

# HSBC MSCI EMERGING MARKETS UCITS ETF

## Physical optimisation

March 2020

For UK retail clients

The HSBC MSCI EMERGING MARKETS 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 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.

### Key facts

- Physical optimisation 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.

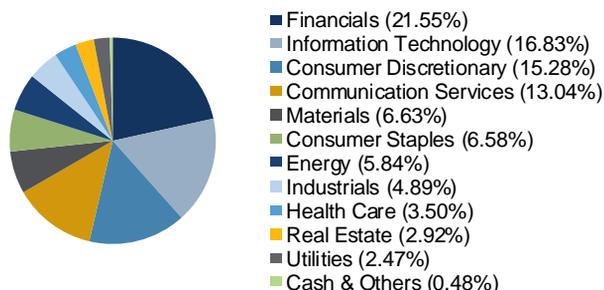
**Currency exchange risk:** Where overseas investments are held the rate of currency exchange may also cause the value of such investments to fluctuate.

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

**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).

### 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.

### 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 Emerging Markets Index
Number of holdings	1059
<i>Published daily on <a href="http://etf.hsbc.com">etf.hsbc.com</a> website</i>	
Replication method	Physical optimisation
Base currency	USD
Fund inception date	05/09/2011
Listing date	07/09/2011
Fiscal year end	31 December
Ongoing charge figure (OCF)*	0.15%
Entry/Exit/Performance fees	No
Net asset value (NAV) per share	\$8.56
Shares outstanding	22,500,000
Assets under management	\$192,675,805
Dividend treatment	Distribution
Dividend frequency	Quarterly
Dividend currency	USD
Dividend per share	\$0.0387
Dividend yield**	2.76%
Dividend ex date	06/02/2020

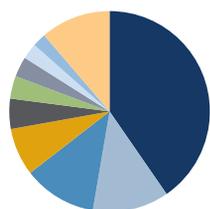
\*The ongoing charges figure is based on expenses over a year. The figure excludes transaction costs \*\*Gross trailing 12 month yield.

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	.dMIEF0000NUS

## Geographical Allocation of the Fund



- China (40.37%)
- Taiwan (12.31%)
- Korea (11.83%)
- India (7.67%)
- Brazil (4.87%)
- South Africa (3.65%)
- Russia (3.26%)
- Saudi Arabia (2.55%)
- Thailand (2.18%)
- Others (11.30%)

## Top 10 holdings of the Fund

Alibaba Group Holding Ltd	7.04%	Naspers Ltd	1.33%
Tencent Holdings Ltd	5.88%	Ping An Insurance Group Co of China Ltd	1.29%
Taiwan Semiconductor Manufacturing Co Ltd	4.64%	China Mobile Ltd	0.97%
Samsung Electronics Co Ltd	4.48%	Industrial & Commercial Bank of China Ltd	0.95%
China Construction Bank Corp	1.67%	SK Hynix Inc	0.79%

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

Others: Mexico (1.91%), Malaysia (1.86%), Indonesia (1.50%), Qatar (0.97%), Philippines (0.83%), Poland (0.73%), Chile (0.62%), United Arab Emirates (0.56%), Turkey (0.44%), Peru (0.30%), Colombia (0.26%), Hungary (0.26%), Greece (0.22%), Egypt (0.14%), Argentina (0.12%), Czech Republic (0.11%), Pakistan (0.01%), Cash & Others (0.48%)

## 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 (%)

	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 EMERGING MARKETS UCITS ETF	-12.47	16.85	24.33	-7.58	-18.24
MSCI Emerging Markets Net	-12.03	17.22	24.76	-7.28	-17.69

## Fund and Index performance (%)

	1 month	3 months	1 year	3 years ann.	5 years ann.	Since inception
HSBC MSCI EMERGING MARKETS UCITS ETF	-15.42	-23.95	-18.24	-2.06	-0.79	0.24
MSCI Emerging Markets Net	-15.40	-23.86	-17.69	-1.62	-0.37	0.62
Tracking difference <sup>1</sup>	-0.02	-0.09	-0.56	-0.44	-0.43	-0.38
Tracking error <sup>2</sup>	N/A	N/A	0.24	0.26	0.36	0.54

<sup>1</sup> 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.

<sup>2</sup> 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.