

# HSBC MSCI KOREA CAPPED UCITS ETF<sup>^</sup>

## Physical replication

March 2020

For UK retail clients

The HSBC MSCI KOREA CAPPED UCITS ETF is an open ended UCITS V compliant exchange-traded fund incorporated in Ireland.

### Fund objective

The Fund aims to track as closely as possible the returns of the MSCI Korea Capped Net Index (the "Index"). The Fund will invest in or gain exposure to shares of companies which make up the Index.

The Index is made up of the largest stock market listed companies in South Korea, as defined by the Index provider.

### 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

### 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.

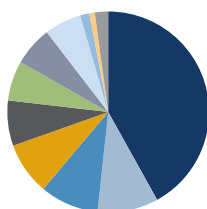
**Currency exchange risk:** Where overseas investments are held the rate of currency exchange may also cause the value of such investments to fluctuate.

**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



- Information Technology (41.94%)
- Financials (9.75%)
- Consumer Discretionary (9.43%)
- Communication Services (8.44%)
- Industrials (7.29%)
- Health Care (6.41%)
- Materials (6.33%)
- Consumer Staples (5.93%)
- Energy (1.48%)
- Utilities (0.88%)
- Cash & Others (2.13%)

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
Benchmark <sup>^^</sup>	MSCI Korea Capped Net Index
Number of holdings	110
<i>Published daily on <a href="http://etf.hsbc.com">etf.hsbc.com</a> website</i>	
Replication method	Physical replication
Base currency	USD
Fund inception date	05/04/2011
Listing date	07/04/2011
Fiscal year end	31 December
Ongoing charge figure (OCF)*	0.60%
Entry/Exit/Performance fees	No
Net asset value (NAV) per share	\$37.99
Shares outstanding	210,000
Assets under management	\$7,977,437
Dividend treatment	Distribution
Dividend frequency	Semi-annual
Dividend currency	USD
Dividend per share	\$0.0892
Dividend yield**	0.37%
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	IE00B3Z0X395
SEDOL GBP	B3QHF77
SEDOL USD	B3Z0X39
Ticker GBP	HKOR
Ticker USD	HKOD

### Index Information

Index name <sup>^^</sup>	MSCI Korea Capped Net Index
Index currency	USD
Benchmark type	Total Return (Net)
Index rebalancing frequency	Quarterly
TR index Bloomberg ticker	NU730535
TR index Reuters RIC	.dMIKR0000CNUS

<sup>^</sup> Until 23rd March 2020 the name of the Fund was HSBC MSCI Korea UCITS ETF

<sup>^^</sup> Until 23<sup>rd</sup> March 2020 the name of the Benchmark was MSCI Korea Index

## 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 South Korean equity market 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.

## Top 10 holdings of the Fund

Samsung Electronics Co Ltd	30.07%	LG Chem Ltd	2.40%
SK Hynix Inc	7.20%	KB Financial Group Inc	2.17%
Naver Corp	3.77%	Samsung SDI Co Ltd	2.10%
Celltrion Inc	3.42%	Shinhan Financial Group Co Ltd	2.08%
Hyundai Motor Co	2.63%	Posco	2.00%

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 KOREA CAPPED UCITS ETF <sup>^</sup>	-6.45	20.09	24.39	-17.10	-17.15
MSCI Korea Capped Net <sup>^^</sup>	-5.91	20.87	25.23	-16.52	-16.82

## Fund and Index performance (%)

	1 month	3 months	1 year	3 years ann.	5 years ann.	Since inception ann.
HSBC MSCI KOREA CAPPED UCITS ETF <sup>^</sup>	-11.30	-22.44	-17.15	-5.11	-0.82	-1.46
MSCI Korea Capped Net <sup>^^</sup>	-11.60	-22.45	-16.82	-4.55	-0.22	-0.80
Tracking difference <sup>1</sup>	0.29	0.01	-0.33	-0.56	-0.60	-0.66
Tracking error <sup>2</sup>	N/A	N/A	0.41	0.31	0.30	0.45

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<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

Tel: +44 (0) 207 991 3296

E-mail: [etf.sales@hsbc.com](mailto:etf.sales@hsbc.com)

Website: [www.etf.hsbc.com](http://www.etf.hsbc.com)

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