

HSBC ETFs PLC

HSBC EMERGING MARKET SUSTAINABLE EQUITY UCITS ETF

Monthly report 30 June 2024 | HSEM LN | USD


Investment objective

The Fund aims to track as closely as possible the returns of the FTSE Emerging ESG Low Carbon Select Index (the "Index"). The Fund will invest in or gain exposure to shares of companies which make up the Index. The Fund qualifies under Article 8 of SFDR.


Investment strategy

The Index is a subset of the FTSE Emerging Index (the Parent Index) and made up of companies of emerging market countries, as defined by the Index Provider.

The Index seeks to achieve a reduction in carbon emissions and fossil fuel reserves exposure, and an improvement of the FTSE Russell ESG rating against that of the Parent Index. It excludes shares of companies with exposure to: tobacco, thermal coal extraction, electricity generation, gambling, adult entertainment and controversial weapons. The Index also applies, among others, 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.

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.
- 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 14.34
Performance 1 month	3.76%
Tracking error 3 years	1.44%

Fund facts

UCITS V compliant	Yes
UK reporting fund status (UKRS)	Yes
ISA eligible	Yes
Dividend treatment	Accumulating
Dividend currency	USD
Fund base currency	USD
Currency Hedged	Not Hedged
Share class base currency	USD
Domicile	Ireland
Inception date	27 August 2020
Shares outstanding	9,236,694
Fund size	USD 172,112,766
Reference benchmark	100% FTSE Emerging ESG Low Carbon Select Index
Replication method	Physical- Full
SIPP eligible	Yes
Issuer	HSBC ETFs PLC
Fiscal year end	Dec

Fees and expenses

Ongoing charge figure ¹	0.180%
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Codes

ISIN	IE00BKY59G90
SEDOL	BL6XHV9

¹Ongoing 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.

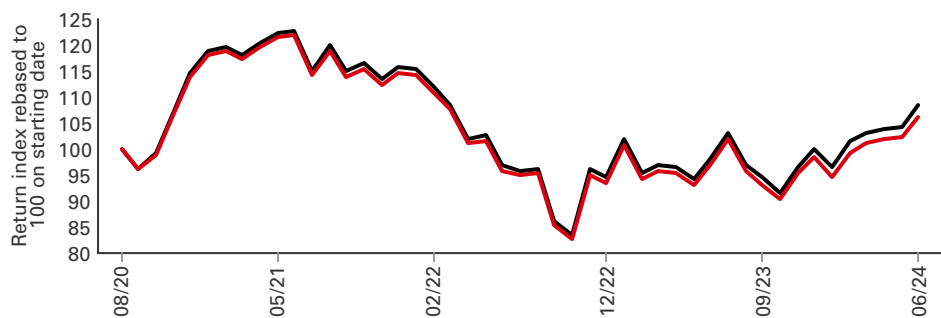
This is a marketing communication. Please refer to the prospectus and to the KID before making any final investment decisions.

For definition of terms, please refer to the Glossary QR code and Prospectus.

Source: HSBC Asset Management, data as at 30 June 2024

Performance

— Fund — Reference Benchmark



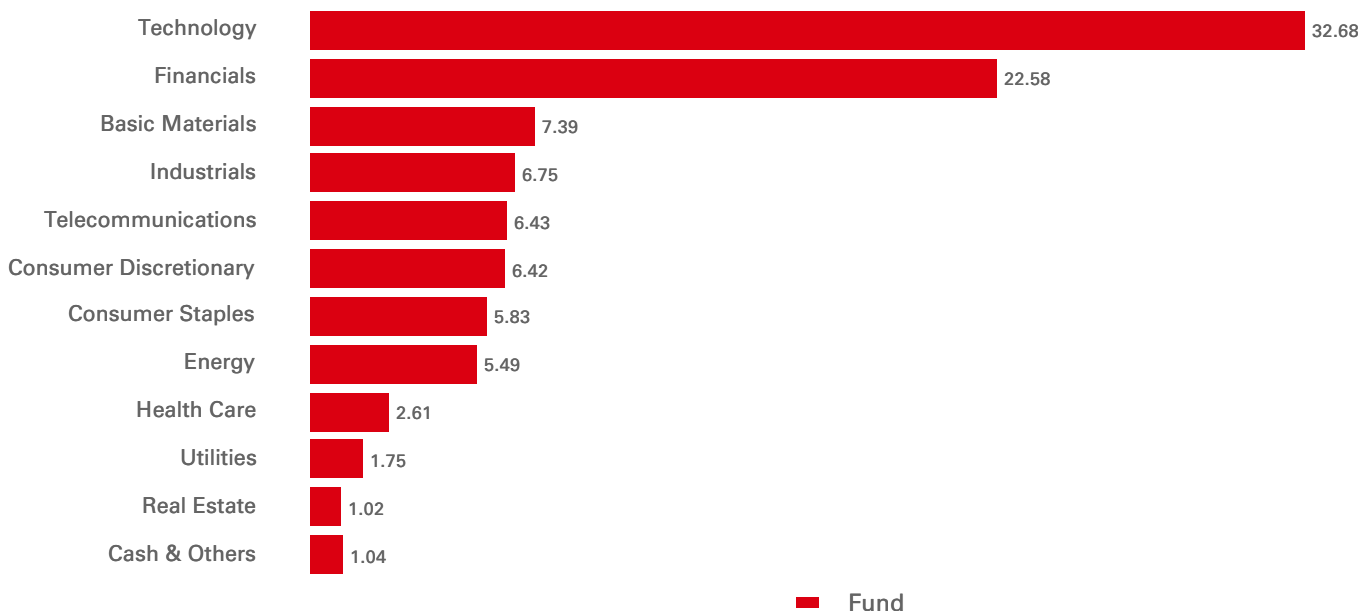
Performance (%)	YTD	1 month	3 months	6 months	1 year	3 years ann	5 years ann	Since inception ann
Fund	8.04	3.76	5.09	8.04	9.49	-4.50	--	1.63
Reference Benchmark	8.43	4.03	5.34	8.43	10.59	-4.00	--	2.21
Tracking difference	-0.39	-0.27	-0.25	-0.39	-1.11	-0.50	--	-0.59
Tracking error	--	--	--	--	0.60	1.44	--	1.31

Rolling performance (%)	30/06/23-30/06/24	30/06/22-30/06/23	30/06/21-30/06/22	30/06/20-30/06/21	30/06/19-30/06/20
Fund	9.49	1.13	-21.35	--	--
Reference Benchmark	10.59	1.46	-21.16	--	--

Carbon footprint	Fund	Broad Market Index	FTSE ESG Score	ESG score	E	S	G
Carbon intensity emissions	378.13	542.03	Fund	3.4	2.8	3.4	4.1
Carbon Intensity measures the quantity of carbon emission of a company (tonnes CO ₂ e/USD million revenue) Source: S&P Global Trucost			Broad Market Index	3.1	2.5	2.9	3.9

Equity characteristics	Fund	Reference Benchmark	Benchmark information
No. of holdings ex cash	824	805	Index name
Average market cap (USD Mil)	149,871	149,907	100% FTSE Emerging ESG Low Carbon Select Index
Price/earning ratio	14.45	14.45	Index currency
			USD
			Index Rebalancing Frequency
			Annually
			TR Index Bloomberg Ticker
			ELCAWEN
			TR Index Reuters RIC
			.TFTELCAWENU

Sector allocation (%)

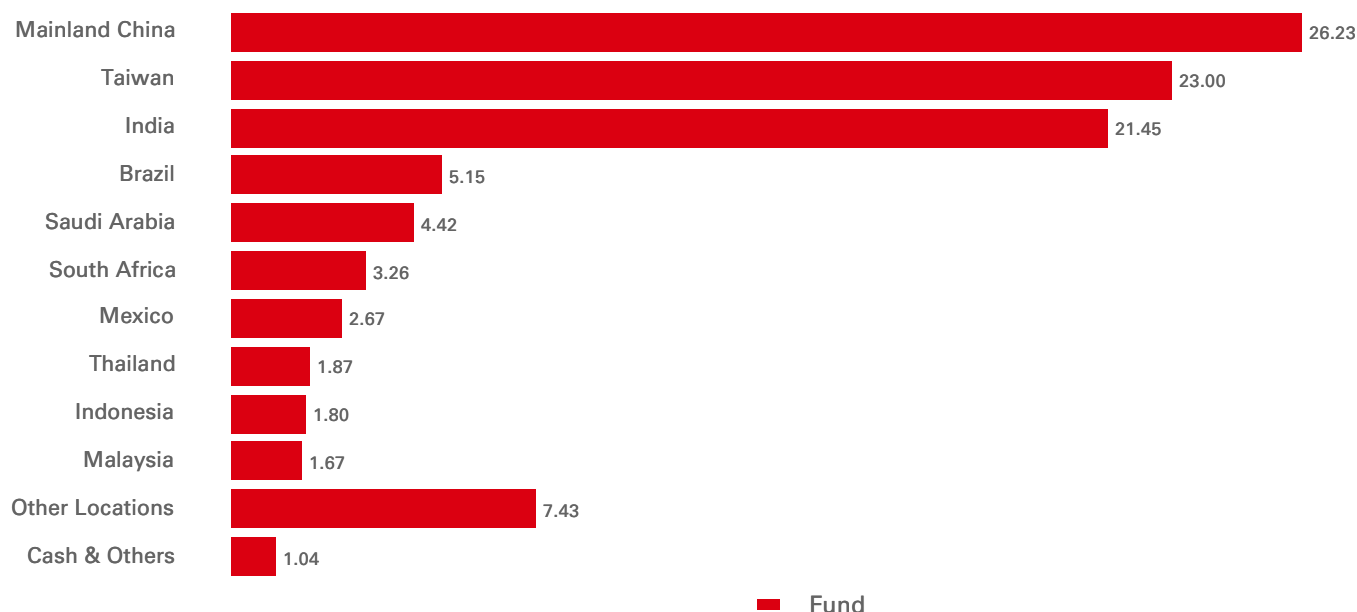


Past performance does not predict future returns. The figures are calculated in the share class base currency, dividend reinvested, net of fees.

Broad Market Index: FTSE Emerging

Source: HSBC Asset Management, data as at 30 June 2024

Geographical allocation (%)



Top 10 holdings	Location	Sector	Weight (%)
Taiwan Semiconductor Co Ltd	Taiwan	Technology	15.39
Infosys Ltd	India	Technology	4.01
PING AN	Mainland China	Financials	1.85
Meituan	Mainland China	Technology	1.63
HCL Technologies Ltd	India	Technology	1.62
Zijin Mining Group Co Ltd	Mainland China	Basic Materials	1.60
Xiaomi Corp	Mainland China	Telecommunications	1.46
Alibaba Group Holding Ltd	Mainland China	Consumer Discretionary	1.45
United Microelectronics Corp	Taiwan	Technology	1.32
Adani Ports & Special Economic	India	Industrials	1.15

Exchange name	Listing date	Trading currency	Trading hours	Bloomberg ticker	Reuters	iNAV Bloomberg	iNAV Reuters
LONDON STOCK EXCHANGE	28 Aug 2020	USD	08:00 - 16:30	HSEM LN	HSEM.L	HSEUSDIV	HSEMUSDINA V=SOLA
LONDON STOCK EXCHANGE	28 Aug 2020	GBP	08:00 - 16:30	HSEF LN	HSEF.L	HSEFGBIV	HSEFGBPINAV =SOLA
SIX SWISS EXCHANGE	09 Sep 2020	USD	09:00 - 17:30	HSEM SW	HSEM.S	HSEUSDIV	HSEMUSDINA V=SOLA
NYSE EURONEXT - EURONEXT PARIS	22 Sep 2020	EUR	09:00 - 17:30	HSEM FP	HSEM.PA	H4Z1EUIV	H4Z1EURINAV =SOLA
DEUTSCHE BOERSE AG-XETRA	22 Sep 2020	EUR	09:00 - 17:30	H4Z1 GY	H4Z1.DE	H4Z1EUIV	H4Z1EURINAV =SOLA
BORSA ITALIANA SPA	09 Oct 2020	EUR	09:00 - 17:35	HSEM IM	HSEM.MI	H4Z1EUIV	H4Z1EURINAV =SOLA
BOLSA INSTITUCIONAL DE VALORES	30 Nov 2020	MXN	08.25 - 15:00	HSEMN MM	HSEM.BIV	--	--
BOLSA INSTITUCIONAL DE VALORES	30 Nov 2020	MXN	08.25 - 15:00	HSEMN MM	HSEM.BIV	--	--

Emissions from reserves (mn tonnes/ USDmn)	Fund	Broad Market Index
Emissions from reserves/market cap	5,653.63389	9,450.97297

Ten lowest carbon intensity issuers

Fund	Carbon intensity emissions (tonnes CO ² e/USD million)	Broad Market Index	Carbon intensity emissions (tonnes CO ² e/USD million)
BANCO BTG PACTUAL SA-UNIT	0.14	IS YATIRIM MENKUL DEGERLER A	0.03
DADA NEXUS LTD-ADR	0.72	BANCO BTG PACTUAL SA-UNIT	0.14
B3 SA-BRASIL BOLSA BALCAO	0.95	BEIJING UNITED INFORMATION-A	0.17
CHINA RUYI HOLDINGS LTD	0.96	GUANGZHOU YUEXIU CAPITAL H-A	0.39
ABB INDIA LTD	1.03	PORTO SEGURO SA	0.43
ICICI PRUDENTIAL LIFE INSURA	1.06	QIFU TECHNOLOGY INC	0.52
BANCO BRADESCO S.A.	1.11	37 INTERACTIVE ENTERTAINME-A	0.56
CHINA EVERBRIGHT LTD	1.11	DADA NEXUS LTD-ADR	0.72
CHINA PACIFIC INSURANCE GR-A	1.24	B3 SA-BRASIL BOLSA BALCAO	0.95
ULTRAPAR PARTICPAC-SPON ADR	1.30	CHINA RUYI HOLDINGS LTD	0.96

Ten highest carbon intensity issuers

Fund	Carbon intensity emissions (tonnes CO ² e/USD million)	Broad Market Index	Carbon intensity emissions (tonnes CO ² e/USD million)
ACWA POWER CO	53,342.22	GUANGDONG XINBAO ELECTRICA-A	422,348.58
ANHUI CONCH CEMENT CO LTD-H	10,384.13	ACWA POWER CO	53,342.22
SEMEN INDONESIA PERSERO TBK	9,552.46	ALARKO HOLDING	24,738.98
ULTRATECH CEMENT LTD	8,930.68	BEIJING JINGNENG POWER CO -A	18,256.54
SAUDI ELECTRICITY CO	7,153.67	INNER MONGOLIA MENGDIAN HU-A	17,958.71
AMBUJA CEMENTS LTD	5,278.70	NTPC LTD	17,616.33
VEDANTA LTD	3,554.71	NLC INDIA LTD	16,698.53
SASOL LTD	3,508.80	JOINTO ENERGY INVESTMENT C-A	14,953.39
JINDAL STEEL & POWER LTD	2,931.29	JINNENG HOLDING SHANXI ELE-A	14,882.57
CHINA EVERBRIGHT ENVIRONMENT	2,800.72	GD POWER DEVELOPMENT CO -A	14,350.49

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

Broad Market Index: FTSE Emerging

Source: HSBC Asset Management, data as at 30 June 2024

MSCI ESG Score	ESG score	E	S	G
Fund	6.4	6.0	5.5	5.2
Broad Market Index	5.7	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	15.331%	0.0	0.0	0.0	0.0	169.7
INFOSYS LTD	3.996%	0.0	0.0	0.0	0.0	12.4
PING AN INSURANCE GROUP CO-H	1.845%	3.1	3.0	3.2	3.0	2.1
MEITUAN-CLASS B	1.626%	2.6	2.0	3.0	3.0	29.6
HCL TECHNOLOGIES LTD	1.611%	4.1	3.0	4.3	5.0	13.6
ZIJIN MINING GROUP CO LTD-H	1.597%	3.9	4.2	3.3	4.3	208.1
XIAOMI CORP-CLASS B	1.453%	3.0	2.2	3.4	3.6	2.1
ALIBABA GROUP HOLDING LTD	1.440%	3.1	2.4	2.3	5.0	40.4
UNITED MICROELECTRONICS CORP	1.315%	0.0	0.0	0.0	0.0	314.9
ADANI PORTS AND SPECIAL ECON	1.150%	3.8	3.0	3.7	5.0	152.0

Broad Market Index	Weight	ESG score	E	S	G	Carbon intensity emissions
TAIWAN SEMICONDUCTOR MANUFAC	9.793%	0.0	0.0	0.0	0.0	169.7
TENCENT HOLDINGS LTD	4.100%	3.3	2.7	3.0	4.5	36.6
ALIBABA GROUP HOLDING LTD	2.102%	3.1	2.4	2.3	5.0	40.4
RELIANCE INDUSTRIES LTD	1.708%	3.3	3.2	2.6	4.3	480.6
HDFC BANK LIMITED	1.556%	0.0	0.0	0.0	0.0	25.3
PDD HOLDINGS INC	1.287%	1.0	0.0	0.3	2.5	36.9
HON HAI PRECISION INDUSTRY	1.078%	3.8	3.6	4.1	3.7	29.1
MEITUAN-CLASS B	1.041%	2.6	2.0	3.0	3.0	29.6
CHINA CONSTRUCTION BANK-H	0.945%	2.6	3.0	2.1	2.9	17.0
INFOSYS LTD	0.903%	0.0	0.0	0.0	0.0	12.4

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Source of analytics: Trucost / HSBC

Broad Market Index: FTSE Emerging

Source: HSBC Asset Management, data as at 30 June 2024

ESG score for ten lowest holdings by weight

Fund	Weight	ESG score	E	S	G	Carbon intensity emissions
KLABIN SA-PREF	0.000%	3.2	3.4	2.8	3.4	234.4
BTS Group Holdings PCL- Warrants 7*^	0.000%	0.0	0.0	0.0	0.0	0.0
BTS Group Holdings PCL- Warrants 8*^	0.000%	0.0	0.0	0.0	0.0	0.0
ZHEJIANG HUAYOU COBALT CO -A	0.000%	2.1	1.8	2.0	2.6	207.0
ADAMA LTD-A^	0.000%	3.2	3.0	2.9	4.0	258.4
LOCALIZA RENT A CAR SA	0.000%	3.9	2.0	4.8	5.0	10.8
GUANGZHOU KINGMED DIAGNOST-A	0.001%	3.5	3.0	3.3	4.0	16.0
OLLAMANI SAB*^	0.001%	0.0	0.0	0.0	0.0	0.0
HORIZON CONSTRUCTION DEVELOP*^	0.001%	0.0	0.0	0.0	0.0	0.0
DADA NEXUS LTD-ADR	0.001%	3.0	2.3	3.1	4.0	0.7

Broad Market Index	Weight	ESG score	E	S	G	Carbon intensity emissions
CONTEC MEDICAL SYSTEMS CO -A^	0.000%	1.1	0.0	0.8	3.0	28.7
JILIN YATAI GROUP CO LTD-A^	0.000%	1.0	0.7	0.2	2.5	4,230.3
TOLY BREAD CO LTD-A^	0.000%	0.7	0.4	0.4	1.4	64.9
JIANGSU ZHANGJIAGANG RURA -A^	0.000%	1.7	1.0	2.2	1.9	2.3
SHENZHEN NEW NANSHAN HOLDI-A^	0.000%	0.8	0.8	0.3	1.4	32.0
THREE SQUIRRELS INC-A^	0.000%	0.8	0.4	0.6	1.4	60.3
CANSINO BIOLOGICS INC-A	0.000%	3.0	2.4	2.8	4.0	198.2
HUABAO FLAVOURS & FRAGRANC-A^	0.000%	0.7	0.3	0.4	1.7	50.1
OFFCN EDUCATION TECHNOLOGY-A	0.000%	1.9	1.0	1.7	3.0	21.4
TRANSFAR ZHILIAN CO LTD-A^	0.000%	1.4	0.5	1.2	3.0	71.7

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Source of analytics: Trucost / HSBC

Broad Market Index: FTSE Emerging

Source: HSBC Asset Management, data as at 30 June 2024

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.
- 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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Source: HSBC Asset Management, data as at 30 June 2024

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

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.

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.

Further information about the Company including the Prospectus, the most recent annual and semi-annual reports of the Company and the latest share prices, may be obtained free of charge, in English, from the Administrator by emailing ifsinvestorqueries@hsbc.com, or by visiting www.etf.hsbc.com. Details of the underlying investments of the fund are available on www.etf.hsbc.com. The indicative intra-day net asset value of the fund 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.

The most recent Prospectus is available in English, German and French. Key Investor Information Document (KID) are available in the local language where they are registered.

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

Term: The management company cannot terminate the Fund unilaterally. The Board of Directors may furthermore decide to liquidate the Fund in certain circumstances set out in the prospectus and articles of incorporation of the Fund. Further additional and complete information (including but not limited to) investor rights, costs and charges, please refer to the prospectus.

Detailed information for article 8 and 9 sustainable investment products, as categorised under the Sustainable Finance Disclosure Regulation (SFDR), including; description of the environmental or social characteristics or the sustainable investment objective; methodologies used to assess, measure and monitor the environmental or social characteristics and the impact of the selected sustainable investments and; objectives and benchmark information, can be found at: <https://www.assetmanagement.hsbc.co.uk/en/intermediary/investment-expertise/sustainable-investments/sustainable-investment-product-offering>