HSBC VantageZ Index Series Consultation Results

AMSTERDAM, JUNE 9, 2020: S&P DJI Netherlands B.V., a wholly owned subsidiary of S&P Dow Jones Indices LLC., ("S&P Dow Jones Indices" or "S&P DJI") is the benchmark administrator for the HSBC VantageZ Index Series. The HSBC VantageZ Index Series is owned by HSBC Bank plc. S&P DJI has conducted a consultation with market participants on potential changes to the Index Series.

S&P DJI will redefine the Index Series and amend the list of index constituents as described below.

REDEFINE THE INDEX SERIES

S&P DJI will redefine the Index Series by changing two existing indices and introducing a new index as follows:

- **HSBC VantageZ Index.** This existing index is currently a rules-based, quantitative, long only asset allocation strategy index that uses modern portfolio theory principles and the related concept of efficient frontier to maximize returns for a given level of risk, which in this case is a target volatility of 5%. The Index incorporates a fee of 0.85% per annum, deducted daily. S&P DJI will change the index so that it is based on the HSBC VantageZ Gross Index and incorporate an adjustment factor of 1.10% per annum, deducted daily.

- **HSBC VantageZ Gross Index.** This existing index is currently a non-fee version of the HSBC VantageZ Index. S&P DJI will change the index so that it is the daily exponentially weighted risk control version of the HSBC VantageZ Base Index with an exposure that varies between 0% and 150% that may be adjusted on each Index Business Day with a target volatility of 6%.

- **HSBC VantageZ Base Index.** This new index will be a long only index and use modern portfolio theory principles and the related concept of efficient frontier to maximize returns for a given level of risk, which in this case will be a target volatility of 5%.

LIST OF INDEX CONSTITUENTS AND CAPS

S&P DJI will amend the list of index constituents as follows:

- Reduce the number of assets involved in the construction of the Index Series from 20 to 19 by removing the United States Oil Fund LP (USO).

- Replace the ICE Libor USD 3 Month with the Secured Overnight Financing Rate (SOFR) (extended by FedFund + 4bps before April 2018, for the pro-forma data).

- Change the Cash Asset and Group Cap from 50% to 0%.

BASE DATES AND INDEX HISTORY

S&P DJI will amend the base date and restate the indices' index history as follows:

- Change the HSBC VantageZ Index Base Date from 05/21/2014 to 10/14/2014.

- Restate the index history for all indices in the Series since their Base date to reflect the methodology changes.
These changes will take effect as of the market close on June 10, 2020.

For more information about S&P Dow Jones Indices, please visit www.spdji.com.

ABOUT S&P DOW JONES INDICES

S&P Dow Jones Indices is the largest global resource for essential index-based concepts, data and research, and home to iconic financial market indicators, such as the S&P 500® and the Dow Jones Industrial Average®. More assets are invested in products based on our indices than products based on indices from any other provider in the world. Since Charles Dow invented the first index in 1884, S&P DJI has been innovating and developing indices across the spectrum of asset classes helping to define the way investors measure and trade the markets.

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S&P Dow Jones Indices
index_services@spglobal.com