HSBC Asset Management

## HSBC ETFs PLC

# HSBC MSCI EMERGING MARKETS UCITS ETF

**Monthly report** 31 March 2024 | **HMEF SW | USD**

## Investment objective

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

## Investment strategy

The Index is made up of large and mid-cap companies of emerging market countries.The Fund will be passively managed and will utilise an investment technique called optimisation. This technique seeks to minimise the difference in return between the Fund and the Index by taking into account tracking error and trading costs when constructing a portfolio. The Fund will not necessarily invest in every company that comprises the Index, or invest proportionally to each company's weight in the Index. It can also invest in companies outside the Index but which are expected to provide similar performance and risk characteristics to certain Index constituents. The Fund may gain exposure to the Indian equity market through futures.The Fund may invest in Chinese equities. The Fund may also invest in China A-shares through the Shanghai-Hong Kong and/or Shenzhen-Hong Kong Stock Connect, CAAPs or funds.The Fund may invest in depositary receipts and up to 10% in other funds.The Fund may invest 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 Fund's unit value can go up as well as down, and any capital invested in the Fund may be at risk.
- 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.

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

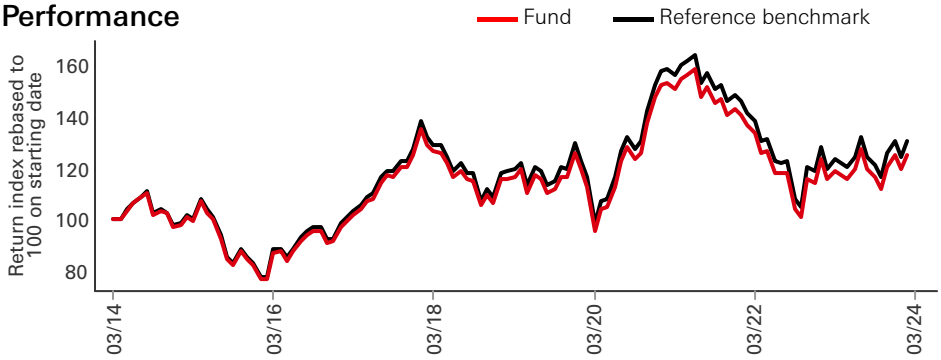
## Share Class Details

| **Key metrics** | |
|---|---|
| NAV per Share | **USD 10.41** |
| Performance 1 month | **2.20%** |
| Tracking error 3 years | **1.21%** |
| **Fund facts** | |
| UCITS V compliant | **Yes** |
| Dividend treatment | **Distributing** |
| Distribution Frequency | **Quarterly** |
| Dividend ex-date | **18 January 2024** |
| Dividend Yield[1] | **2.40%** |
| Last Paid Dividend | **0.036200** |
| Dividend currency | **USD** |
| Fund base currency | **USD** |
| Currency Hedged | **Not Hedged** |
| Share Class Base Currency | **USD** |
| Domicile | **Ireland** |
| Inception date | **5 September 2011** |
| Shares outstanding | **192,281,100** |
| Fund Size | **USD 2,203,710,647** |
| Reference benchmark | **100% MSCI Emerging Markets Net** |
| Replication Method | **Physical- Full** |
| SIPP eligible | **Yes** |
| Issuer | **HSBC ETFs PLC** |
| Fiscal year end | **Dec** |
| **Fees and expenses** | |
| Ongoing Charge Figure[2] | **0.150%** |
| **Codes** | |
| ISIN | **IE00B5SSQT16** |
| Valoren | **13305825** |

[1]Dividend Yield: represents the ratio of distributed income over the last 12 months to the fund's current Net Asset Value.
[2]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 31 March 2024**

## Performance



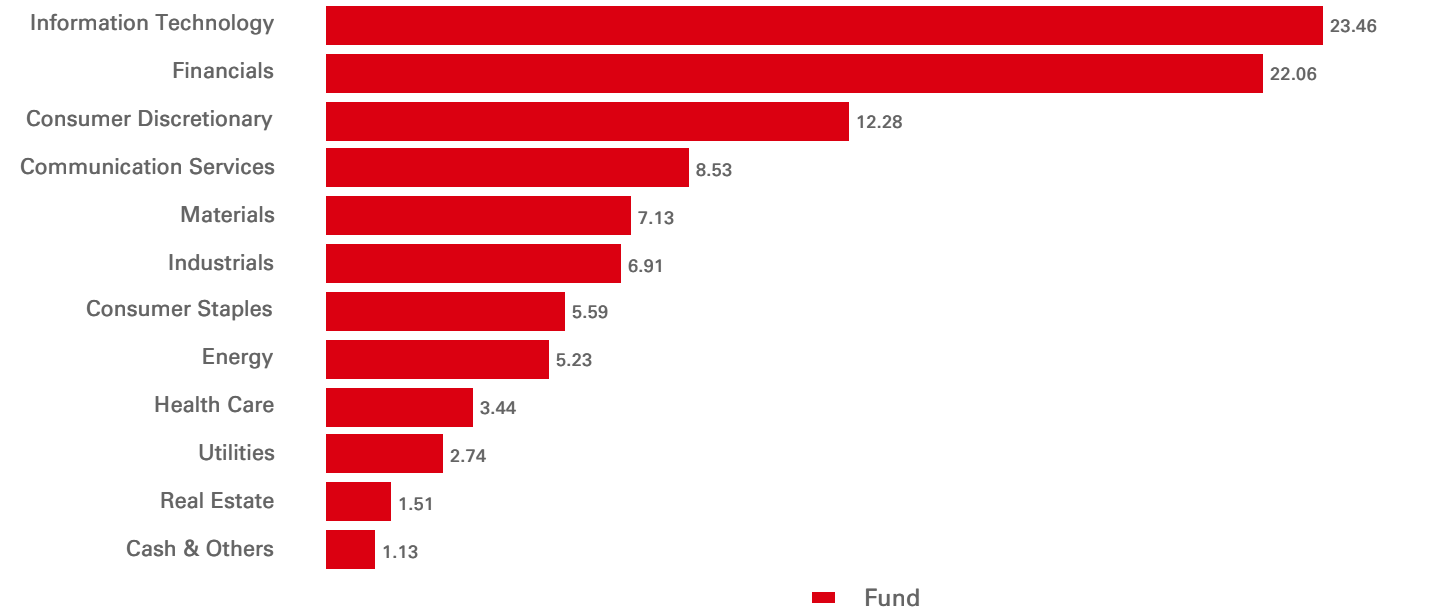

| Performance (%) | YTD | 1 month | 3 months | 6 months | 1 year | 3 years ann | 5 years ann | 10 years ann |
|---|---|---|---|---|---|---|---|---|
| **Fund** | **2.03** | **2.20** | **2.03** | **9.78** | **7.19** | **-5.41** | **1.77** | **2.48** |
| Reference benchmark | 2.09 | 2.20 | 2.09 | 10.12 | 7.86 | -5.14 | 2.16 | 2.92 |
| Tracking difference | -0.06 | 0.00 | -0.06 | -0.34 | -0.66 | -0.28 | -0.39 | -0.44 |
| Tracking error | -- | -- | -- | -- | 0.41 | 1.21 | 0.97 | -- |

| Rolling Performance (%) | 31/03/23-31/03/24 | 31/03/22-31/03/23 | 31/03/21-31/03/22 | 31/03/20-31/03/21 | 31/03/19-31/03/20 | 31/03/18-31/03/19 | 31/03/17-31/03/18 | 31/03/16-31/03/17 | 31/03/15-31/03/16 | 31/03/14-31/03/15 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Fund** | **7.19** | **-10.63** | **-11.66** | **57.82** | **-18.24** | **-7.58** | **24.33** | **16.85** | **-12.47** | **-0.44** |
| Reference benchmark | 7.86 | -10.70 | -11.37 | 58.39 | -17.69 | -7.28 | 24.76 | 17.21 | -12.03 | 0.44 |

| Equity characteristics | Fund | Reference benchmark |
|---|---|---|
| No. of holdings ex cash | 1,397 | 1,376 |
| Average Market Cap (USD Mil) | 120,148 | 120,022 |
| Price/earning ratio | 14.51 | 14.51 |

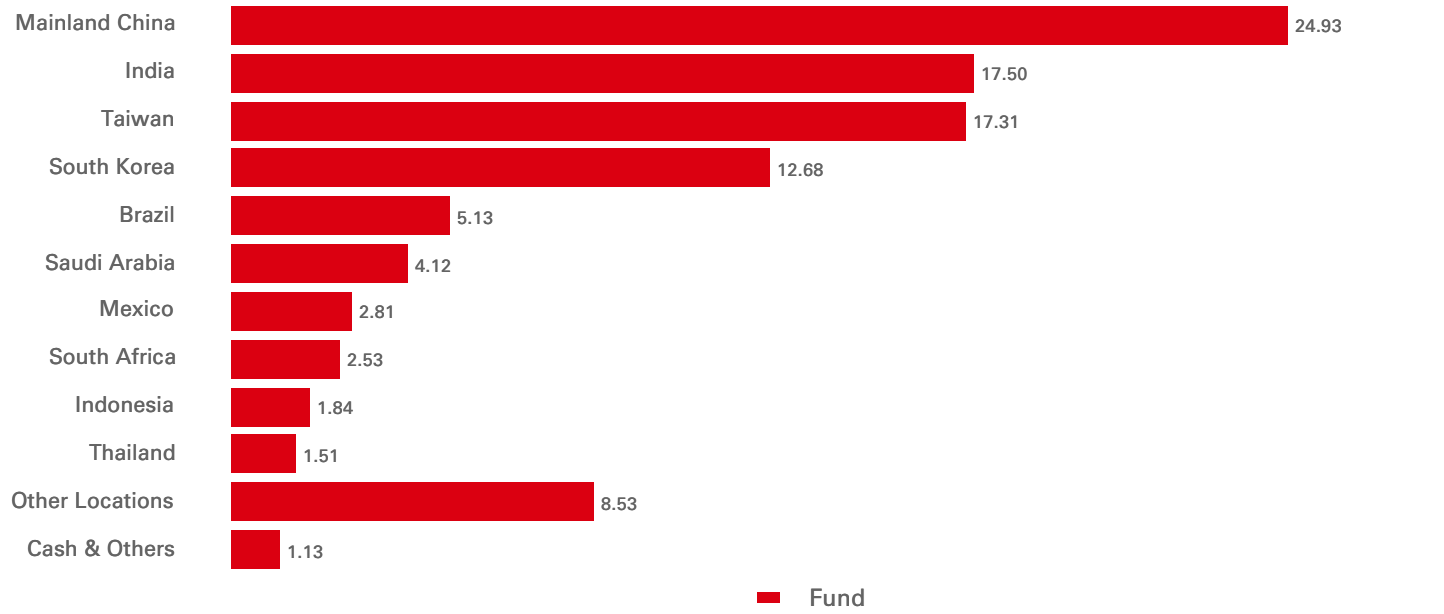
| Benchmark Information | |
|---|---|
| Index name | 100% MSCI Emerging Markets Net |
| Index currency | USD |
| Benchmark type | Total Return |
| Index Rebalancing Frequency | Quarterly |
| TR Index Bloomberg Ticker | NDUEEGF |
| TR Index Reuters RIC | .dMIEF00000NUS |

**Sector Allocation (%)**




**Past performance does not predict future returns. The figures are calculated in the share class base currency, dividend reinvested, net of fees.**
**Source: HSBC Asset Management, data as at 31 March 2024**

**Geographical Allocation (%)**




| Top 10 Holdings | Location | Sector | Weight (%) |
|---|---|---|---|
| Taiwan Semiconductor Co Ltd | Taiwan | Information Technology | 8.23 |
| Samsung Electronics Co Ltd | South Korea | Information Technology | 4.59 |
| Tencent Holdings Ltd | Mainland China | Communication Services | 3.53 |
| Alibaba Group Holding Ltd | Mainland China | Consumer Discretionary | 2.00 |
| Reliance Industries Ltd | India | Energy | 1.49 |
| SK Hynix Inc | South Korea | Information Technology | 1.02 |
| PDD Holdings Inc | Mainland China | Consumer Discretionary | 0.96 |
| ICICI Bank Ltd | India | Financials | 0.94 |
| Petroleo Brasileiro SA | Brazil | Energy | 0.88 |
| Meituan | Mainland China | Consumer Discretionary | 0.86 |

| Exchange name | Listing date | Trading currency | Trading hours | Bloomberg ticker | Reuters RIC | iNAV Bloomberg | iNAV Reuters |
|---|---|---|---|---|---|---|---|
| LONDON STOCK EXCHANGE | 07 Sep 2011 | USD | 08:00 - 16:30 | HMEM LN | HMEM.L | HMEUSDIV | HMEMUSDINAV=SOLA |
| LONDON STOCK EXCHANGE | 07 Sep 2011 | GBP | 08:00 - 16:30 | HMEF LN | HMEF.L | HMEFGBIV | HMEFGBXINAV=SOLA |
| SIX SWISS EXCHANGE | 17 Oct 2012 | USD | 09:00 - 17:30 | HMEF SW | HMEF.S | HMEUSDIV | HMEMUSDINAV=SOLA |
| DEUTSCHE BOERSE AG-XETRA | 27 Sep 2013 | EUR | 09:00 - 17:30 | H410 GY | H410.DE | HMEEURIV | HMEMEURINAV=SOLA |
| DEUTSCHE BOERSE AG- XFRA | 27 Sep 2013 | EUR | 08:00 - 20:00 | H410 GR | H410.DE | HMEMEUIV | HMEMEUiv.P |
| BORSA ITALIANA SPA | 14 Jun 2017 | EUR | 09:00 - 17:35 | HMEM IM | HMEM.MI | HMEEURIV | HMEMEURINAV=SOLA |

**Source: HSBC Asset Management, data as at 31 March 2024**

## Risk Disclosure

- 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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**Fund center**

**Glossary**

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Further Information can be found in the prospectus.