

# HSBC MSCI EUROPE UCITS ETF

## Physical replication

March 2020

For UK retail clients

The HSBC MSCI EUROPE 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 Europe 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 a market-capitalisation weighted index designed to measure the performance of the largest companies in developed Europe, as defined by the Index Provider.

### Key facts

- Physical replication approach
- Listed on London Stock Exchange, Euronext Paris, SIX Swiss Exchange and Xetra Deutsche Börse
- Multi currency listing in GBP, EUR and USD
- Fund registered in several European countries: UK, France, Germany, Italy, Ireland, Netherlands, Spain, Sweden, Switzerland

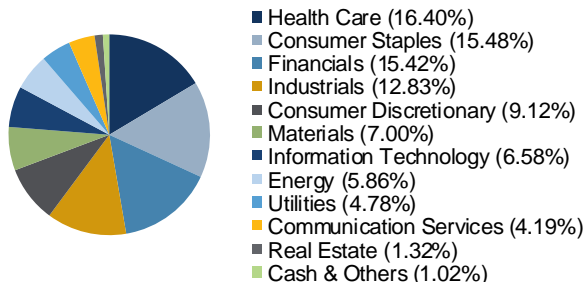
### Risk of investing in the fund

**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.

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



### Fund details

UCITS V compliant	Yes
Fund domicile	Ireland
UK reporting fund status (UKRS)	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 Europe Index
Number of holdings	442
Published daily on <a href="http://etf.hsbc.com">etf.hsbc.com website</a>	
Replication method	Physical replication
Base currency	EUR
Fund inception date	01/06/2010
Listing date	02/06/2010
Fiscal year end	31 December
Ongoing charge figure (OCF)*	0.10%
Entry/Exit/Performance fees	No
Net asset value (NAV) per share	€ 10.92
Shares outstanding	11,750,000
Assets under management	€ 128,366,164
Dividend treatment	Distribution
Dividend frequency	Semi-annual
Dividend currency	EUR
Dividend per share	€ 0.1021
Dividend yield**	3.89%
Dividend ex date	23/01/2020

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

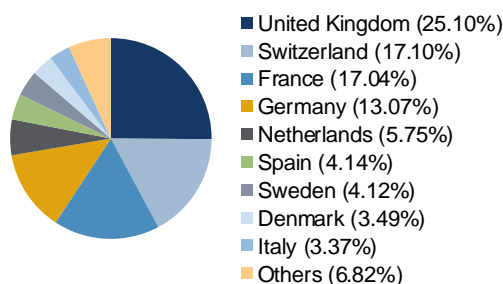
ISIN	IE00B5BD5K76
SEDOL GBP	B5BD5K7
SEDOL USD	N/A
Ticker GBP	HMEU
Ticker USD	N/A

### Index Information

Index name	MSCI Europe Index
Index currency	EUR
Benchmark type	Total Return (Net)
Index rebalancing frequency	Quarterly
TR index Bloomberg ticker	MSDEE15N
TR index Reuters RIC	.dMIEU00000NEU

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

## Geographical Allocation of the Fund



Others: Finland (1.84%), Belgium (1.39%), Ireland (0.94%), Norway (0.86%), Austria (0.38%), Portugal (0.29%), Luxembourg (0.08%), Russia (0.02%), Cash & Others (1.02%)

## Top 10 holdings of the Fund

Nestle SA	4.29%	ASML Holding NV	1.59%
Roche Holding AG	3.20%	SAP SE	1.56%
Novartis AG	2.49%	Novo Nordisk A/S	1.50%
ASTRAZENECA PLC	1.65%	LVMH Moët Hennessy Louis Vuitton SE	1.45%
HSBC Holdings PLC	1.60%	Sanofi	1.39%

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

## About the Index

The Fund will aim to replicate the performance of the MSCI Europe Index as calculated by MSCI Inc. The MSCI Europe Index offers a representation of the major European equity markets (Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom) 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 EUROPE UCITS ETF	-13.80	17.06	-0.36	5.64	-13.35
MSCI Europe Net	-13.71	16.95	-0.43	5.45	-13.53

### Fund and Index performance (%)

	1 month	3 months	1 year	3 years ann.	5 years ann.	Since inception ann.
HSBC MSCI EUROPE UCITS ETF	-14.32	-22.62	-13.35	-3.02	-1.65	5.40
MSCI Europe Net	-14.35	-22.64	-13.53	-3.17	-1.73	5.33
Tracking difference <sup>1</sup>	0.03	0.02	0.18	0.15	0.09	0.07
Tracking error <sup>2</sup>	N/A	N/A	0.08	0.07	0.07	0.09

<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)

**Fund information:** The HSBC ETFs are sub-funds 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 HSBC ETFs plc. 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.**

**For investors in the UK:** 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. If you have any doubts as to the suitability of this type of investment for your needs you should consult a financial adviser.

**Restrictions:** 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.

**Tax:** The information in this presentation is based on HSBC's interpretation of current legislation and HM Revenue & Customs practice. While we believe that this interpretation is correct, we cannot guarantee it. Legislation and tax practice may change in the future. Tax treatment is based upon individual client circumstances. If you have any doubts as to the suitability of this type of investment for your needs you should consult a financial adviser.

**Index disclaimer:** MSCI, the MSCI information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the "MSCI Parties") expressly disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages. ([www.msci.com](http://www.msci.com))

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. **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.**

HSBC Global Asset Management (UK) Limited provides information to Institutions, Professional Advisers and their clients on the investment products and services of the HSBC Group.

This document is approved for issue in the United Kingdom by HSBC Global Asset Management (UK) Limited, who are authorised and regulated by the Financial Conduct Authority. [www.assetmanagement.hsbc.com/uk](http://www.assetmanagement.hsbc.com/uk)

Copyright © HSBC Global Asset Management (UK) Limited 2020. All rights reserved.

To help improve our service and in the interests of security we may record and/or monitor your communication with us. Further information can be found in the prospectus.