eligible Person"), as defined in the "Subscribers concerned and typical investor profile" section of the prospectus.

To this end, the Board of Directors of the Management Company may:

(i) Refuse to issue any unit when it appears that such an issue would or could have the effect that the said shares are directly or indirectly held for the benefit of a Non-Eligible Person;

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

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

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

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

The formal decision of the management company shall be preceded by a period of discussion suitable for the case in question but no less than 10 days during which the beneficial owner of the units may submit his or her remarks to the competent body of the management company.
The UCITS may cease to issue units provisionally or definitively, partially or totally, pursuant to the third section of article L.214-8-7 of the French Financial and Monetary Code in objective situations involving the closure of subscriptions due to the issuance of a maximum number of units, the attainment of a maximum amount of assets or the

expiration of a specific subscription period. The trigger for this tool shall be subject to a disclosure by any means to the existing unitholders regarding its activation, as well as the threshold and the objective situation having led to the decision of partial or total closure. In case of partial closure, this disclosure by any means shall explicitly stipulate the modalities according to which the existing unitholders may continue to subscribe for the duration of this partial closure. The unitholders are also informed by any means of the decision of the UCITS or the management company either to totally or partially end subscriptions (in transitioning to the trigger point), or not to end it (in case of a change in the point or modification of the objective situation having led to the implementation of this tool). A modification of the objective situation invoked or the trigger point of the tool must always be made in the interest of the unitholders. The disclosure by any means stipulates the exact reasons for these modifications.

## ARTICLE IV - CALCULATION OF THE NET ASSET VALUE

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

# SECTION II

# OPERATION OF THE FUND

## ARTICLE V - THE MANAGEMENT COMPANY

The Fund shall be managed by the management company according to the main guidelines defined for the Fund.

The Management Company acts at any point on behalf of unitholders and may only exercise voting rights attached to securities held by the fund

## ARTICLE V B - OPERATING RULES

The prospectus describes the instruments and deposits eligible for inclusion in the fund’s assets as well as the investment rules.
The description of the internal evaluation process of credit quality is detailed in the prospectus.

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

Units may be listed for trading on a regulated market and/or a multilateral trading system in compliance with applicable laws and regulations. In the event where the mutual fund whose units are traded on a regulated market has an objective based on an index, the fund must take steps to ensure that the price of units remains meaningfully constant with its net asset value.

## ARTICLE VI - DEPOSITARY

The custodian shall perform the duties for which it is responsible in accordance with the legal and regulatory provisions in force and those contractually entrusted to it by the Management Company. In particular, it must ensure that the Management Company’s decisions are lawful. Where applicable, it must take any protective measures that it deems useful. In the event of a dispute with the Management Company, it shall inform the AMF.

## ARTICLE VII - STATUTORY AUDITOR

An auditor shall be appointed for six financial years, subject to the approval of the AMF, by the board of directors of the management company.

It shall certify that the accounts are true and fair.

Its term of office may be renewed.

The Statutory Auditor shall be required to notify, as soon as practicable, the AMF of any fact or decision concerning the Fund of which it has become aware in the performance of its duties that might:

1. Constitute an infringement of applicable laws or regulations and which may have a significant effect on its financial situation, earnings, or assets
2. Adversely affect the conditions or the continuity of its operations
3. Result in a qualified opinion or a refusal to certify the accounts.

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

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

It shall verify the accuracy of the composition of the assets and other information before publication.

The Statutory Auditor's fees shall be determined by agreement between the auditor and the board of directors of the management company with respect to a work programme specifying the due diligences considered necessary.

It shall certify the circumstances underlying any interim distributions.

The fees of the Registered Auditor shall be included in the management fees.

## ARTICLE VIII - FINANCIAL STATEMENTS AND MANAGEMENT REPORT

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

At least once every six months, the management company shall prepare an inventory of the Fund's assets under the depositary's supervision.
The management company shall hold these documents available for consultation by the unitholders for a period of three months from the year-end and inform them of their revenue entitlement. These documents shall be either sent by post, at the express request of the unitholders, or made available to them at the management company.

# SECTION III

# APPROPRIATION OF DISTRIBUTABLE AMOUNTS

## ARTICLE IX - APPROPRIATION OF DISTRIBUTABLE AMOUNTS

The amounts distributable by an undertaking for collective investment in transferable securities consist of:

Net earnings plus retained earnings, plus or minus the balance of accrued income;

(2) Capital gains realised, net of costs, minus capital losses realised, net of costs, recognised during the fiscal year, plus net capital gains of the same type recognised during earlier fiscal years that were not the subject to any distribution or accumulation, and minus or plus the balance of accrued capital gains.

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

The appropriation of the distributable amounts is described in detail in the prospectus.

# SECTION IV

# MERGER - DEMERGER - DISSOLUTION - LIQUIDATION

## ARTICLE X - MERGER - DEMERGER

The management company may either merge all or part of the Fund's assets with another UCITS or AIF under its management or split the Fund into two or more other funds under its management.

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

## ARTICLE XI - DISSOLUTION - EXTENSION

If the Fund assets remain lower than the amount set forth in article 2 hereinabove for thirty days, the management company shall inform the French financial markets authority (AMF) and shall dissolve the Fund, except in the case of a merger transaction with another investment fund.

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

The management company shall also dissolve the Fund in the event of a redemption request for all the units, the cessation of the depositary's duties if no other depositary has been appointed or the expiry of the term of the Fund if it has not been extended.

The management company shall inform the French financial markets authority (AMF) by post of the corresponding dissolution date and procedure. It shall then send the auditor's report to the AMF.

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

## ARTICLE XII - LIQUIDATION

In the event of dissolution, the management company or the depositary with its consent shall assume the role of liquidator; if this is not possible, a liquidator shall be appointed by the court at the request of any interested party. In such an event, they shall be entrusted with full powers to realise assets, pay off any creditors, and distribute the remaining balance among the unitholders in the form of cash or securities.

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

## SECTION V

## DISPUTES

### ARTICLE XIII - COMPETENCE - ELECTION OF DOMICILE

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

## SECTION VI

## PROVISIONS SPECIFIC TO FUNDS APPROVED PURSUANT TO REGULATION (EU) 2017/1131

### ARTICLE XIV - FUND CHARACTERISTICS

The Fund is a short-term variable net asset value (VNAV) money market fund.

### ARTICLE XV - INFORMATION REGARDING THE INVESTMENT POLICY

The Fund makes use of the exception provided in point 7 of article 17 of Regulation (EU) 2017/1131. In accordance with the principle of the distribution of risks, it may consequently invest up to 100% of its assets in different money market instruments issued or guaranteed individually or jointly by a list of entities stipulated in the prospectus.

### ARTICLE XVI - INFORMATION REGARDING THE CREDIT QUALITY OF INSTRUMENTS SELECTED

In accordance with the provisions of Regulation (EU) 2017/1131, the management company has implemented an internal evaluation procedure of the credit quality applied in context of the investment policy of the Fund. This procedure is described in the prospectus.

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