

**HSBC ETFs PLC**

# HSBC USA SUSTAINABLE EQUITY UCITS ETF

Monthly report 30 April 2022 | HSUD LN


**Investment objective**

The Fund aims to track as closely as possible the returns of the FTSE USA 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, and an improvement of the FTSE Russell ESG rating. The Index achieves this by removing companies based on sustainability exclusionary criteria. The Index 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 10% 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 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	<b>USD 22.37</b>
Performance 1 month	<b>-7.15%</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>4 June 2020</b>
Shares outstanding	<b>27,170,000</b>
Fund size	<b>USD 607,813,883</b>
Reference benchmark	<b>100% FTSE USA 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**

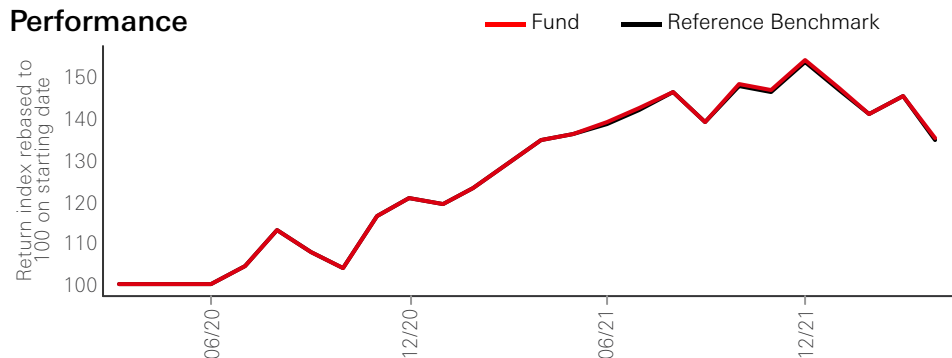
Ongoing charge figure <sup>1</sup>	<b>0.120%</b>
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**Codes**

ISIN	<b>IE00BKY40J65</b>
SEDOL	<b>BKY40J6</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>-12.18</b>	<b>-7.15</b>	<b>-8.23</b>	<b>-8.74</b>	<b>0.29</b>	--	--	<b>17.06</b>
Reference Benchmark	-12.22	-7.14	-8.26	-8.80	0.17	--	--	16.93
Tracking difference	0.03	-0.01	0.03	0.06	0.12	--	--	0.13
Tracking error	--	--	--	--	0.03	--	--	0.03

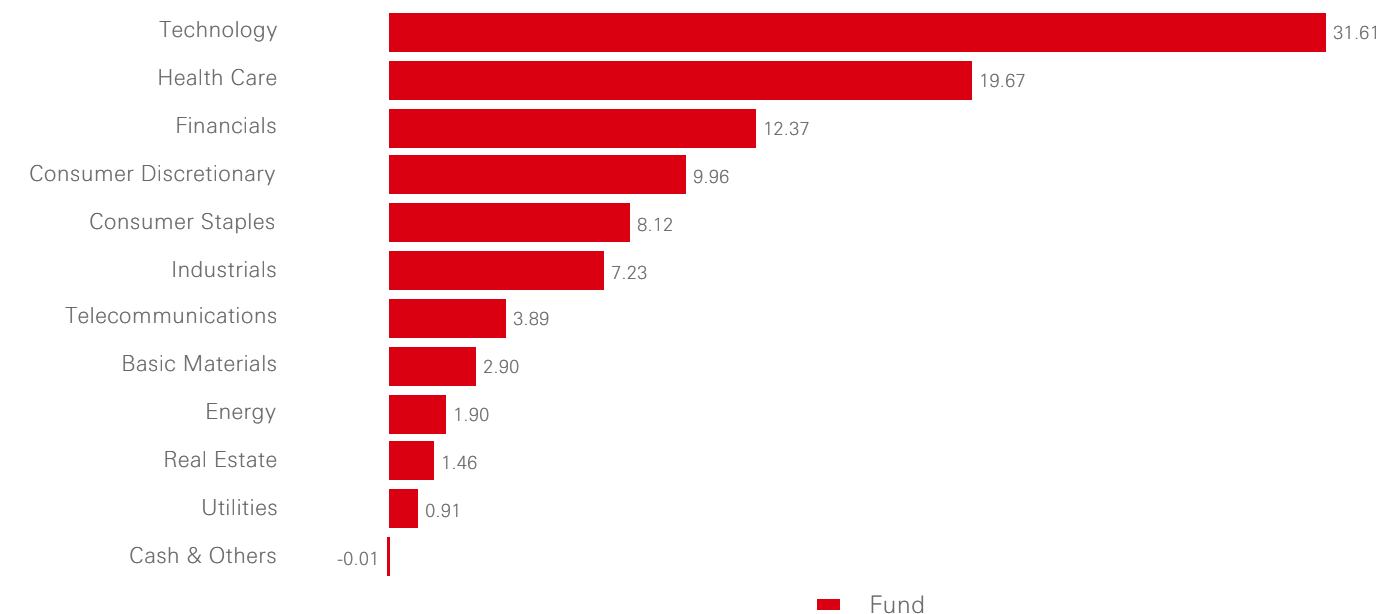
Rolling performance (%)	30/04/21-30/04/22	30/04/20-30/04/21	30/04/19-30/04/20	30/04/18-30/04/19	30/04/17-30/04/18
<b>Fund</b>	<b>0.29</b>	--	--	--	--
Reference Benchmark	0.17	--	--	--	--

Carbon footprint	Fund	Parent benchmark	FTSE ESG Score	ESG score	E	S	G
Carbon intensity emissions	80.85	150.82	Fund	3.7	3.5	3.8	3.8
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	3.2	2.8	3.2	3.5

Equity characteristics	Fund	Reference Benchmark
No. of holdings ex cash	482	485
Average market cap (USD Mil)	639,974	639,962
Price/earning ratio	16.00	16.00

Benchmark information	
Index name	100% FTSE USA ESG Low Carbon Select Index
Index currency	USD
Benchmark type	Net Return
Index Rebalancing Frequency	Annually
TR Index Bloomberg Ticker	ELCUSAN
TR Index Reuters RIC	.TFTELCUSANU

## 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 USA

Source: HSBC Asset Management, data as at 30 April 2022

Top 10 holdings	Sector	Weight (%)
Johnson & Johnson	Health Care	10.76
Microsoft Corp	Technology	10.07
Apple Inc	Technology	9.70
Cisco Systems Inc	Telecommunications	2.81
Intel Corp	Technology	2.51
Merck & Co. Inc.	Health Care	2.20
Citigroup Inc	Financials	2.00
Alphabet Inc	Technology	1.66
Coca-Cola Co/The	Consumer Staples	1.57
Pepsico Inc	Consumer Staples	1.53

Exchange name	Listing date	Trading currency	Trading hours	Bloomberg ticker	Reuters RIC	iNAV Bloomberg	iNAV Reuters
LONDON STOCK EXCHANGE	05 Jun 2020	USD	08:00 - 16:30	HSUD LN	HSUD.L	HSUDUSIV	HSUDUSiv.P
LONDON STOCK EXCHANGE	05 Jun 2020	GBP	08:00 - 16:30	HSUS LN	HSUS.L	HSUDGBIV	HSUDGBiv.P
NYSE EURONEXT - EURONEXT PARIS	29 Jun 2020	EUR	09:00 - 17:30	HSUD FP	HSUS.PA	HSUDEUIV	HSUDEUIv.P
BOLSA INSTITUCIONAL DE VALORES	22 Sep 2020	MXN	08.25 - 15:00	HSUDN MM	HSUD.BIV	--	--
BORSA ITALIANA SPA	06 Jul 2020	EUR	09:00 - 17:35	HSUD IM	HSUD. MI	HSUDEUIV	HSUDEUIv.P
DEUTSCHE BOERSE AG-XETRA	15 Jul 2020	EUR	09:00 - 17:30	H412 GY	H412.DE	HSUDEUIV	HSUDEUIv.P
SIX SWISS EXCHANGE	02 Sep 2020	USD	09:00 - 17:30	HSUD SW	HSUD.S	HSUDUSIV	HSUDUSiv.P

Emissions from reserves (mn tonnes/ USDmn)	Fund	Parent benchmark
Emissions from reserves/market cap	0.00022	0.00046

### 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)
SPOTIFY TECHNOLOGY SA	0.42	SPOTIFY TECHNOLOGY SA	0.42
LINCOLN NATIONAL CORP	0.47	LINCOLN NATIONAL CORP	0.47
AFLAC INC	0.56	AFLAC INC	0.56
AMERISOURCEBERGEN CORP	0.58	AMERISOURCEBERGEN CORP	0.58
UNITEDHEALTH GROUP INC	0.68	UNITEDHEALTH GROUP INC	0.68
ETSY INC	0.70	ETSY INC	0.70
ANTHEM INC	0.82	ANTHEM INC	0.82
CIGNA CORP	0.82	CIGNA CORP	0.82
HUMANA INC	0.94	HUMANA INC	0.94
PRUDENTIAL FINANCIAL INC	1.00	PRUDENTIAL FINANCIAL INC	1.00

### 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)
CF INDUSTRIES HOLDINGS INC	4,536.22	VISTRA CORP	8,269.14
NRG ENERGY INC	3,300.23	EVERGY INC	4,873.43
AIR PRODUCTS & CHEMICALS INC	2,731.05	AMEREN CORPORATION	4,697.71
MARRIOTT INTERNATIONAL -CL A	2,418.87	CF INDUSTRIES HOLDINGS INC	4,536.22
NEXTERA ENERGY INC	2,411.85	AES CORP	4,473.66
DOMINION ENERGY INC	2,351.68	ALLIANT ENERGY CORP	3,696.86
CMS ENERGY CORP	2,309.64	SOUTHERN CO/THE	3,696.52
WILLIAMS COS INC	1,546.57	XCEL ENERGY INC	3,661.29
FIRSTENERGY CORP	1,487.05	PPL CORP	3,372.60
KINDER MORGAN INC	1,405.80	AMERICAN ELECTRIC POWER	3,330.13

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 USA

Source: HSBC Asset Management, data as at 30 April 2022

MSCI ESG Score	ESG score	E	S	G
Fund	6.8	6.8	5.4	4.7
Parent benchmark	6.2	6.7	5.0	4.8

### ESG score for ten highest holdings by weight

Fund	Weight	ESG score	E	S	G	Carbon intensity emissions
JOHNSON & JOHNSON	10.762%	4.3	4.1	4.6	4.3	12.2
MICROSOFT CORP	10.068%	4.2	5.0	3.7	3.7	29.5
APPLE INC	9.695%	3.8	3.8	3.6	3.9	3.4
CISCO SYSTEMS INC	2.811%	4.1	4.2	4.0	4.0	13.1
INTEL CORP	2.511%	4.4	4.5	4.6	4.0	71.5
MERCK & CO. INC.	2.200%	3.9	4.2	4.4	3.1	23.6
CITIGROUP INC	2.000%	4.0	3.0	4.8	4.2	9.0
COCA-COLA CO/THE	1.575%	3.7	3.0	4.0	4.2	48.3
PEPSICO INC	1.528%	3.7	3.8	3.8	3.6	74.9
AMAZON.COM INC	1.377%	3.0	2.7	3.5	2.8	43.8

Parent benchmark	Weight	ESG score	E	S	G	Carbon intensity emissions
APPLE INC	6.667%	3.8	3.8	3.6	3.9	3.4
MICROSOFT CORP	5.730%	4.2	5.0	3.7	3.7	29.5
AMAZON.COM INC	2.956%	3.0	2.7	3.5	2.8	43.8
TESLA INC	1.986%	2.7	2.0	2.5	3.7	24.2
ALPHABET INC-CL A	1.881%	3.2	3.4	3.4	2.8	32.4
ALPHABET INC-CL C	1.743%	3.2	3.4	3.4	2.8	32.4
UNITEDHEALTH GROUP INC	1.311%	3.0	2.1	3.4	3.4	0.7
JOHNSON & JOHNSON	1.303%	4.3	4.1	4.6	4.3	12.2
META PLATFORMS INC-CLASS A	1.267%	3.5	2.5	3.7	4.5	32.3
NVIDIA CORP	1.216%	3.5	3.8	3.8	2.7	7.1

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Source of analytics: Trucost / HSBC

Parent benchmark: FTSE USA

Source: HSBC Asset Management, data as at 30 April 2022

## ESG score for ten lowest holdings by weight

Fund	Weight	ESG score	E	S	G	Carbon intensity emissions
ZIMVIE INC	0.000%	2.5	1.4	3.0	3.3	18.2
ORION OFFICE REIT INC^	0.000%	0.0	0.0	0.0	0.0	68.1
WAYFAIR INC- CLASS A	0.002%	2.6	1.1	2.0	5.0	48.9
WIX.COM LTD	0.002%	1.5	0.4	1.7	2.7	14.3
CHARTER COMMUNICATIONS INC-A	0.002%	1.4	0.0	1.5	2.7	7.1
DOMINO'S PIZZA INC	0.002%	2.5	0.9	1.8	5.0	68.6
COSTAR GROUP INC	0.003%	1.9	0.0	1.7	4.0	11.6
QORVO INC	0.003%	2.5	2.1	2.6	2.8	56.3
FARFETCH LTD-CLASS A^	0.003%	0.0	0.0	0.0	0.0	49.0
XPO LOGISTICS INC	0.004%	2.8	2.5	3.0	3.0	115.2

Parent benchmark	Weight	ESG score	E	S	G	Carbon intensity emissions
ZIMVIE INC	0.001%	2.5	1.4	3.0	3.3	18.2
ORION OFFICE REIT INC^	0.002%	0.0	0.0	0.0	0.0	68.1
LENNAR CORP - B SHS	0.003%	1.5	0.5	0.7	3.6	30.9
OLAPLEX HOLDINGS INC^	0.003%	0.0	0.0	0.0	0.0	50.5
CNA FINANCIAL CORP	0.004%	2.9	2.0	1.8	4.1	2.4
EMBECTA CORP^	0.005%	0.0	0.0	0.0	0.0	35.4
UBIQUITI INC^	0.005%	1.3	0.0	0.0	4.5	45.0
ZILLOW GROUP INC - A	0.006%	2.6	0.0	3.5	3.5	44.0
NEWS CORP - CLASS B	0.007%	1.7	0.8	1.7	2.7	15.9
LIBERTY BROADBAND-A	0.007%	1.2	0.6	0.5	2.7	17.2

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## Risk disclosures

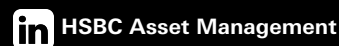
- To the extent that the Fund seeks to replicate index performance by holding individual securities, there is no guarantee that its composition or performance will exactly match that of the target index at any given time ("tracking error").
- Derivatives may be used by the Fund, and these can behave 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.
- 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 30 April 2022

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### Fund center



### Glossary



## Important information

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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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