

HSBC ETFs PLC - HSBC MSCI China A Inclusion UCITS ETF

HMCA LN

30 Apr 2020

Fund Objective and Strategy

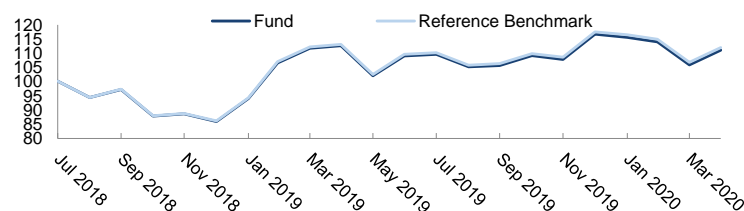
Investment Objective

The Fund aims to track as closely as possible the returns of the MSCI China A Inclusion Index (the Index). The Fund will invest in or gain exposure to shares of companies which make up the Index.

Investment Policy

The Index is made up of China A shares which are included in the MSCI Emerging Markets Index. It is designed for global investors accessing the China A shares market via the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect, and is calculated using China A share listings based on the offshore China Renminbi exchange rate. 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. If the Fund cannot invest directly in the companies that constitute the Index, it may gain exposure by using other investments such as depositary receipts, derivatives or funds. The Fund may invest up to 10% in other funds. See the Prospectus for a full description of the investment objectives and derivative usage.

Since Inception Performance (%)



Performance (%)	YTD	1M	3M	1Y	3Y ¹	5Y ¹	Since Inception ¹
Fund	-4.77	4.90	-3.85	-1.31	-	-	6.20
Reference Benchmark	-4.73	4.91	-3.86	-0.98	-	-	6.66
Tracking Difference	-0.03	-0.02	0.02	-0.33	-	-	-0.46
Tracking Error	-	-	-	0.29	-	-	0.23

Rolling Performance (%)	30 Apr 2019-30 Apr 2020	30 Apr 2018-30 Apr 2019	30 Apr 2017-30 Apr 2018	30 Apr 2016-30 Apr 2017	30 Apr 2015-30 Apr 2016
Fund	-1.31	-	-	-	-
Reference Benchmark	-0.98	-	-	-	-

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

Source: HSBC Global Asset Management, data as at 30 April 2020

Risk Disclosure

- The Fund's unit value can go up as well as down, and any capital invested in the Fund may be at risk.
- Investing in assets denominated in a currency other than that of the investor's own currency exposes the value of the investment to exchange rate fluctuations.
- 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.
- 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 Fund's potential risks can be found in the Key Investor Information Document and Prospectus.

Fund Details

UCITS V Compliant	Yes
UK Reporting Status	Yes
ISA Eligible	Yes
Distribution Type	Distributing
Distribution Frequency	Quarterly
Dividend ex-date	17 Oct 2019
Dividend Yield ²	1.78%
Last Paid Dividend	0.0889
Dividend Currency	USD
Ongoing Charge Figure ³	0.300%
Share Class Base Currency	USD
Domicile	Ireland
ISIN	IE00BF4NQ904
Share Class Inception Date	27 Jul 2018
NAV per Share	USD 9.60
Shares Outstanding	3,800,000
Fund Size	USD 36,484,625
SEDOL	BF4NQ90
Manager	HSBC Index and Systematic Equity Portfolio Management Team
Replication Method	Physical- Full
SIPP Eligible	Yes
Issuer	HSBC ETFs PLC
Custodian	HSBC France, Dublin Branch
Fund Administrator	HSBC Securities Services (Ireland) DAC
Listing Date	27 Jul 2018
Fiscal Year End	31 December

Reference Benchmark Information

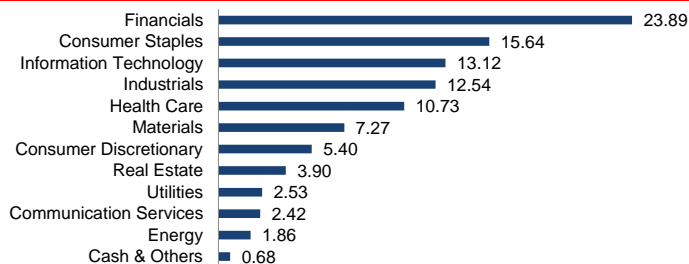
Index Name	MSCI China A Inclusion Net Total Return Index
Index Currency	USD
Benchmark Type	Total Return Net
Index Rebalancing Frequency	Quarterly
TR Index Bloomberg ticker	M1CNA
TR Index Reuters RIC	.dMICNA0100NUS

¹Result is annualised when calculation period is over one year.

²Dividend Yield: represents the ratio of distributed income over the last 12 months to the fund's current Net Asset Value.

³Ongoing 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.

Sector Allocation (%)



Top 10 Holdings (%)		Characteristics	Fund	Reference Benchmark
Kweichow Moutai Co Ltd-A	5.44	Number of Holdings ex Cash	467	467
Ping An Insurance Group Co-A	2.79	Avg Market Cap (USD mil)	38,683	38,809
China Merchants Bank Co Ltd	2.50	P/E Ratio ⁴	14.23	14.21
Wuliangye Yibin Co Ltd	1.82			
Jiangsu Hengrui Medicine Co Ltd	1.42			
China Yangtze Power Co Ltd	1.33			
Industrial Bank Co Ltd	1.19			
CONTEMPORARY AMPEREX TECHN	1.10			
Shanghai Pudong Dev Bk Ltd	1.08			
Hangzhou Hikvision Digi Tech Ltd	1.03			

⁴Price Earnings (P/E) Ratio: the price paid for a share divided by the annual profit earned by the firm per share.

Source: HSBC Global Asset Management, data as at 30 April 2020

Exchange Name	Listing Date	Trading Currency	Trading Hours	Bloomberg Ticker	Reuters RIC	iNAV Bloomberg	iNAV Reuters
BORSA ITALIANA SPA	16 January 2019	EUR	09:00 - 17:35	HMCA IM	HMCA.MI	HMCTEUIV	HMCTEUIv.P
SIX SWISS EXCHANGE	31 October 2018	USD	09:00 - 17:30	HMCT SW	HMCT.S	HMCTUSIV	HMCTUSiv.P
DEUTSCHE BOERSE AG- XFRA	16 October 2018	EUR	08:00 - 20:00	H41K GR	H41K.DE	HMCTEUIV	HMCTEUIv.P
DEUTSCHE BOERSE AG-XETRA	16 October 2018	EUR	09:00 - 17:30	H41K GY	H41K.DE	HMCTEUIV	HMCTEUIv.P
LONDON STOCK EXCHANGE	27 July 2018	GBP	08:00 - 16:30	HMCA LN	HMCA.L	HMCTGBIV	HMCTGBiv.P
LONDON STOCK EXCHANGE	27 July 2018	USD	08:00 - 16:30	HMCT LN	HMCT.L	HMCTUSIV	HMCTUSiv.P

Index Disclaimer

Source: 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)

Important Information

The material contained herein is for information only and does not constitute legal, tax or investment advice or a recommendation to any reader of this material to buy or sell investments. You must not, therefore, rely on the content of this document when making any investment decisions.

This document is not intended for distribution to or use by any person or entity in any jurisdiction or country where such distribution or use would be contrary to law or regulation. This document is not and should not be construed as an offer to sell or the solicitation of an offer to purchase or subscribe to any investment.

Any views expressed were held at the time of preparation and are subject to change without notice. While any forecast, projection or target where provided is indicative only and not guaranteed in any way. HSBC Global Asset Management (UK) Limited accepts no liability for any failure to meet such forecast, projection or target.

The 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. Affiliated companies of HSBC Global Asset Management (UK) Limited may make markets in HSBC ETFs plc. UK based investors are advised 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 UK by the Financial Conduct Authority under section 264 of the Act. The shares in the company 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. All applications are made on the basis of the Prospectus, 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; from a stockbroker or financial adviser or from our website (see below). 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.

To help improve our service and in the interests of security we may record and/or monitor your communication with us. 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.

Approved for issue in the UK by HSBC Global Asset Management (UK) Limited, who are authorised and regulated by the Financial Conduct Authority.

www.assetmanagement.hsbc.com/uk

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

Further Information can be found in the prospectus and in our Key Investor Information Documents published in our Fund Centre at www.assetmanagement.hsbc.com/uk.

Contact Information

Tel: 0845 607 6144 E-mail: customer.services@hsbc.com Website: www.etf.hsbc.com

Terms of Glossary

Accumulation Share: a type of share where the income earned by the Fund is retained in the Fund

ACD: HSBC Global Asset Management (UK) Limited, the Authorised Corporate Director of the Company

Developed Markets: countries with relatively high levels of personal income and established economies

Emerging Markets (EM): countries that are progressing toward becoming advanced, usually shown by some development in financial markets, the existence of some form of stock exchange and a regulatory body

Equities: shares issued by a company

Growth: the increase in the value of investments

Income: money generated by a fund, such as interest from a bond or a dividend from a share, which can be paid out to its investors or paid back into the fund and reinvested

Income Share: the type of Share where the income earned by the Fund is paid out to you

Net Asset Value (NAV): the value of the scheme property of a fund less the liabilities of the fund

Ongoing Charges Figure: a measure of what it costs to invest in a fund. It includes the fee paid to the ACD and other operating costs

Return(s): the money made or lost on an investment

Share(s): an equally valued holding in a fund of a company, representing part ownership of that fund, (including larger denomination shares and smaller denomination shares)

Tracking Difference: the difference between the return of the fund and that of the tracking index

Tracking Error: the volatility of the difference between the return of a fund and the return of the index or indices it tracks. In general, the lower the tracking error, the more consistent a fund's performance is relative to the index, and vice-versa