HSBC MSCI EMERGING MARKETS UCITS ETF

Physical - Optimised Replication

June 2015

For UK retail clients

The HSBC MSCI EMERGING MARKETS UCITS ETF is an open ended UCITS IV compliant exchange-traded fund incorporated in Ireland.

Fund objective

The investment objective of the Fund is to replicate the performance of the MSCI Emerging Markets Index (the "Index"), while minimising as far as possible the tracking error between the Fund's performance and that of the Index.

The markets in which the issuers are based are considered to be emerging markets and accordingly, are subject to the risks described in the "Risk of Investing in the Fund" section below.

In seeking to achieve its investment objective, the Fund will invest in securities included in the Index using a strategy of Optimised Replication, where the Fund invests in a representative sample of the constituents of the Index.

Key facts

- Physical replication approach
- Listed on London Stock Exchange, SIX Swiss Exchange and Xetra Deutsche Börse
- Multi currency listing in GBP and USD
- Fund registered in several European countries: UK, France, Germany, Italy, Ireland, Netherlands, Spain, Sweden, Switzerland, Austria

Risk of investing in the fund

Market risk: The value of investments and any income from them can go down as well as up and investors may not get back the amount originally invested.

Currency exchange risk: Where overseas investments are held the rate of currency exchange may also cause the value of such investments to fluctuate.

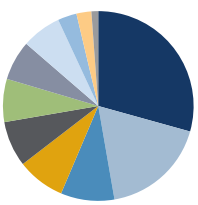
Emerging market risk: Investments in emerging markets are by their nature higher risk and potentially more volatile than those inherent in established markets.

Investors and potential investors should read and note the risk warnings in the prospectus and relevant Key Investor Information Document before making an investment decision.

Russia Risk: There are significant risks inherent in investing in Russia, which could affect the value of investment. These include a lack of clarity in laws and regulations in the following areas: investor protection, banks and other financial services, the Russian economic system, taxation, transaction settlement and fiduciary duty and responsibilities of company management. Please see the supplement for full information.

You should read and note the risk warnings in the prospectus, the relevant Key Investor Information Document (KIID) and the details in the Supplementary Information Document (SID).

Sector allocation of the Fund



- Financials (29.33%)
- Information Technology (17.94%)
- Consumer Discretionary (9.10%)
- Consumer Staples (8.15%)
- Energy (7.75%)
- Telecommunication Services (7.34%)
- Materials (6.76%)
- Industrials (6.73%)
- Utilities (3.21%)
- Health Care (2.53%)
- Cash & Others (1.15%)

Source: HSBC Global Asset Management (UK) Limited.
All data as at 30/06/2015

Fund details

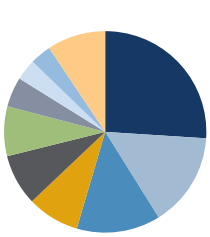
UCITS IV compliant	Yes
Fund domicile	Ireland
UK reporting fund status	Yes
ISA eligible	Yes
SIPP eligible	Yes
Issuer	HSBC ETFs Plc
Fund manager	HSBC Global Asset Management (UK) Ltd
Custodian	HSBC Institutional Trust Services (Ireland) Ltd
Fund administrator	HSBC Securities Services (Ireland) Ltd
Authorised participant	HSBC Bank Plc
Benchmark	MSCI Emerging Markets Index
Number of holdings	677
Published daily on etf.hsbc.com website	
Replication method	Physical - optimised replication
Base currency	USD
Fund inception date	05/09/2011
Listing date	07/09/2011
Fiscal year end	31 December 2015
Ongoing charge figure (OCF)*	0.60%
Entry/Exit/Performance fees	No
Net asset value (NAV) per	$9.86
Shares outstanding	31,500,000
Assets under management	$310,447,463.89
Dividend treatment	Distribution
Dividend frequency	Quarterly
Dividend currency	USD
Dividend per share	€ 0.0148
Dividend yield**	2.07%
Dividend ex date	16/04/2015

**The ongoing charges figure is based on expenses over a year. The figure excludes transaction costs **Gross trailing 12 month yield.*

ISIN	IE00B5SSQT16
SEDOL GBP	B5ZPRQ9
SEDOL USD	B5SSQT1
Ticker GBP	HMEF
Ticker USD	HMEM
Index Information	
Index name	MSCI Emerging Markets Index
Index currency	USD
Benchmark type	Total Return (Net)
Index rebalancing frequency	Quarterly
TR index Bloomberg ticker	NDUEEGF
TR index Reuters RIC	.dMIEF00000NUS

HSBC Global Asset Management

Country allocation of the Fund



- China (24.42%)
- Korea (14.20%)
- Taiwan (12.57%)
- South Africa (7.85%)
- India (7.71%)
- Brazil (7.49%)
- Mexico (4.49%)
- Russia (3.18%)
- Malaysia (3.17%)
- Others (8.78%)

Others: Indonesia (2.32%), Thailand (2.24%), Poland (144%), Turkey (144%), Philippines (134%), Chile (122%), Qatar (0.95%), United Arab Emirates (0.73%), Colombia (0.60%), Peru (0.41%), Greece (0.32%), Hungary (0.22%), Egypt (0.21%), Czech Republic (0.20%), Cash & Others (1.15%)

Top 10 holdings of the Fund

Samsung Electronics	3.67%	Naspers	1.56%
Taiwan Semiconductor	2.81%	Industrial & Commercial Bank of China	1.48%
Tencent	2.64%	Bank of China	1.36%
China Mobile	1.99%	Hon Hai Precision Industry	1.03%
China Construction Bank	1.87%	Ping An Insurance Group	0.90%

Source: HSBC Global Asset Management (UK) Limited.
All data as at 30/06/2015

About the Index

The Fund will aim to replicate the performance of the Index as calculated by MSCI Inc.

The Index offers a representation of the emerging equity markets of Brazil, Chile, China (accessed via H Shares listed and traded on the Hong Kong Stock Exchange and B Shares listed and traded on the Shanghai and Shenzhen Stock Exchanges), Columbia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Qatar, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand, Turkey and UAE by targeting all companies with a market capitalization within the top 85% of their investable equity universe, subject to a global minimum size requirement. It is based on MSCI's Global Investable Market Indices methodology. The composition of the Index is reviewed on a quarterly basis and carried out according to the published rules governing the management of the Index as set out by MSCI Inc.

Yearly fund performance (%)

	30/06/10-30/06/11	30/06/11-30/06/12	30/06/12-30/06/13	30/06/13-30/06/14	30/06/14-30/06/15
HSBC MSCI EMERGING MARKETS UCITS ETF	n/a	n/a	1.77	12.28	-5.93

Fund and Index cumulative performance (%)

	1 month	3 months	1 year	3 years	Since inception
HSBC MSCI EMERGING MARKETS UCITS ETF	-2.65	0.44	-5.93	8.74	6.68
MSCI Emerging Markets Net	-2.60	0.69	-5.12	11.56	8.10
Tracking difference[1]	-0.05	-0.25	-0.81	-2.82	-1.42
Tracking error[2]	n/a	n/a	0.55	n/a	0.71

[1] The tracking difference Net is the difference between the return of the fund (NAV) and that of the underlying index, after management fees (OCF).

[2] The tracking error also known active risk, is the standard deviation of the tracking difference i.e. how variable is the tracking difference over time. The optimal tracking error would be zero.

Source: HSBC Global Asset Management (UK) Limited. All data as at 30/06/2015

Any performance information shown refers to the past and should not be seen as an indication of future returns.
Performance is shown using the net asset value of the fund, calculated from the closing price of the underlying securities.
Performance is shown after fees including re-invested dividends in the base currency of the fund and does not take into account any currency exposure that may exist against the trading currency of the fund, where this is different.

Further information on HSBC ETFs Tel: 0845 607 6144 E-mail: customer.services@hsbc.com Website: www.etf.hsbc.com

Fund information: **The HSBC ETFs are sub-funds of HSBC ETFs plc ("the Company"), an investment company with variable capital and segregated liability between sub-funds, incorporated in Ireland as a public limited company, and is authorised by the Central Bank of Ireland. The company is constituted as an umbrella fund, with segregated liability between sub-funds. Shares purchased on the secondary market cannot usually be sold directly back to HSBC ETFs plc. Investors must buy and sell shares on the secondary market with the assistance of an intermediary (e.g. a stockbroker) and may incur fees for doing so. In addition, investors may pay more than the current Net Asset Value per share when buying shares and may receive less than the current Net Asset Value per Share when selling them.** .

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All applications are made on the basis of the current HSBC ETFs plc, Prospectus, relevant Key Investor Information Document (KIID), Supplementary Information Document (SID) and Fund Supplement, and most recent annual and semi-annual reports, which can be obtained upon request free of charge from HSBC Global Asset Management (UK) Limited, 8 Canada Square, Canary Wharf, London, E14 5HQ. UK**. Investors and potential investors should read and note the risk warnings in the prospectus, relevant KIID and Fund supplement (where available) and additionally, in the case of retail clients, the information contained in the supporting SID.**

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