

HSBC ECONOMIC SCALE WORLDWIDE EQUITY UCITS ETF[^]

Active systematic

March 2020

The HSBC ECONOMIC SCALE WORLDWIDE EQUITY UCITS ETF is an open ended UCITS V compliant exchange-traded fund incorporated in Ireland.

Fund objective

The investment objective of the Fund is to achieve capital growth over the long term. The Fund invests mainly in equities of companies incorporated anywhere in the world including emerging markets. The Fund is an actively managed UCITS ETF. Specifically, in ordinary market conditions the Fund invests a minimum of 90% of net assets in equities (i.e., shares) or equity equivalent securities of companies incorporated anywhere in the world including emerging markets.

The Investment Manager uses a systematic investment approach. Initially stocks are identified from a universe of investable equities based upon liquidity and size, stocks are then invested in according to their economic scale. The current chosen measure of economic scale is a company's contribution to Gross National Product ("GNP") which is also referred to as "Value Added". Value Added is the difference between a company's outputs and inputs which is available for disbursement to equity holders (e.g. dividends), bond holders (e.g. interest income), government (e.g., taxes) and employees (e.g. salaries). The Investment Manager will then construct a diversified portfolio which will typically hold approximately 2500 stocks.

Key facts

- Actively managed
- Listed on London Stock Exchange
- Currency listing in GBP and USD
- Fund registered in several European countries: UK, France, Germany, Italy, Netherlands, Spain, Sweden

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 some established markets.

Derivative risk: A small movement in the value of the underlying asset can cause a large movement in the value of the derivative.

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).

Top 10 holdings of the Fund

Walmart Inc	1.50%
PetroChina Co Ltd	0.98%
Industrial & Commercial Bank of China Ltd	0.83%
Apple Inc	0.77%
China Petroleum & Chemical Corp	0.71%
China Construction Bank Corp	0.70%
China Mobile Ltd	0.66%
Agricultural Bank of China Ltd	0.60%
Samsung Electronics Co Ltd	0.56%
General Electric Co	0.56%

[^] Until 25th October 2017 the name of the Fund was HSBC Economic Scale Index Worldwide Equity UCITS ETF

Investment Strategy revised on 25th October 2017 from passive index based investing to an active systematic model

For UK retail clients

Fund details

UCITS V compliant	Yes
Fund domicile	Ireland
UK reporting fund status (UKRF)	Yes
ISA eligible	Yes
SIPP eligible	Yes
Issuer	HSBC ETFs Plc
Fund manager	HSBC Global Asset Management (UK) Ltd
Depository	HSBC Institutional Trust Services (Ireland) DAC
Fund administrator	HSBC Securities Services (Ireland) DAC
Benchmark	MSCI All-Country World Index***
Number of holdings	2102
<i>Published daily on etf.hsbc.com website</i>	
Investment strategy method	Active systematic
Base currency	USD
Fund inception date	25/06/2014
Listing date	27/06/2014
Fiscal year end	31 December
Ongoing charge figure (OCF)*	0.25%
Entry/Exit/Performance fees	No
Net asset value (NAV) per share	\$12.94
Shares outstanding	24,916,354
Assets under management	\$322,299,874
Dividend treatment	Distribution
Dividend frequency	Quarterly
Dividend currency	USD
Dividend per share	\$0.0613
Dividend yield**	3.42%
Dividend ex date	16/01/2020

*The ongoing charges figure is based on expenses over a year. The figure excludes transaction costs

**Gross trailing 12 month yield.

***Until 25 October 2017 the Benchmark was HSBC Economic Scale Worldwide Index

ISIN	IE00BKZG9Y92
SEDOL GBP	BKZG9Z0
SEDOL USD	BKZG9Y9
Ticker GBP	HEWA LN
Ticker USD	HEWD LN

Index Information

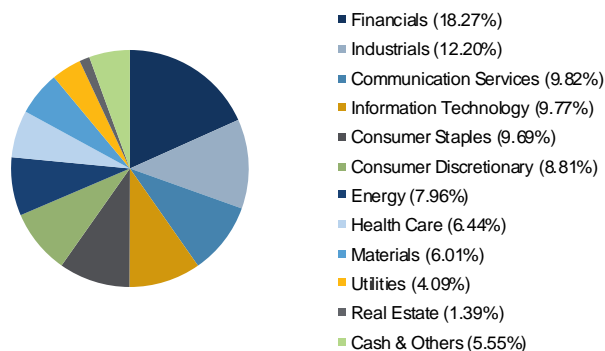
Index name	MSCI All-Country World Index
Index currency	USD
Benchmark type	Total Return (Net)
Index rebalancing frequency	Quarterly
TR index Bloomberg ticker	NDUEA CWF
TR index Reuters RIC	.dMIWD00000NUS

Source: HSBC Global Asset Management (UK) Limited.

All data as at 31/03/2020.



Sector allocation of the Fund

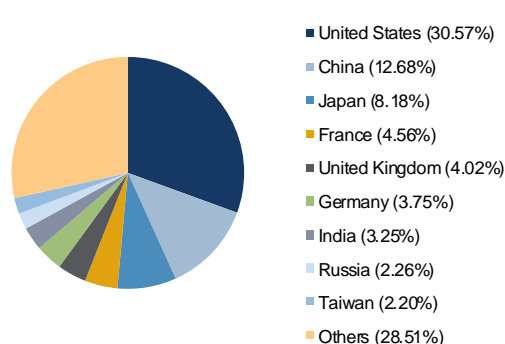


Source: HSBC Global Asset Management (UK) Limited.

All data as at 31/03/2020

Those financial derivative instruments (such as futures or warrants) used to gain market access are reflected in the country and sector breakdowns as the underlying equities to which economic exposure is obtained.

Geographical Allocation of the Fund



Others: Canada (2.15%), Korea (1.85%), Switzerland (1.75%), Hong Kong (1.63%), Spain (1.32%), Australia (1.26%), Brazil (1.20%), Netherlands (1.16%), Italy (1.11%), Sweden (0.96%), Saudi Arabia (0.76%), South Africa (0.72%), Mexico (0.70%), Malaysia (0.68%), Thailand (0.64%), Singapore (0.50%), Denmark (0.45%), Indonesia (0.44%), Finland (0.40%), Chile (0.39%), Belgium (0.36%), Turkey (0.34%), Norway (0.29%), Poland (0.26%), Philippines (0.19%), Colombia (0.18%), Qatar (0.17%), United Arab Emirates (0.16%), Ireland (0.15%), Portugal (0.14%), Austria (0.13%), Israel (0.11%), Czech Republic (0.07%), Argentina (0.07%), Hungary (0.06%), Pakistan (0.05%), Greece (0.04%), Luxembourg (0.03%), Egypt (0.03%), New Zealand (0.02%), Macau (0.02%), Romania (0.00%), Cash & Others (5.55%)

Yearly fund performance (%)

	31/03/15- 31/03/16	31/03/16- 31/03/17	31/03/17- 31/03/18	31/03/18- 31/03/19	31/03/19- 31/03/20
HSBC ECONOMIC SCALE WORLDWIDE EQUITY UCITS ETF ¹	-6.98	16.87	14.94	-1.51	-20.65
Benchmark ²	-6.90	17.55	14.76	2.68	-11.26

Fund and Index performance (%)

	1 month	3 months	1 year	3 years ann.	5 years ann.	Since inception ann.
HSBC ECONOMIC SCALE WORLDWIDE EQUITY UCITS ETF ¹	-16.88	-27.25	-20.65	-3.51	-0.47	-0.43
Benchmark ²	-13.50	-21.37	-11.26	1.50	2.85	2.60

¹ Until 25th October 2017 the name of the fund was HSBC Economic Scale Worldwide Equity Index UCITS ETF

² Until 25 October 2017 the Benchmark was HSBC Economic Scale Worldwide Index

Source: HSBC Global Asset Management (UK) Limited. All data as at 31/03/2020.

Past performance is not an indicator 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

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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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Index risk: The index will be exposed to a number of risks and potential investors should be aware that the value of investments based on the index can go down as well as up and they may not get back the amount originally invested.

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Further information can be found in the prospectus.