HSBC Asset Management

HSBC ETFs PLC

HSBC UK SUSTAINABLE EQUITY UCITS ETF

Monthly report 29 February 2024 | **HSUK LN | GBP**

Investment objective

The Fund aims to track as closely as possible the returns of the FTSE UK ESG Low Carbon Select Index (the Index). The Fund will invest in, or gain exposure to shares of companies which make up the Index. The Fund qualifies under Article 8 of SFDR.

Investment strategy

The Index is a subset of the FTSE UK Index (the Parent Index) and made up of companies in the United Kingdom, as determined by the Index Provider.
The Index seeks to achieve a reduction in carbon emissions and fossil fuel reserves exposure, and an improvement of the FTSE Russell ESG rating against that of the Parent Index. It excludes shares of companies with exposure to: tobacco, thermal coal extraction, electricity generation, gambling, adult entertainment and controversial weapons. The Index also applies, among others, 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.
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 total return swaps and contracts for difference and up to 10% in other funds.
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.
- Where overseas investments are held the rate of currency exchange may cause the value of such investments to go down as well as up.
- 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.

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

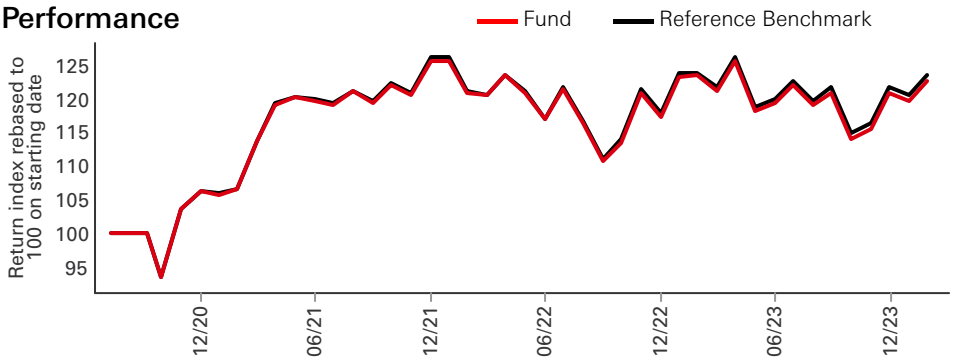
Share class details

Key metrics	
NAV per share	**GBP 16.64**
Performance 1 month	**2.33%**
Tracking error 3 years	**0.28%**
Fund facts	
UCITS V compliant	**Yes**
UK reporting fund status (UKRS)	**Yes**
ISA eligible	**Yes**
Dividend treatment	**Accumulating**
Dividend currency	**GBP**
Fund base currency	**GBP**
Currency Hedged	**Not Hedged**
Share class base currency	**GBP**
Domicile	**Ireland**
Inception date	**8 October 2020**
Shares outstanding	**1,029,484**
Fund size	**GBP 25,579,736**
Reference benchmark	**100% FTSE UK ESG Low Carbon Select Index**
Replication method	**Physical- Full**
SIPP eligible	**Yes**
Issuer	**HSBC ETFs PLC**
Fiscal year end	**Dec**
Fees and expenses	
Ongoing charge figure[1]	**0.120%**
Codes	
ISIN	**IE00BKY53D40**
SEDOL	**BL6VNJ3**

[1]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.

Past performance does not predict future returns. The figures are calculated in the share class base currency, dividend reinvested, net of fees.
This is a marketing communication. Please refer to the prospectus and to the KID before making any final investment decisions.
For definition of terms, please refer to the Glossary QR code and Prospectus.
Source: HSBC Asset Management, data as at 29 February 2024

Performance



Performance (%)	YTD	1 month	3 months	6 months	1 year	3 years ann	5 years ann	Since inception ann
Fund	**1.41**	**2.33**	**6.06**	**2.95**	**-0.67**	**4.77**	**--**	**6.15**
Reference Benchmark	1.45	2.35	6.12	3.20	-0.41	4.99	--	6.37
Tracking difference	-0.04	-0.02	-0.06	-0.25	-0.27	-0.22	--	-0.22
Tracking error	--	--	--	--	0.20	0.28	--	0.26

Rolling performance (%)	28/02/23-29/02/24	28/02/22-28/02/23	28/02/21-28/02/22	29/02/20-28/02/21	28/02/19-29/02/20
Fund	**-0.67**	**2.02**	**13.49**	**--**	**--**
Reference Benchmark	-0.41	2.18	13.73	--	--

Carbon footprint	Fund	Broad Market Index
Carbon intensity emissions	60.10	103.74

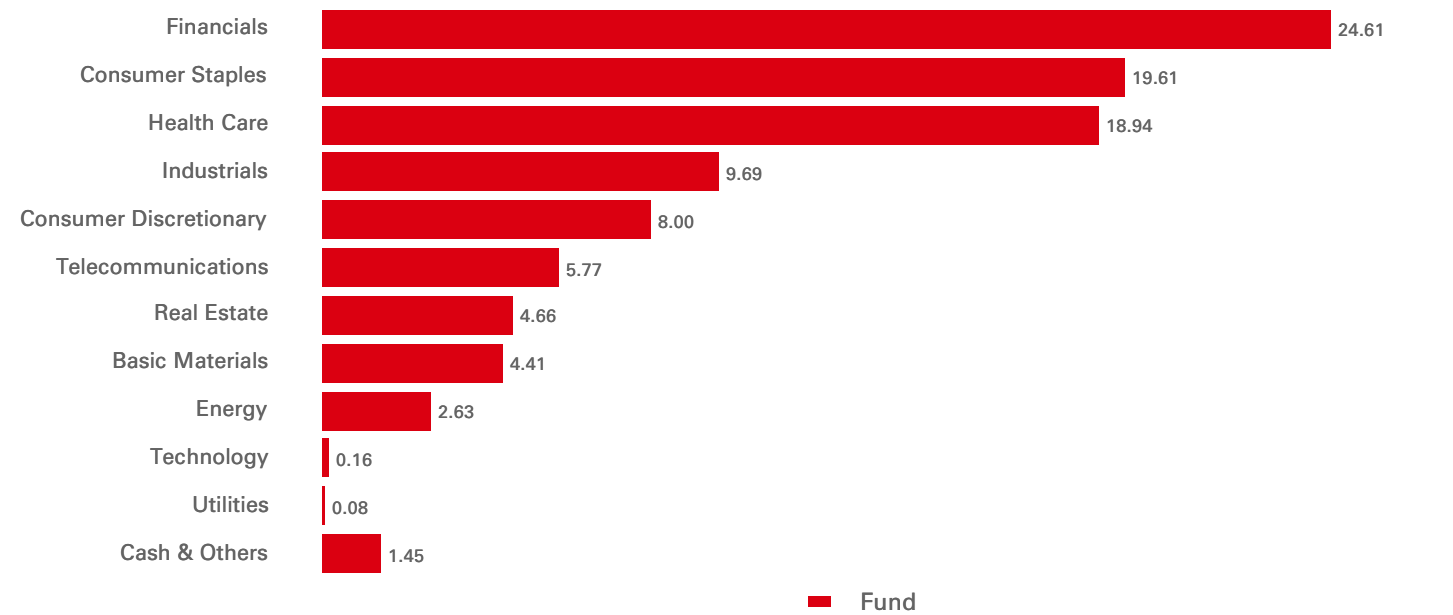
Carbon Intensity measures the quantity of carbon emission of a company (tonnes CO^2e/USD million revenue)
Source: S&P Global Trucost

FTSE ESG Score	ESG score	E	S	G
Fund	4.3	4.1	4.2	4.7
Broad Market Index	3.9	3.5	3.7	4.6

Equity characteristics	Fund	Reference Benchmark
No. of holdings ex cash	60	60
Average market cap (GBP Mil)	44,736	44,734
Price/earning ratio	9.27	9.27

Benchmark information	
Index name	100% FTSE UK ESG Low Carbon Select Index
Index currency	GBP
Benchmark type	Net Return
Index Rebalancing Frequency	Annually
TR Index Bloomberg Ticker	ELCGBRN
TR Index Reuters RIC	.TFTELCGBRNS

Sector allocation (%)



Past performance does not predict future returns. The figures are calculated in the share class base currency, dividend reinvested, net of fees.
Broad Market Index: FTSE UK
Source: HSBC Asset Management, data as at 29 February 2024

Top 10 holdings	Sector	Weight (%)
GSK PLC	Health Care	11.62
Barclays PLC	Financials	10.77
Diageo PLC	Consumer Staples	8.70
Reckitt Benckiser Group PLC	Consumer Staples	7.45
AstraZeneca PLC	Health Care	7.31
Aviva PLC	Financials	6.15
Vodafone Group PLC	Telecommunications	5.61
Lloyds Banking Group PLC	Financials	5.20
CRH PLC	Industrials	3.22
Glencore PLC	Basic Materials	2.78

Exchange name	Listing date	Trading currency	Trading hours	Bloomberg ticker	Reuters RIC	iNAV Bloomberg	iNAV Reuters
LONDON STOCK EXCHANGE	09 Oct 2020	GBP	08:00 - 16:30	HSUK LN	HSUK.L	HSUGBPIV	HSUKGBPINAV =SOLA
NYSE EURONEXT - EURONEXT PARIS	29 Oct 2020	EUR	09:00 - 17:30	HSUK FP	HSUK.PA	HSUEUXIV	HSUKEURINAV =SOLA
BOLSA INSTITUCIONAL DE VALORES	01 Apr 2022	MXN	08.25 - 15:00	HSUKN MM	HUSKN.BIV	HSUKGBIV	HSUKGBiv.P

Source: HSBC Asset Management, data as at 29 February 2024

Emissions from reserves (mn tonnes/ USDmn)	Fund	Broad Market Index
Emissions from reserves/market cap	2,640.42093	4,084.54783

Ten lowest carbon intensity issuers

Fund	Carbon intensity emissions (tonnes CO^2e/USD million)	Broad Market Index	Carbon intensity emissions (tonnes CO^2e/USD million)
INTERMEDIATE CAPITAL GROUP	0.16	3I GROUP PLC	0.09
PHOENIX GROUP HOLDINGS PLC	0.42	ST JAMES'S PLACE PLC	0.11
RIGHTMOVE PLC	0.43	INTERMEDIATE CAPITAL GROUP	0.16
AVIVA PLC	1.03	M&G PLC	0.25
ABRDN PLC	1.50	PHOENIX GROUP HOLDINGS PLC	0.42
ITV PLC	1.57	RIGHTMOVE PLC	0.43
SAGE GROUP PLC/THE	1.73	AUTO TRADER GROUP PLC	0.59
INFORMA PLC	2.29	HISCOX LTD	0.77
LEGAL & GENERAL GROUP PLC	2.31	PRUDENTIAL PLC	0.87
RS GROUP PLC	3.57	AVIVA PLC	1.03

Ten highest carbon intensity issuers

Fund	Carbon intensity emissions (tonnes CO^2e/USD million)	Broad Market Index	Carbon intensity emissions (tonnes CO^2e/USD million)
CRH PLC	1,031.23	TATE & LYLE PLC	1,163.12
ANGLO AMERICAN PLC	638.61	CRH PLC	1,031.23
RIO TINTO PLC	545.42	INTL CONSOLIDATED AIRLINE-DI	872.96
SSE PLC	530.60	INTERCONTINENTAL HOTELS GROU	811.38
MONDI PLC	434.79	ANGLO AMERICAN PLC	638.61
NATIONAL GRID PLC	329.48	RIO TINTO PLC	545.42
DS SMITH PLC	305.50	SSE PLC	530.60
SMURFIT KAPPA GROUP PLC	245.58	MONDI PLC	434.79
SEVERN TRENT PLC	199.92	FRESNILLO PLC	434.38
SHELL PLC	152.70	ANTOFAGASTA PLC	353.65

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.
Source of analytics: Trucost / HSBC
Broad Market Index: FTSE UK
Source: HSBC Asset Management, data as at 29 February 2024

MSCI ESG Score	ESG score	E	S	G
Fund	8.3	7.9	5.3	6.8
Broad Market Index	7.9	6.6	5.2	7.0

ESG score for ten highest holdings by weight

Fund	Weight	ESG score	E	S	G	Carbon intensity emissions
GSK PLC	11.622%	4.3	4.0	4.3	4.7	24.5
BARCLAYS PLC	10.768%	4.7	5.0	4.2	5.0	4.2
DIAGEO PLC	8.705%	4.5	4.3	4.3	4.8	28.9
RECKITT BENCKISER GROUP PLC	7.447%	4.3	4.3	4.3	4.2	20.1
ASTRAZENECA PLC	7.307%	4.1	3.2	4.2	5.0	9.9
AVIVA PLC	6.145%	4.7	5.0	4.2	5.0	1.0
VODAFONE GROUP PLC	5.608%	4.2	3.3	5.0	4.5	42.6
LLOYDS BANKING GROUP PLC	5.203%	4.6	5.0	4.4	4.3	4.2
CRH PLC	3.217%	4.2	4.5	3.3	5.0	1,031.2
GLENCORE PLC	2.779%	4.3	4.5	3.7	5.0	105.6

Broad Market Index	Weight	ESG score	E	S	G	Carbon intensity emissions
SHELL PLC	8.182%	4.3	4.5	3.7	5.0	152.7
ASTRAZENECA PLC	7.430%	4.1	3.2	4.2	5.0	9.9
HSBC HOLDINGS PLC	6.029%	4.1	3.0	4.2	4.8	7.6
UNILEVER PLC	4.882%	4.1	3.8	3.9	4.8	27.3
BP PLC	3.871%	3.9	3.8	3.5	4.5	150.0
GSK PLC	3.373%	4.3	4.0	4.3	4.7	24.5
RELX PLC	3.305%	3.3	1.8	3.7	4.6	4.0
DIAGEO PLC	3.298%	4.5	4.3	4.3	4.8	28.9
RIO TINTO PLC	2.786%	4.1	4.2	3.7	4.4	545.4
BRITISH AMERICAN TOBACCO PLC	2.627%	4.3	3.9	4.4	4.6	20.4

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Source of analytics: Trucost / HSBC
Broad Market Index: FTSE UK
Source: HSBC Asset Management, data as at 29 February 2024

ESG score for ten lowest holdings by weight

Fund	Weight	ESG score	E	S	G	Carbon intensity emissions
BP PLC	0.006%	3.9	3.8	3.5	4.5	150.0
JD SPORTS FASHION PLC	0.008%	3.5	2.5	3.8	4.5	6.6
RENISHAW PLC	0.009%	3.4	2.7	3.1	4.7	15.6
ABRDN PLC	0.010%	4.2	5.0	3.3	4.2	1.5
HALEON	0.010%	0.0	0.0	0.0	0.0	27.3
RELX PLC	0.012%	3.3	1.8	3.7	4.6	4.0
CRODA INTERNATIONAL PLC	0.014%	3.6	3.3	3.4	4.3	69.3
NATIONAL GRID PLC	0.015%	3.7	3.3	3.1	4.8	329.5
IMI PLC	0.017%	3.4	2.1	3.0	5.0	16.0
SMITHS GROUP PLC	0.017%	3.4	2.5	3.3	4.5	18.6

Broad Market Index	Weight	ESG score	E	S	G	Carbon intensity emissions
FRESNILLO PLC	0.042%	3.6	2.8	3.3	5.0	434.4
AIRTEL AFRICA PLC	0.052%	3.5	2.3	3.7	5.0	24.5
RENISHAW PLC	0.074%	3.4	2.7	3.1	4.7	15.6
INTL CONSOLIDATED AIRLINE-DI	0.083%	3.3	2.5	3.7	3.9	873.0
ITV PLC	0.105%	3.9	3.0	3.7	5.0	1.6
ENDEAVOUR MINING PLC	0.117%	2.9	2.5	2.7	3.7	352.8
TATE & LYLE PLC	0.121%	2.9	2.0	2.8	4.4	1,163.1
ST JAMES'S PLACE PLC	0.137%	3.9	3.0	3.7	5.0	0.1
HARGREAVES LANSDOWN PLC	0.139%	3.4	3.0	2.8	4.3	1.8
JOHNSON MATTHEY PLC	0.140%	4.2	4.5	3.5	4.3	62.7

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Source of analytics: Trucost / HSBC
Broad Market Index: FTSE UK
Source: HSBC Asset Management, data as at 29 February 2024

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.
- Where overseas investments are held the rate of currency exchange may cause the value of such investments to go down as well as up.
- Further information on the potential risks can be found in the Key Information Document (KID) and/or the Prospectus or Offering Memorandum.

Index disclaimer

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Source: HSBC Asset Management, data as at 29 February 2024

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Fund center

Glossary

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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.
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.
Further information about the Company including the Prospectus, the most recent annual and semi-annual reports of the Company and the latest share prices, may be obtained free of charge, in English, from the Administrator by emailing ifsinvestorqueries@hsbc.com, or by visiting www.etf.hsbc.com. Details of the underlying investments of the fund are available on www.etf.hsbc.com. The indicative intra-day net asset value of the fund 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.
The most recent Prospectus is available in English, German and French. Key Investor Information Document (KIID) are available in the local language where they are registered.
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Term: The management company cannot terminate the Fund unilaterally. The Board of Directors may furthermore decide to liquidate the Fund in certain circumstances set out in the prospectus and articles of incorporation of the Fund.Further additional and complete information (including but not limited to) investor rights, costs and charges, please refer to the prospectus.
Detailed information for article 8 and 9 sustainable investment products, as categorised under the Sustainable Finance Disclosure Regulation (SFDR), including; description of the environmental or social characteristics or the sustainable investment objective; methodologies used to assess, measure and monitor the environmental or social characteristics and the impact of the selected sustainable investments and; objectives and benchmark information,can be found at: https://www.assetmanagement.hsbc.co.uk/en/intermediary/investment-expertise/sustainable-investments/sustainable-investment-product-offering