

**HSBC ETFs PLC**

# HSBC ASIA PACIFIC EX JAPAN SUSTAINABLE EQUITY UCITS ETF

Monthly report 31 May 2022 | HSXD LN


**Investment objective**

The Fund aims to track as closely as possible the returns of the FTSE Asia Pacific ex Japan ESG Low Carbon Select Index (the Index). The Fund will invest in or gain exposure to shares of companies which make up the Index.


**Investment strategy**

The Index seeks to achieve a reduction in carbon emissions and fossil fuel reserves exposure, improvement of the FTSE Russell ESG rating and also applies 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. However, there may be circumstances when it is not possible or practical for the Fund to invest in all constituents of the Index. The Fund can gain exposure by using other investments such as depositary receipts, derivatives or funds. 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 funds and up to 15% in total return swaps and contracts for difference. 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 Fund's objective may not be achieved in adverse market conditions. During times of very low interest rates, the interest received by the Fund could be less than the costs of operating the Fund.

**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	<b>USD 15.37</b>
Performance 1 month	<b>0.22%</b>

**Fund facts**

UCITS V compliant	<b>Yes</b>
UK reporting fund status (UKRS)	<b>Yes</b>
ISA eligible	<b>Yes</b>
Dividend treatment	<b>Accumulating</b>
Dividend currency	<b>USD</b>
Share class base currency	<b>USD</b>
Domicile	<b>Ireland</b>
Inception date	<b>20 August 2020</b>
Shares outstanding	<b>20,220,000</b>
Fund size	<b>USD 310,877,056</b>
Reference benchmark	<b>100% FTSE Asia Pacific ex Japan ESG Low Carbon Select Index</b>
Replication method	<b>Physical- Full</b>
SIPP eligible	<b>Yes</b>
Issuer	<b>HSBC ETFs PLC</b>
Fiscal year end	<b>Dec</b>

**Fees and expenses**

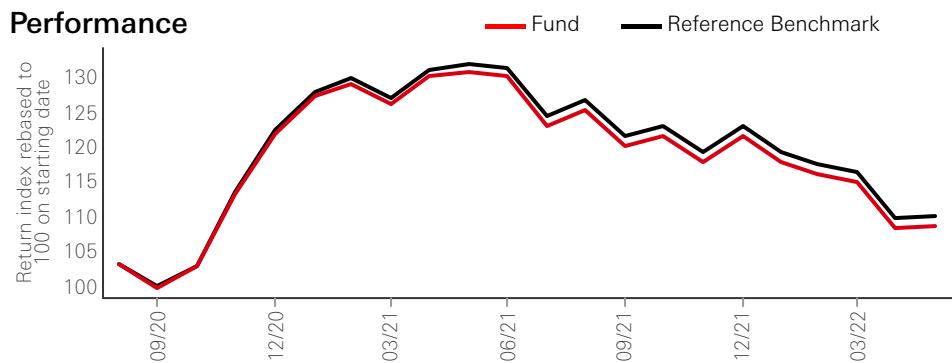
Ongoing charge figure <sup>1</sup>	<b>0.250%</b>
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**Codes**

ISIN	<b>IE00BKY58G26</b>
SEDOL	<b>BKY58G2</b>

<sup>1</sup>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.

## Performance



Performance (%)	YTD	1 month	3 months	6 months	1 year	3 years ann	5 years ann	Since inception ann
<b>Fund</b>	<b>-10.72</b>	<b>0.22</b>	<b>-6.51</b>	<b>-7.87</b>	<b>-17.04</b>	--	--	<b>4.64</b>
Reference Benchmark	-10.69	0.24	-6.45	-7.79	-16.58	--	--	5.43
Tracking difference	-0.02	-0.01	-0.07	-0.07	-0.45	--	--	-0.79
Tracking error	--	--	--	--	0.29	--	--	0.33

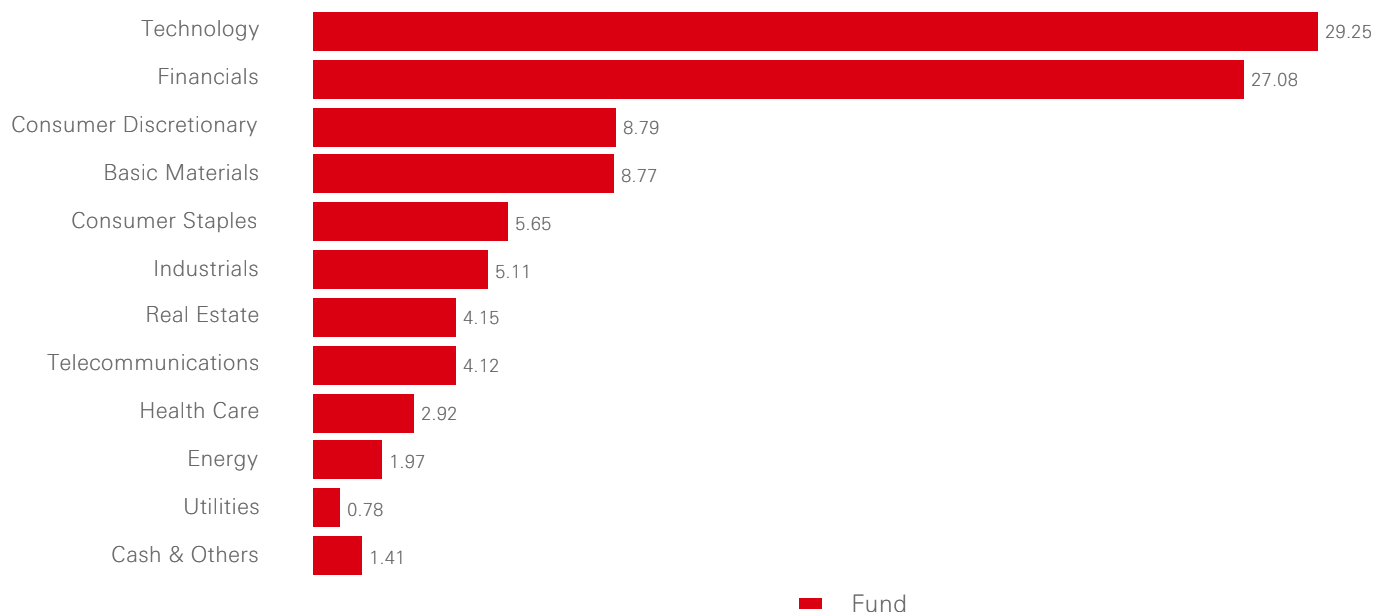
Rolling performance (%)	31/05/21-31/05/22	31/05/20-31/05/21	31/05/19-31/05/20	31/05/18-31/05/19	31/05/17-31/05/18
<b>Fund</b>	<b>-17.04</b>	--	--	--	--
Reference Benchmark	-16.58	--	--	--	--

Carbon footprint	Fund	Parent benchmark	FTSE ESG Score	ESG score	E	S	G
Carbon intensity emissions	170.53	362.16	Fund	3.5	2.8	3.4	4.1
Carbon Intensity measures the quantity of carbon emission of a company (tonnes CO <sub>2</sub> e/USD million revenue) Source: S&P Global Trucost			Parent benchmark	3.0	2.3	2.9	3.8

Equity characteristics	Fund	Reference Benchmark
No. of holdings ex cash	910	917
Average market cap (USD Mil)	121,017	120,893
Price/earning ratio	12.97	13.00

Benchmark information	
Index name	100% FTSE Asia Pacific ex Japan ESG Low Carbon Select Index
Index currency	USD
Benchmark type	Net Return
Index Rebalancing Frequency	Annually
TR Index Bloomberg Ticker	ELCAXJN
TR Index Reuters RIC	.TFTELCAJNU

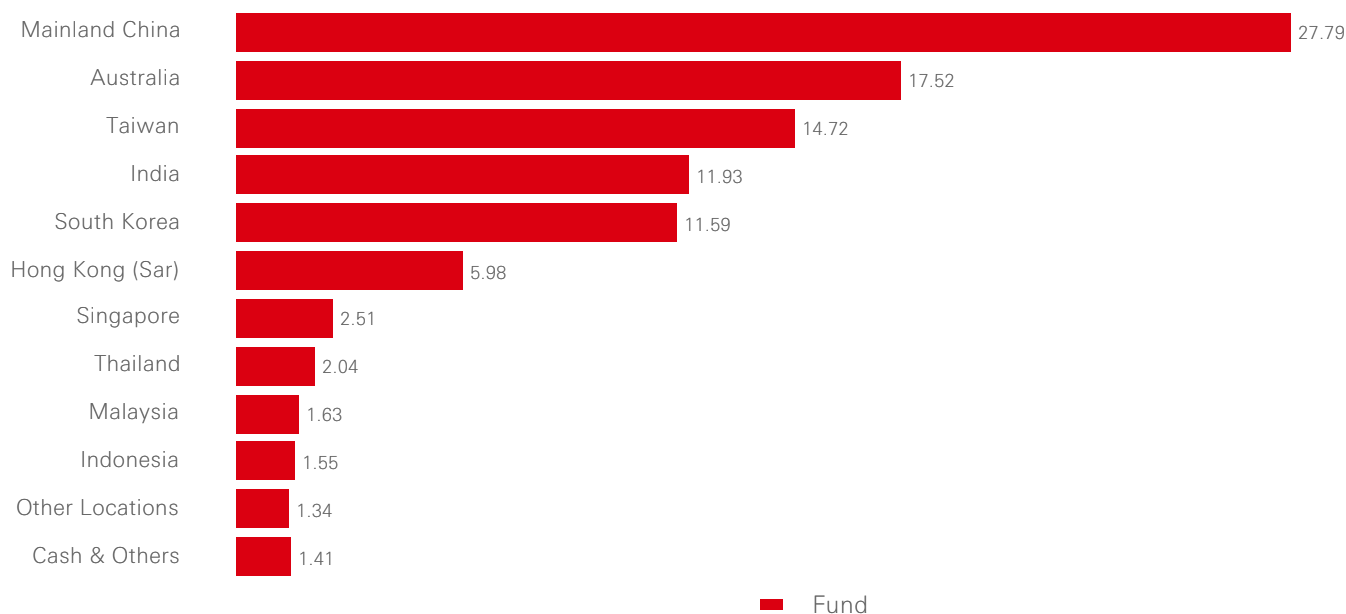
## Sector allocation (%)



Past performance does not predict future returns. The figures are calculated in the share class base currency, dividend reinvested, net of fees.

Parent benchmark: FTSE Asia Pacific Ex Japan  
 Source: HSBC Asset Management, data as at 31 May 2022

### Geographical allocation (%)



Top 10 holdings	Location	Sector	Weight (%)
Taiwan Semiconductor Co Ltd	Taiwan	Technology	9.66
Samsung Electronics Co Ltd	South Korea	Technology	7.28
BHP Group Ltd	Australia	Basic Materials	3.24
Tencent Holdings Ltd	Mainland China	Technology	3.14
Hong Kong Exchanges & Clear	Hong Kong (SAR)	Financials	2.51
Commonwealth Bank of Australia	Australia	Financials	2.45
Infosys Ltd	India	Technology	2.26
Ping An Insurance Group Co-H	Mainland China	Financials	2.23
National Australia Bank Ltd	Australia	Financials	2.19
CHINA OVERSEAS	Mainland China	Real Estate	1.45

Exchange name	Listing date	Trading currency	Trading hours	Bloomberg ticker	Reuters	iNAV RIC	Bloomberg	iNAV Reuters
LONDON STOCK EXCHANGE	21 Aug 2020	USD	08:00 - 16:30	HSXD LN	HSXD.L	HSXDUSIV	HSXDUSIV	HSXDUSiv.P
LONDON STOCK EXCHANGE	21 Aug 2020	GBP	08:00 - 16:30	HSXJ LN	HSXJ.L	HSXDGBIV	HSXDGBIV	HSXDGBiv.P
BOLSA INSTITUCIONAL DE VALORES	30 Nov 2020	MXN	08.25 - 15:00	HSXDN MM	HSXD.BIV	--	--	--
SIX SWISS EXCHANGE	02 Sep 2020	USD	09:00 - 17:30	HSXD SW	HSXD.S	HSXDUSIV	HSXDUSIV	HSXDUSiv.P
NYSE EURONEXT - EURONEXT PARIS	22 Sep 2020	EUR	09:00 - 17:30	HSXD FP	HSXD.PA	HSXDEUIV	HSXDEUIV	HSXDEUiv.P
DEUTSCHE BOERSE AG-XETRA	22 Sep 2020	EUR	09:00 - 17:30	H4Z2 GY	H4Z2.DE	HSXDEUIV	HSXDEUIV	HSXDEUiv.P
BORSA ITALIANA SPA	09 Oct 2020	EUR	09:00 - 17:35	HSXD IM	HSXD.MI	HSXDEUIV	HSXDEUIV	HSXDEUiv.P

Emissions from reserves (mn tonnes/ USDmn)	Fund	Parent benchmark
Emissions from reserves/market cap	0.00133	0.00406

### Ten lowest carbon intensity issuers

Fund	Carbon intensity emissions (tonnes CO <sup>2</sup> e/USD million)	Parent benchmark	Carbon intensity emissions (tonnes CO <sup>2</sup> e/USD million)
TAIWAN COOPERATIVE FINANCIAL	0.01	TAIWAN COOPERATIVE FINANCIAL	0.01
PEOPLE'S INSURANCE CO GROU-H	0.10	PEOPLE'S INSURANCE CO GROU-H	0.10
CHALLENGER LTD	0.73	CHALLENGER LTD	0.73
AIA GROUP LTD	0.79	AIA GROUP LTD	0.79
SAMSUNG FIRE & MARINE INS	0.82	SAMSUNG FIRE & MARINE INS	0.82
CHINA MEIDONG AUTO HOLDINGS	0.98	CHINA MEIDONG AUTO HOLDINGS	0.98
CHINA TAIPING INSURANCE HOLD	1.08	CHINA TAIPING INSURANCE HOLD	1.08
SAMSUNG SECURITIES CO LTD	1.15	SAMSUNG SECURITIES CO LTD	1.15
CHINA LITERATURE LTD	1.28	CHINA LITERATURE LTD	1.28
MEDIBANK PRIVATE LTD	1.30	MEDIBANK PRIVATE LTD	1.30

### Ten highest carbon intensity issuers

Fund	Carbon intensity emissions (tonnes CO <sup>2</sup> e/USD million)	Parent benchmark	Carbon intensity emissions (tonnes CO <sup>2</sup> e/USD million)
CHINA RESOURCES CEMENT	11,532.80	JOINTO ENERGY INVESTMENT C-A	19,151.20
SHANDONG CHENMING PAPER-B	9,005.40	JINNENG HOLDING SHANXI ELE-A	18,714.85
SHREE CEMENT LTD	8,432.68	GD POWER DEVELOPMENT CO -A	18,220.16
ULTRATECH CEMENT LTD	8,350.12	JIANGSU GUOXIN CORP LTD-A	17,608.65
ANHUI CONCH CEMENT CO LTD-A	7,943.80	DATANG INTL POWER GEN CO-A	17,015.73
ACC LTD	7,780.70	NTPC LTD	16,616.60
CHINA NATIONAL BUILDING MA-H	6,901.32	CHINA RESOURCES POWER HOLDIN	16,048.59
CHINA HONGQIAO GROUP LTD	6,097.54	ADANI POWER LTD	15,796.85
STEEL AUTHORITY OF INDIA	5,192.33	JSW ENERGY LTD	14,768.89
GRASIM INDUSTRIES LTD	5,039.16	CHINA POWER INTERNATIONAL	14,021.81

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

Parent benchmark: FTSE Asia Pacific Ex Japan

Source: HSBC Asset Management, data as at 31 May 2022

MSCI ESG Score	ESG score	E	S	G
Fund	6.4	6.0	5.2	4.9
Parent benchmark	5.9	5.7	5.1	4.7

## ESG score for ten highest holdings by weight

Fund	Weight	ESG score	E	S	G	Carbon intensity emissions
TAIWAN SEMICONDUCTOR MANUFAC	9.664%	4.4	3.8	4.5	5.0	226.5
SAMSUNG ELECTRONICS CO LTD	6.290%	4.0	4.6	3.8	3.4	87.6
BHP GROUP LTD	3.236%	4.2	3.4	4.3	5.0	337.8
TENCENT HOLDINGS LTD	3.140%	2.3	1.0	2.4	3.5	13.3
HONG KONG EXCHANGES & CLEAR	2.507%	3.8	2.0	4.7	3.9	7.8
COMMONWEALTH BANK OF AUSTRAL	2.448%	4.2	4.0	3.7	4.8	7.9
INFOSYS LTD	2.258%	3.9	3.0	3.7	5.0	21.2
PING AN INSURANCE GROUP CO-H	2.228%	3.3	3.0	3.7	3.3	2.7
NATIONAL AUSTRALIA BANK LTD	2.187%	4.5	3.0	5.0	4.7	9.9
CHINA OVERSEAS LAND & INVEST	1.446%	3.5	2.6	3.4	4.6	18.0

Parent benchmark	Weight	ESG score	E	S	G	Carbon intensity emissions
TAIWAN SEMICONDUCTOR MANUFAC	5.924%	4.4	3.8	4.5	5.0	226.5
TENCENT HOLDINGS LTD	3.538%	2.3	1.0	2.4	3.5	13.3
SAMSUNG ELECTRONICS CO LTD	3.287%	4.0	4.6	3.8	3.4	87.6
ALIBABA GROUP HOLDING LTD	2.231%	1.4	0.6	0.8	3.0	57.7
BHP GROUP LTD	2.056%	4.2	3.4	4.3	5.0	337.8
COMMONWEALTH BANK OF AUSTRAL	1.634%	4.2	4.0	3.7	4.8	7.9
AIA GROUP LTD	1.596%	3.3	3.0	3.2	3.6	0.8
RELIANCE INDUSTRIES LTD	1.421%	2.9	2.1	2.4	4.3	413.2
CSL LTD	1.190%	3.4	2.0	3.7	4.6	38.6
MEITUAN-CLASS B	1.185%	2.2	1.0	2.0	3.5	40.6

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Parent benchmark: FTSE Asia Pacific Ex Japan

Source: HSBC Asset Management, data as at 31 May 2022

## ESG score for ten lowest holdings by weight

Fund	Weight	ESG score	E	S	G	Carbon intensity emissions
BTS GROUP HOLDINGS PCL-CW22*^	0.000%	0.0	0.0	0.0	0.0	0.0
TMBTHANACHART BANK PCL-CW25^	0.000%	2.9	1.0	3.2	4.4	11.8
MAGELLAN FINANCIAL GROU-CW27	0.000%	3.1	1.0	3.0	4.1	1.3
ACER GAMING INC*^	0.000%	0.0	0.0	0.0	0.0	0.0
BTS GROUP HOLDINGS PCL-CW24*^	0.000%	0.0	0.0	0.0	0.0	0.0
BTS GROUP HOLDINGS PCL-CW26*^	0.000%	0.0	0.0	0.0	0.0	0.0
SUN ART RETAIL GROUP LTD	0.000%	2.0	1.7	1.6	2.7	124.9
CHINA EVERGRANDE GROUP	0.001%	1.5	0.8	1.2	3.0	3.2
MICROPORT SCIENTIFIC CORP	0.001%	2.5	1.5	3.0	3.0	70.5
SUNAC SERVICES HOLDINGS LTD	0.001%	1.1	0.5	0.4	2.6	14.8

Parent benchmark	Weight	ESG score	E	S	G	Carbon intensity emissions
YATSEN HOLDING LTD-ADR^	0.000%	1.0	0.0	0.2	3.0	48.7
THREE SQUIRRELS INC-A^	0.000%	0.7	0.3	0.6	1.4	72.2
BENGANG STEEL PLATES CO-A^	0.000%	1.0	1.0	0.3	1.9	2,701.0
JIAYUAN INTERNATIONAL GROUP^	0.000%	1.8	1.2	1.2	3.1	68.1
XINHUA WINSHARE PUBLISHING-A^	0.000%	1.7	0.7	1.3	3.5	14.5
CONTEC MEDICAL SYSTEMS CO -A^	0.000%	0.7	0.0	0.4	2.0	34.3
JIANGSU ZHANGJIAGANG RURA -A^	0.001%	1.1	1.0	1.3	0.9	1.7
SINOSOFT CO LTD-A^	0.001%	1.0	0.0	1.0	2.0	9.5
GUANGZHOU PEARL RIVER PIAN-A^	0.001%	0.0	0.0	0.0	0.0	32.2
TIBET CHEEZHENG TIBETAN-A^	0.001%	2.2	2.0	2.2	2.5	40.1

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## Risk disclosures

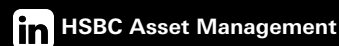
- The value of investible securities can change over time due to a wide variety of factors, including but not limited to: political and economic news, government policy, changes in demographics, cultures and populations, natural or human-caused disasters etc.
- The Fund may invest in Emerging Markets, these markets are less established, and often more volatile, than developed markets and involve higher risks, particularly market, liquidity and currency risks.
- 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.
- Further information on the potential risks can be found in the Key Investor Information Document (KID) and/or the Prospectus or Offering Memorandum.

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Source: HSBC Asset Management, data as at 31 May 2022

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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](http://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.

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