

## HSBC ETFs PLC

# HSBC EMERGING MARKET SUSTAINABLE EQUITY UCITS ETF

Monthly report 30 November 2021 | HSEM LN

## Investment objective

The Fund aims to track as closely as possible the returns of the FTSE Emerging ESG Low Carbon Select Index (the Index). The Fund will invest in or gain exposure to shares of companies which make up the Index.

## Investment strategy

The Index seeks to achieve a reduction in carbon emissions and fossil fuel reserves exposure, and an improvement of the FTSE Russell ESG rating. The Index achieves this by removing companies based on sustainability exclusionary criteria. The Index also applies the United Nations Global Compact exclusionary criteria. The Fund will be passively managed and will aim to invest in the shares of the companies in generally the same proportion as in the Index. However, there may be circumstances when it is not possible or practical for the Fund to invest in all constituents of the Index. The Fund can gain exposure by using other investments such as depositary receipts, derivatives or funds. The Fund may invest up to 35% in securities from a single issuer during exceptional market conditions. The Fund may invest up to 10% in funds and up to 10% in total return swaps and contracts for difference. See the Prospectus for a full description of the investment objectives and derivative usage.

## Main risks

- The value of investments and any income from them can go down as well as up and you may not get back the amount originally invested.
- The value of investible securities can change over time due to a wide variety of factors, including but not limited to: political and economic news, government policy, changes in demographics, cultures and populations, natural or human-caused disasters etc.
- The Fund may invest in Emerging Markets, these markets are less established, and often more volatile, than developed markets and involve higher risks, particularly market, liquidity and currency risks.

### Fund facts

Fund manager	HSBC Global Asset Management (UK) Limited
Custodian	HSBC Continental Europe
Fund administrator	HSBC Securities Services (Ireland) DAC

## Share class details

### Key metrics

NAV per share	<b>USD 15.17</b>
Performance 1 month	<b>-2.50%</b>

### Fund facts

UCITS V compliant	<b>Yes</b>
UK reporting fund status (UKRS)	<b>Yes</b>
ISA eligible	<b>Yes</b>
Dividend treatment	<b>Accumulating</b>
Dividend currency	<b>USD</b>
Share class base currency	<b>USD</b>
Domicile	<b>Ireland</b>
Inception date	<b>27 August 2020</b>
Shares outstanding	<b>9,375,000</b>
Fund size	<b>USD 142,240,726</b>
Reference benchmark	<b>100% FTSE Emerging ESG Low Carbon Select Index</b>
Replication method	<b>Physical- Full</b>
SIPP eligible	<b>Yes</b>
Issuer	<b>HSBC ETFs PLC</b>
Fiscal year end	<b>Dec</b>

### Fees and expenses

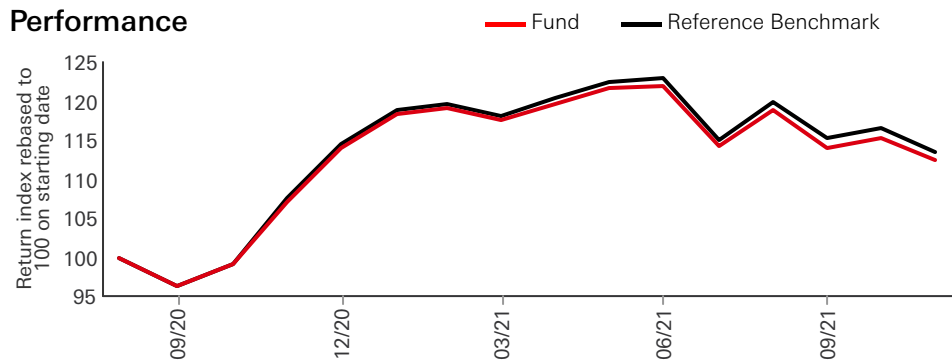
Ongoing charge figure <sup>1</sup>	<b>0.180%</b>
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### Codes

ISIN	<b>IE00BKY59G90</b>
SEDOL	<b>BKY59G9</b>

<sup>1</sup>Ongoing Charges Figure, is based on expenses over a year. The figure includes annual management charge but not the transaction costs. Such figures may vary from time to time.

## Performance



Performance (%)	YTD	1 month	3 months	6 months	1 year	3 years ann	5 years ann	Since inception ann
<b>Fund</b>	<b>-1.34</b>	<b>-2.50</b>	<b>-5.41</b>	<b>-7.64</b>	<b>4.93</b>	--	--	<b>9.86</b>
Reference Benchmark	-0.94	-2.55	-5.39	-7.34	5.57	--	--	10.65
Tracking difference	-0.40	0.05	-0.02	-0.30	-0.64	--	--	-0.79
Tracking error	--	--	--	--	0.70	--	--	0.68

Rolling performance (%)	30/11/2020-30/11/2021	30/11/2019-30/11/2020	30/11/2018-30/11/2019	30/11/2017-30/11/2018	30/11/2016-30/11/2017
<b>Fund</b>	<b>4.93</b>	--	--	--	--
Reference Benchmark	5.57	--	--	--	--

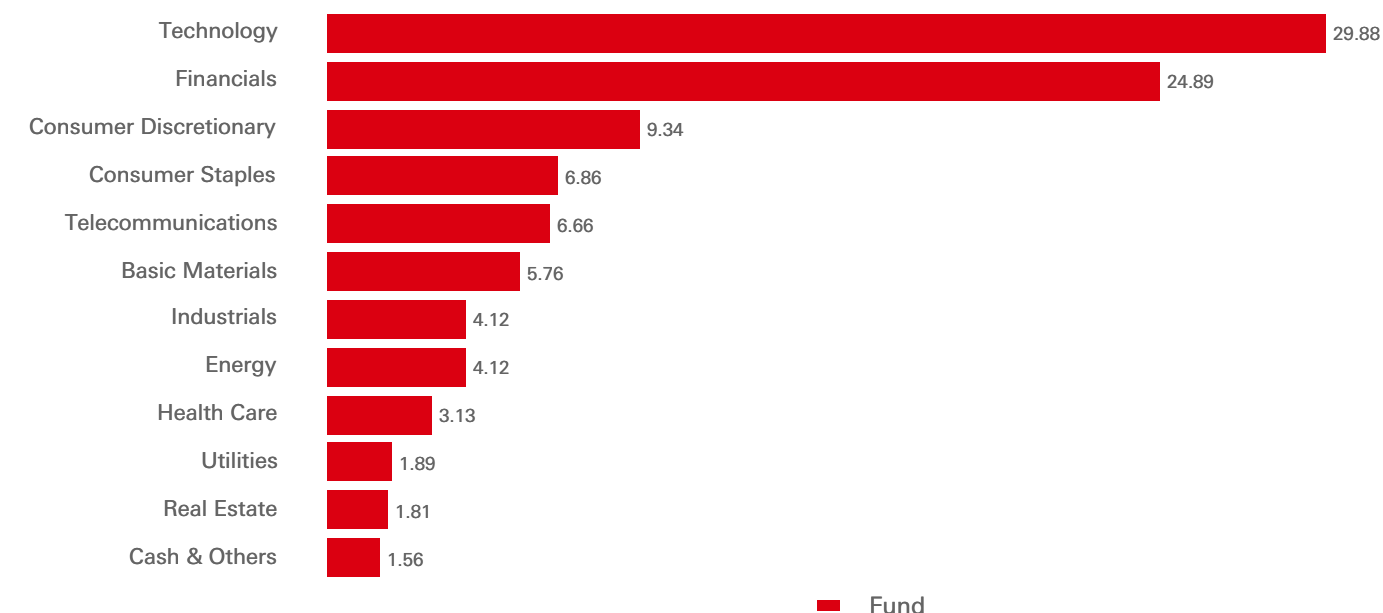
Carbon footprint	Fund	Parent benchmark
Carbon intensity emissions	196.88	408.63

Carbon Intensity measures the quantity of carbon emission of a company (tonnes CO<sub>2</sub>e/USD million revenue)

Equity characteristics	Fund	Reference Benchmark
No. of holdings ex cash	1,055	1,057
Average market cap (USD Mil)	125,071	124,687
Price/earning ratio	16.89	16.94

Benchmark information	
Index name	100% FTSE Emerging ESG Low Carbon Select Index
Index currency	USD
Benchmark type	Net Return
Index Rebalancing Frequency	Annually
TR Index Bloomberg Ticker	ELCAWEN
TR Index Reuters RIC	.TFTELCAWENU

## Sector allocation (%)

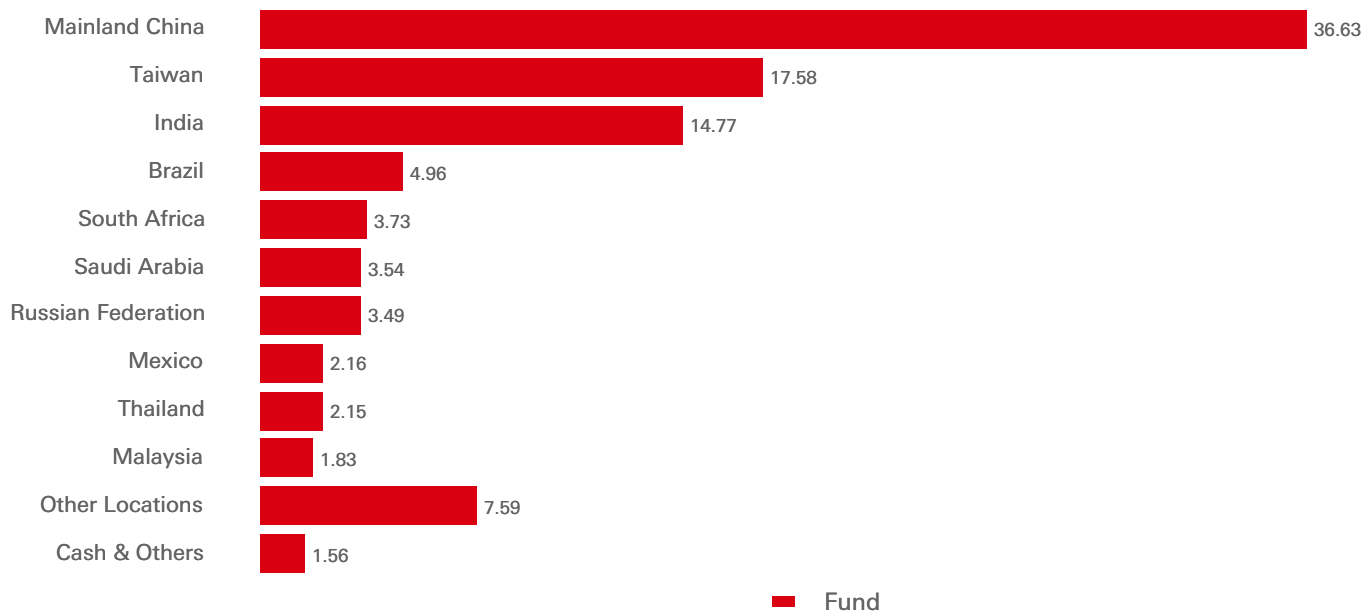


Past performance is not an indicator of future returns. The figures are calculated in the share class base currency, dividend reinvested, net of fees.

Parent benchmark: FTSE Emerging

Source: HSBC Asset Management, data as at 30 November 2021

**Geographical allocation (%)**



Top 10 holdings	Location	Sector	Weight (%)
Taiwan Semiconductor Co Ltd	Taiwan	Technology	10.20
Tencent Holdings Ltd	Mainland China	Technology	5.75
Infosys Ltd	India	Technology	3.09
SUNNY OPTICAL	Mainland China	Technology	2.49
Ping An Insurance Group Co-H	Mainland China	Financials	2.41
Itau Unibanco Holding SA	Brazil	Financials	1.75
Meituan-Class B	Mainland China	Technology	1.56
Housing Development Finance Co	India	Financials	1.36
Li Ning Co Ltd	Mainland China	Consumer Discretionary	1.15
United Microelectronics Corp	Taiwan	Technology	1.00

Exchange name	Listing date	Trading currency	Trading hours	Bloomberg ticker	Reuters	iNAV Bloomberg	iNAV Reuters
LONDON STOCK EXCHANGE	28 Aug 2020	USD	08:00 - 16:30	HSEM LN	HSEM.L	HSEMUSIV	HSEMUSiv.P
LONDON STOCK EXCHANGE	28 Aug 2020	GBP	08:00 - 16:30	HSEF LN	HSEF.L	HSEMGBIV	HSEMGBiv.P
SIX SWISS EXCHANGE	09 Sep 2020	USD	09:00 - 17:30	HSEM SW	HSEM.S	HSEMUSIV	HSEMUSiv.P
NYSE EURONEXT - EURONEXT PARIS	22 Sep 2020	EUR	09:00 - 17:30	HSEM FP	HSEM.PA	HSEMEUIV	HSEMEUiv.P
DEUTSCHE BOERSE AG-XETRA	22 Sep 2020	EUR	09:00 - 17:30	H4Z1 GY	H4Z1.DE	HSEMEUIV	HSEMEUiv.P
BORSA ITALIANA SPA	09 Oct 2020	EUR	09:00 - 17:35	HSEM IM	HSEM.MI	HSEMEUIV	HSEMEUiv.P
BOLSA INSTITUCIONAL DE VALORES	30 Nov 2020	MXN	08.25 - 15:00	HSEM MN	HSEM.BIV	--	--

Emissions from reserves (mn tonnes/ USDmn)	Fund	Parent benchmark
Emissions from reserves/market cap	0.00582	0.00780

### Ten lowest carbon intensity issuers

Fund	Carbon intensity emissions (tonnes CO <sup>2</sup> e/USD million)	Parent benchmark	Carbon intensity emissions (tonnes CO <sup>2</sup> e/USD million)
CHINA LIFE INSURANCE CO LTD 10222021	0.31	China Life Insurance	0.31
BANCO INTER SA-PR 10431894	0.63	Banco Inter	0.63
BANCO BTG PACTUAL SA-UNIT 10139887	0.91	Banco Pan S.A.	0.91
CHINA TAIPING INSURANCE HOLD 10217437	1.08	China Taiping Insurance Holdings (Red Chip)	1.08
CHINA MEIDONG AUTO HOLDINGS 10303698	1.16	China MeiDong Auto Holdings (P Chip)	1.16
BANCO BRADESCO S.A. 10190268	1.51	Banco Bradesco S/A Ord	1.51
CHINA EVERBRIGHT LTD 10225898	1.61	China Everbright (RED CHIP)	1.61
BANK OF NANJING CO LTD -A 10297935	1.73	TIANFENG SECURITIES (A) (SC SH)	1.64
BANK OF NINGBO CO LTD -A 10297910	1.73	Bank Of Nanjing (A) (SC SH)	1.73
COMMERCIAL BANK PSQC 10126780	1.73	Bank of Ningbo (A) (SC SZ)	1.73

### Ten highest carbon intensity issuers

Fund	Carbon intensity emissions (tonnes CO <sup>2</sup> e/USD million)	Parent benchmark	Carbon intensity emissions (tonnes CO <sup>2</sup> e/USD million)
CHINA RESOURCES CEMENT 10217749	11,808.33	Shanxi Xishan Coal and Electricity Power (A) (SC SZ)	43,867.98
SAUDI ELECTRICITY CO 10127020	10,999.61	Unipro	24,966.63
SEMEN INDONESIA PERSERO TBK 10220144	10,751.55	China Shenhua Energy (A) (SC SH)	18,220.16
SHREE CEMENT LTD 10198415	8,432.68	NTPC	16,616.60
ULTRATECH CEMENT LTD 10156438	8,350.12	China Resources Power Holdings (RED CHIP)	15,861.07
GULF ENERGY DEVELOPM-FOREIGN 10324095	8,053.28	Adani Power	15,796.49
ACC LTD 10148190	7,935.92	JSW Energy Ltd.	14,768.89
CHINA NATIONAL BUILDING MA-H 10221701	7,084.63	Proya Cosmetics (A) (SC SH)	14,069.14
CHINA HONGQIAO GROUP LTD 10217443	5,604.69	China Power International Development (Red Chip)	14,021.80
ADITYA BIRLA CAPITAL LTD 10136411	5,039.16	Mosenergo	13,502.12

Company carbon data, can often be "partially disclosed", i.e. partial geographic coverage, or incomplete operational data. Trucost\* undertakes analysis and research to assess company reported results. The proprietary Trucost model enables an estimate of total emissions which relies on more than just reported financial data. Where securities are not covered by Trucost, HSBC assigns a proxy value based on the average intensity score of comparable companies.\*Trucost are a division of S&P Global; they assess risks relating to climate change, natural resource constraints, and broader environmental, social, and governance factors.

Parent benchmark: FTSE Emerging

Source: HSBC Asset Management, data as at 30 November 2021

FTSE ESG Score	ESG score	E	S	G
Fund	3.2	2.5	3.2	4.0
Parent benchmark	2.8	2.1	2.6	3.7

MSCI ESG Score	ESG score	E	S	G
Fund	5.7	5.7	5.3	4.0
Parent benchmark	5.2	5.4	4.9	3.7

### ESG score for ten highest holdings by weight

Fund	Weight	ESG score	E	S	G	Carbon intensity emissions
TAIWAN SEMICONDUCTOR MANUFAC 10217598	10.197%	4.4	3.8	4.5	5.0	259.7
TENCENT HOLDINGS LTD 10110703	5.752%	2.3	1.0	2.4	3.5	13.3
INFOSYS LTD 10170616	3.090%	3.9	3.0	3.7	5.0	22.7
SUNNY OPTICAL TECH 10221482	2.488%	3.7	3.1	3.3	5.0	59.8
PING AN INSURANCE GROUP CO-H 10198636*	2.412%	3.1	3.0	3.2	3.0	3.0
ITAU UNIBANCO H-SPON PRF ADR 10201811	1.610%	4.7	5.0	5.0	4.3	4.3
MEITUAN-CLASS B 10342562	1.560%	2.2	1.0	2.0	3.5	40.6
HOUSING DEVELOPMENT FINANCE 10190596	1.358%	3.4	2.0	2.6	4.6	6.6
LI NING CO LTD 10220673	1.146%	3.0	2.6	2.8	4.0	4.6
UNITED MICROELECTRONICS CORP 10220985	1.002%	4.6	4.5	4.4	5.0	377.4

Parent benchmark	Weight	ESG score	E	S	G	Carbon intensity emissions
Taiwan Semiconductor Manufacturing	7.454%	4.4	3.8	4.5	5.0	259.7
Tencent Holdings (P Chip)	5.113%	2.3	1.0	2.4	3.5	13.3
Alibaba Group Holding (P Chip)*	3.364%	1.4	0.6	0.8	3.0	36.1
Meituan Dianping (P Chip)	1.719%	2.2	1.0	2.0	3.5	40.6
Reliance Industries	1.519%	2.9	2.1	2.4	4.3	367.0
Infosys	1.187%	3.9	3.0	3.7	5.0	22.7
Housing Development Finance	0.899%	3.4	2.0	2.6	4.6	6.6
China Construction Bank (H)*	0.881%	1.8	1.0	1.2	2.6	11.5
JD.com (P Chip)*	0.796%	2.6	1.6	2.3	3.9	36.1
MediaTek	0.778%	3.3	3.0	3.0	4.0	19.6

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Parent benchmark: FTSE Emerging

Source: HSBC Asset Management, data as at 30 November 2021

## ESG score for ten lowest holdings by weight

Fund	Weight	ESG score	E	S	G	Carbon intensity emissions
CIFI HOLDINGS GROUP CO LTD NPV RIGHTS 11066419*^	0.000%	2.6	1.8	2.4	3.5	321.7
TAIWAN BUSINESS BANK 10220891	0.000%	2.3	2.0	1.7	2.9	2.5
BTS GROUP HOLDINGS PCL-CW22 10978628*^	0.000%	2.3	1.9	2.1	3.0	210.2
BRITIN 5.5 06/03/24 N3 10924781	0.000%	2.2	1.0	2.4	3.3	31.9
BTS GROUP HOLDINGS PCL-CW24 10978630*^	0.000%	2.3	1.9	2.1	3.0	210.2
KWG LIVING GROUP HOLDINGS LT 10744965	0.001%	2.0	1.6	1.7	2.9	36.8
GUANGZHOU BAIYUNSHAN PHARM-H 10227276*	0.001%	2.0	1.8	1.4	3.0	60.4
ONECONNECT FINANCIAL TECHNO 10649276	0.001%	2.5	0.9	2.4	3.9	9.5
ZHEJIANG DINGLI MACHINERY -A 10490643	0.002%	2.4	2.0	2.3	3.0	28.1
ANHUI GUJING DISTILLERY CO-B 10191437	0.002%	1.1	0.2	0.8	2.3	64.9

Parent benchmark	Weight	ESG score	E	S	G	Carbon intensity emissions
Bengang Steel Plates (A) (SC SZ)*^	0.000%	1.0	1.0	0.3	1.9	1,325.4
Xinhua Winshare Publishing and Media (A) (SC SH)*^	0.000%	1.7	0.8	1.3	3.0	44.4
Deppon Logistics (A) (SC SH)*^	0.001%	1.3	1.0	0.6	2.5	182.3
Sichuan Languang Development (A) (SC SH)*^	0.001%	1.1	0.9	0.9	1.6	55.1
Jiangsu Zhangjiagang Rural Commercial Bank (A) (SC SZ)*^	0.001%	1.1	1.0	1.3	0.9	4.0
Rongan Property (A) (SC SZ)*^	0.001%	0.8	0.3	0.4	1.9	55.1
Shenzhen New Nanshan Holding (Group) (A) (SC SZ)*^	0.001%	0.4	0.3	1.3	1.1	55.1
Jointo Energy Investment Hebei (A) (SC SZ)*^	0.001%	1.0	0.7	0.7	1.9	8,303.4
Tibet Cheezheng Tibetan Medicine (A) (SC SZ)*^	0.001%	2.2	2.0	2.2	2.5	60.4
Qinhuangdao Port (A) (SC SH)*^	0.001%	2.2	1.6	2.3	3.0	251.9

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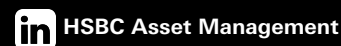
Parent benchmark: FTSE Emerging

Source: HSBC Asset Management, data as at 30 November 2021

## Risk disclosures

- To the extent that the Fund seeks to replicate index performance by holding individual securities, there is no guarantee that its composition or performance will exactly match that of the target index at any given time ("tracking error").
- Derivatives may be used by the Fund, and these can behave unexpectedly. The pricing and volatility of many derivatives may diverge from strictly reflecting the pricing or volatility of their underlying reference(s), instrument or asset.
- Investment Leverage occurs when the economic exposure is greater than the amount invested, such as when derivatives are used. A Fund that employs leverage may experience greater gains and/or losses due to the amplification effect from a movement in the price of the reference source.
- Further information on the Fund's potential risks can be found in the Key Investor Information Document and Prospectus.

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www.assetmanagement.hsbc.com/uk  
^To help improve our service and in the  
interests of security we may record and/  
or monitor your communication with us.

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### Fund center



### Glossary



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Source: HSBC Asset Management, data as at 30 November 2021



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This fund is a sub-fund 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 the Company.

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. UK based investors in HSBC ETFs plc are advised that they may not be afforded some of the protections conveyed by the Financial Services and Markets Act (2000), ("the Act"). The Company is recognised in the United Kingdom by the Financial Conduct Authority under section 264 of the Act. The shares in HSBC ETFs plc have not been and will not be offered for sale or sold in the United States of America, its territories or possessions and all areas subject to its jurisdiction, or to United States Persons. Affiliated companies of HSBC Global Asset Management (UK) Limited may make markets in HSBC ETFs plc. 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, or from a stockbroker or financial adviser. The indicative intra-day net asset value of the sub-fund[s] is available on at least one major market data vendor terminal such as Bloomberg, as well as on a wide range of websites that display stock market data, including [www.reuters.com](http://www.reuters.com).

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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