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## **HSBC GLOBAL ASSET MANAGEMENT TO LAUNCH EMERGING MARKETS REAL ECONOMY GREEN BOND FUND**

- *Fund supported by HSBC Global Asset Management 'Green Impact Framework'*
  - *IFC to provide up to \$100m anchor investment*
- *Fund designed to build local market sustainable finance capacity and to target "Real Economy" issuers in emerging markets*

HSBC Global Asset Management has today announced its intention to launch a new green bond fund, the **HSBC Real Economy Green Investment Opportunity GEM Bond Fund (REGIO)**<sup>1</sup>. The fund's aim will be to enable investors to achieve real economy impact to deliver against the [Paris Climate Agreement](#) and [Sustainable Development Goals](#).

**IFC**, an anchor investor, and HSBC intend to commit up to \$100 million and up to \$75 million respectively to the fund. **IFC** is a member of the World Bank Group and a leader in catalysing private sector participation in sustainable financing. Since 2010, IFC has issued 143 green bonds in 16 currencies, totalling \$9 billion.

HSBC Global Asset Management has also issued a '**Green Impact Framework**'<sup>2</sup> which will support the fund. The aim of the framework is to show potential bond issuers the eligibility criteria it will be considering when selecting green bonds for REGIO. It is expected that this framework will also encourage transparency and knowledge sharing amongst investor and issuer communities.

REGIO will target real economy<sup>3</sup> issuers in global emerging markets (GEM) in order to increase access to climate finance and promote the development of sustainable capital markets by broadening the range of issuers. The fund will provide geographically<sup>4</sup> and sectorally diversified investment opportunities. REGIO will look to harness at least \$500 million to \$700 million in capital, largely through bonds issued by non-financial or real sector companies<sup>5</sup> in EM countries, to promote the United Nations' (UN) Sustainable Development Goals.

"HSBC Global Asset Management has deep expertise and experience in investing in global emerging markets and a strong commitment to playing its part in mobilising capital to deliver

on the UN Sustainable Development Goals and transitioning to a low-carbon global economy”, said **Sridhar Chandrasekharan, Global CEO, HSBC Global Asset Management**.

“This innovative fund will provide new opportunities for an important class of borrowers in green bond markets,” said **Philippe Le Houérou, CEO at IFC**. “The capital raised by REGIO will make a vital contribution to the fight against climate change and further promote sustainability-oriented capital markets.”

HSBC Global Asset Management was an early signatory to the Principles for Responsible Investment (PRI) in 2006 and the UK Stewardship Code in 2010. In 2017, it supported the Task Force on Climate-related Financial Disclosures recommendations, and is a member of the Blended Finance Taskforce.

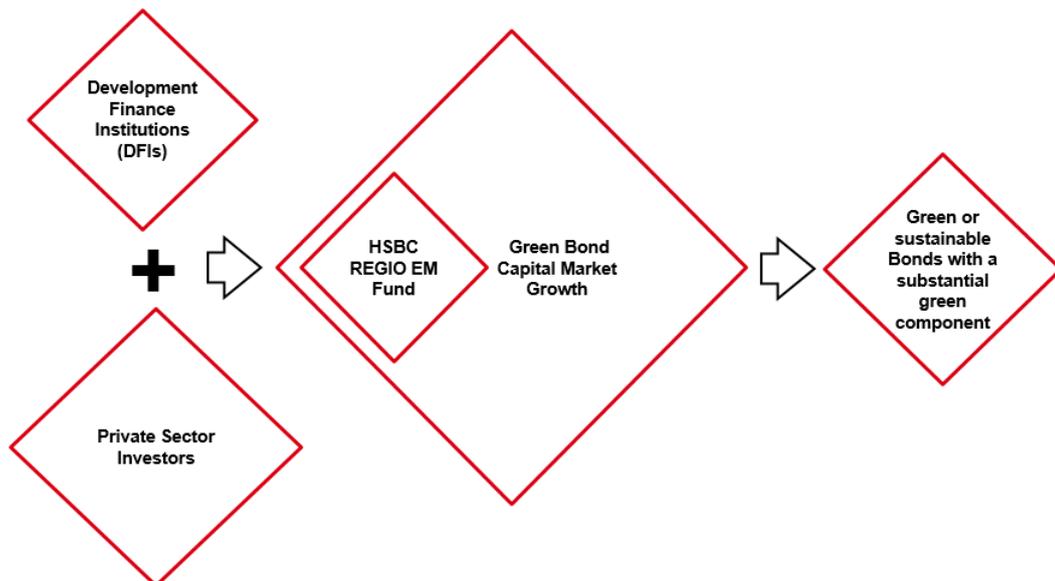
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**Notes to editors:**

[1] The REGIO fund has a blended finance objective which will aim to enable investors to align financial return objectives with real economy impact to deliver against the Paris Climate Agreement and Sustainable Development Goals.



[2] Full information on the Green impact Framework can be found [here](#) – located in resources.

[3] The part of a country's economy that produces goods and services, rather than the part that consists of financial services such as banks and stock markets.

[4] HSBC Global Asset Management will use its reasonable efforts to target aggregate exposures to issuers of debt securities and instruments located in Target Markets per region as follows:

- Africa: 20% or more
- Asia: 20% or more
- Europe: 20% or more
- Latin America: 20% or more

[5] Corporate, manufacturing, agribusiness, services, infrastructure, and sub-sovereign issuers. HSBC Global Asset Management refers to the GICS sector classifications - energy, materials, industrials, consumer discretionary, consumer staples, health care, IT, financials, communication services, utilities and real estate.

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REGIO has not been and will not be registered under the US Investment Company Act of 1940, as amended (the "**Investment Company Act**") and, as such, investors are not and will not be entitled to the benefits of the Investment Company Act. Interests in REGIO have not been and will not be registered under the Securities Act, or the laws of any state of the United States. Consequently, such interests may not be offered, sold or otherwise transferred within the United States or to or for the account or benefit of US Persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, applicable state laws and under circumstances which will not require REGIO to register under the Investment Company Act. No public offering of the securities is being made in the United States.

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HSBC Global Asset Management is the marketing name for the asset management businesses of HSBC Holdings plc.

#### **The HSBC Group**

#### **HSBC Holdings plc**

HSBC Holdings plc, the parent company of HSBC, is headquartered in London. HSBC serves customers worldwide from offices in 66 countries and territories in our geographical regions: Europe, Asia, North America, Latin America, and Middle East and North Africa. With assets of \$2,659bn at 31 March 2019, HSBC is one of the world's largest banking and financial services organisations.

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