

HSBC MSCI CHINA A INCLUSION UCITS ETF

Physical replication

March 2020

For UK retail clients

The HSBC MSCI CHINA A INCLUSION 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 replicate the performance of the MSCI China A Inclusion Index (the "Index"), while minimising as far as possible the tracking error between the Fund's performance and that of the Index. The Index is designed to track the China A Shares which are included in the MSCI Emerging Markets Index.

Key facts

- Physical replication approach
- Listed on London Stock Exchange
- Multi currency listing in GBP and USD
- Fund registered in UK, Austria, Germany, Spain, France, Italy, Luxembourg, Netherlands and 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.

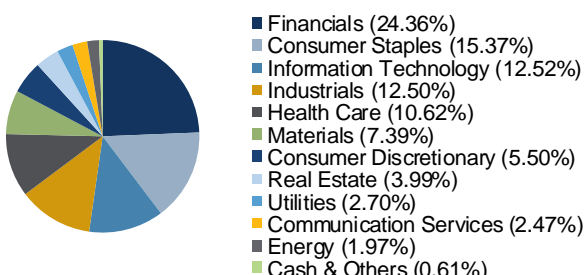
Currency exchange risk: Where overseas investments are held the rate of currency exchange may also cause the value of such investments to fluctuate.

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

Geographic risk: This sub-fund invests predominantly in one geographic area; therefore any decline in the economy of this area may affect the prices and value of the underlying assets.

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



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

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
Depository	MSCI China A Inclusion Index
Number of holdings	468
Published daily on etf.hsbc.com website	
Replication method	Physical replication
Base currency	USD
Fund inception date	27/07/2018
Listing date	27/07/2018
Fiscal year end	31 December
Ongoing charge figure (OCF)*	0.30%
Entry/Exit/Performance fees	No
Net asset value (NAV) per share	\$9.15
Shares outstanding	3,500,000
Assets under management	\$32,035,595
Dividend treatment	Distribution
Dividend frequency	Quarterly
Dividend currency	USD
Dividend per share	\$0.0889
Dividend yield**	1.87%
Dividend ex date	17/10/2019

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

ISIN	IE00BF4NQ904
SEDOL GBP	BGCS5X1
SEDOL USD	BGCS5R5
Ticker GBP	HMCA
Ticker USD	HMCT

Index Information

Index name	MSCI China A Inclusion Index
Index currency	USD
Benchmark type	Total Return (net)
Index rebalancing frequency	Quarterly
TR index Bloomberg ticker	M1CNA
TR index Reuters RIC	.dMICNA0100NUS

About the Index

The Fund will aim to replicate the performance of the MSCI China A Inclusion Index.

The Index is designed to track the China A Shares which are included in the MSCI Emerging Markets Index. It is designed for global investors accessing the China A Shares market using the Stock Connect framework and is calculated using China A share listings based on the offshore RMB exchange rate (CNH). The China A Shares are denominated, purchased and sold using the onshore Renminbi (CNY). The value of CNH could differ from CNY due to a number of factors including foreign exchange control policies repatriation restrictions and other external market forces.

Top 10 holdings of the Fund

Kweichow Moutai Co Ltd	5.13%	China Yangtze Power Co Ltd	1.40%
Ping An Insurance Group Co of China Ltd	2.75%	Industrial Bank Co Ltd	1.21%
China Merchants Bank Co Ltd	2.45%	Shanghai Pudong Development Bank Co Ltd	1.09%
Wuliangye Yibin Co Ltd	1.64%	Foshan Haitian Flavouring & Food Co Ltd	1.04%
Jiangsu Hengrui Medicine Co Ltd	1.50%	Industrial & Commercial Bank of China Ltd	1.02%

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

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 MSCI CHINA A INCLUSION UCITS ETF	N/A	N/A	N/A	N/A	-5.17
MSCI China A Inclusion Net	N/A	N/A	N/A	N/A	-4.84

Fund and Index performance (%)

	1 month	3 months	1 year	3 years ann.	5 years ann.	Since inception ann.
HSBC MSCI CHINA A INCLUSION UCITS ETF	-7.03	-9.21	-5.17	N/A	N/A	3.53
MSCI China A Inclusion Net	-7.12	-9.19	-4.84	N/A	N/A	3.98
Tracking difference ¹	0.09	-0.02	-0.33	N/A	N/A	-0.46
Tracking error ²	N/A	N/A	0.27	N/A	N/A	0.22

¹ The difference between the return of the fund after fees and that of the index being replicated. It provides an indication of how well the fund has replicated the index.

² The volatility in the difference of performance between the fund and its index over time. Technically this is the standard deviation of the tracking difference. The optimal tracking error would be close to zero.

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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Further information can be found in the prospectus.