

HSBC ETFs PLC

HSBC USA SUSTAINABLE EQUITY UCITS ETF

Monthly report 30 June 2024 | HSUD LN | USD



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. The Fund qualifies under Article 8 of SFDR.



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	USD 28.36
Performance 1 month	3.26%
Tracking error 3 years	0.04%

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	4 June 2020
Shares outstanding	29,080,494
Fund size	USD 953,224,668
Reference benchmark	100% FTSE USA 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	0.120%
------------------------------------	---------------

Codes

ISIN	IE00BKY40J65
SEDOL	BJP84V0

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.

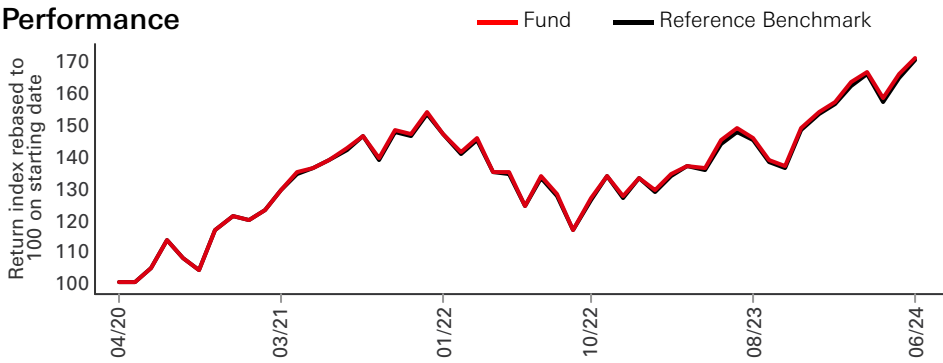
Past performance does not predict future returns. The figures are calculated in the share class base currency, dividend reinvested, net of fees.

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



Performance (%)	YTD	1 month	3 months	6 months	1 year	3 years ann	5 years ann	Since inception ann
Fund	11.15	3.26	2.63	11.15	18.27	7.20	--	14.09
Reference Benchmark	11.05	3.26	2.60	11.05	18.08	7.02	--	13.92
Tracking difference	0.10	0.00	0.03	0.10	0.19	0.18	--	0.17
Tracking error	--	--	--	--	0.04	0.04	--	0.04

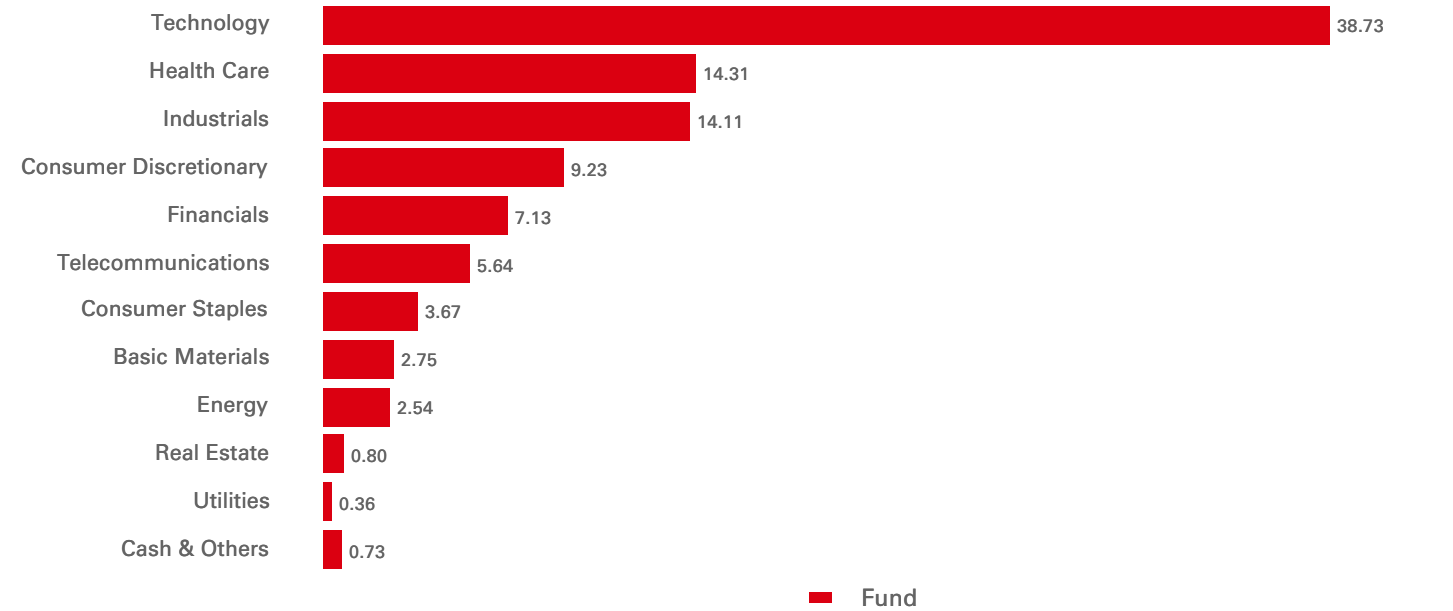
Rolling performance (%)	30/06/23-30/06/24	30/06/22-30/06/23	30/06/21-30/06/22	30/06/20-30/06/21	30/06/19-30/06/20
Fund	18.27	16.28	-10.42	38.52	--
Reference Benchmark	18.08	16.04	-10.55	38.36	--

Carbon footprint	Fund	Broad Market Index	FTSE ESG Score	ESG score	E	S	G
Carbon intensity emissions	51.96	94.58	Fund	3.9	3.6	3.9	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	3.4	3.0	3.3	3.8

Equity characteristics	Fund	Reference Benchmark
No. of holdings ex cash	415	418
Average market cap (USD Mil)	1,123,545	1,123,933
Price/earning ratio	20.06	20.05

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 (%)



Top 10 holdings	Sector	Weight (%)
Microsoft Corp	Technology	11.59
Apple Inc	Technology	9.63
Johnson & Johnson	Health Care	7.62
Visa Inc	Industrials	7.33
NVIDIA Corp	Technology	5.95
Cisco Systems Inc	Telecommunications	3.70
Amazon.com Inc	Consumer Discretionary	2.78
Salesforce Inc	Technology	1.40
QUALCOMM Inc	Technology	1.32
Verizon Communications Inc	Telecommunications	1.28

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	HSUUSDIV	HSUDUSDINA V=SOLA
LONDON STOCK EXCHANGE	05 Jun 2020	GBP	08:00 - 16:30	HSUS LN	HSUS.L	HSUSGBIV	HSUSGBPINA =SOLA
NYSE EURONEXT - EURONEXT PARIS	29 Jun 2020	EUR	09:00 - 17:30	HSUD FP	HSUS.PA	HSUEURIV	HSUDEURINA =SOLA
BORSA ITALIANA SPA	06 Jul 2020	EUR	09:00 - 17:35	HSUD IM	HSUD. MI	HSUEURIV	HSUDEURINA =SOLA
DEUTSCHE BOERSE AG-XETRA	15 Jul 2020	EUR	09:00 - 17:30	H412 GY	H412.DE	HSUEURIV	HSUDEURINA =SOLA
SIX SWISS EXCHANGE	02 Sep 2020	USD	09:00 - 17:30	HSUD SW	HSUD.S	HSUUSDIV	HSUDUSDINA V=SOLA
BOLSA INSTITUCIONAL DE VALORES	22 Sep 2020	MXN	--	HSUDN MM	HSUD.BIV	--	--
SIX SWISS EXCHANGE	02 Sep 2020	USD	09:00 - 17:30	HSUD SW	HSUD.S	HSUUSDIV	HSUDUSDINA V=SOLA

Emissions from reserves (mn tonnes/ USDmn)	Fund	Broad Market Index
Emissions from reserves/market cap	83.09797	266.06095

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)
SPOTIFY TECHNOLOGY SA	0.02	SPOTIFY TECHNOLO	0.02
NU HOLDINGS LTD/CAYMAN ISL-A	0.09	NU HOLDINGS LT-A	0.09
RENAISSANCERE HOLDINGS LTD	0.31	MATCH GROUP INC	0.28
AFLAC INC	0.57	RENAISSANCERE	0.31
THE CIGNA GROUP	0.60	ETSY INC	0.54
EVEREST GROUP LTD	0.61	AFLAC INC	0.57
ELEVANCE HEALTH INC	0.62	THE CIGNA GROUP	0.60
SYNCHRONY FINANCIAL	0.64	EVEREST GROUP LT	0.61
BLOCK INC	0.68	PINTEREST INC -A	0.62
ARCH CAPITAL GROUP LTD	0.70	ELEVANCE HEALTH	0.62

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)
ALLIANT ENERGY CORP	3,147.17	VISTRA CORP	6,920.55
ENTERGY CORP	2,873.69	EVERGY INC	4,775.06
AIR PRODUCTS & CHEMICALS INC	2,087.71	PPL CORP	3,502.27
NEXTERA ENERGY INC	2,004.22	AMEREN CORP	3,264.38
DOMINION ENERGY INC	1,959.07	AES CORP	3,192.36
CF INDUSTRIES HOLDINGS INC	1,591.29	ALLIANT ENERGY	3,147.17
NRG ENERGY INC	1,225.86	PINNACLE WEST	2,977.36
WILLIAMS COS INC	1,222.03	SOUTHERN CO	2,906.91
LINDE PLC	1,130.44	ENTERGY CORP	2,873.69
MARRIOTT INTERNATIONAL -CL A	1,112.26	DUKE ENERGY CORP	2,797.42

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

MSCI ESG Score	ESG score	E	S	G
Fund	7.2	7.0	5.4	5.4
Broad Market Index	6.7	6.8	5.1	5.5

ESG score for ten highest holdings by weight

Fund	Weight	ESG score	E	S	G	Carbon intensity emissions
MICROSOFT CORP	11.585%	3.2	1.0	4.0	4.7	32.9
APPLE INC	9.635%	3.8	4.2	3.4	3.8	3.4
JOHNSON & JOHNSON	7.626%	4.7	4.6	4.7	4.7	11.6
VISA INC-CLASS A SHARES	7.334%	4.4	5.0	5.0	3.7	2.3
NVIDIA CORP	5.953%	4.0	4.1	3.8	4.0	5.1
CISCO SYSTEMS INC	3.702%	4.4	5.0	4.3	4.0	11.6
AMAZON.COM INC	2.779%	3.3	3.0	3.5	3.5	50.9
SALESFORCE INC	1.397%	4.3	5.0	3.3	4.3	9.5
QUALCOMM INC	1.324%	4.3	4.3	4.4	4.3	8.9
VERIZON COMMUNICATIONS INC	1.281%	4.2	3.4	4.6	4.7	27.6

Broad Market Index	Weight	ESG score	E	S	G	Carbon intensity emissions
MICROSOFT CORP	7.051%	3.2	1.0	4.0	4.7	32.9
APPLE INC	6.495%	3.8	4.2	3.4	3.8	3.4
NVIDIA CORP	6.233%	4.0	4.1	3.8	4.0	5.1
AMAZON.COM INC	3.808%	3.3	3.0	3.5	3.5	50.9
META PLATFORMS-A	2.344%	3.4	3.6	2.0	4.3	34.2
ALPHABET INC-A	2.271%	3.5	4.3	3.4	2.8	28.8
ALPHABET INC-C	1.916%	3.5	4.3	3.4	2.8	28.8
ELI LILLY & CO	1.634%	3.7	3.6	3.8	3.6	20.5
BROADCOM INC	1.549%	3.4	3.0	3.9	3.3	8.7
JPMORGAN CHASE	1.230%	3.2	3.0	3.2	3.3	7.1

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 USA
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
GRAIL INC	0.002%	0.0	0.0	0.0	0.0	9.2
SIRIUS XM HOLDINGS INC	0.003%	3.5	2.0	3.3	5.0	7.1
OLD DOMINION FREIGHT LINE	0.004%	2.7	2.0	2.5	4.0	217.8
FMC CORP	0.005%	3.4	3.5	3.2	3.3	26.7
BXP INC	0.005%	3.3	3.7	1.6	4.4	37.2
GENUINE PARTS CO	0.005%	2.5	1.6	2.3	4.0	15.2
TRIMBLE INC	0.005%	3.0	3.1	2.8	3.0	6.1
SBA COMMUNICATIONS CORP	0.005%	3.2	2.6	1.8	5.0	49.5
AMERICAN AIRLINES GROUP INC	0.005%	3.3	3.0	4.0	3.1	711.3
COSTAR GROUP INC	0.005%	3.3	2.0	3.3	4.5	7.4

Broad Market Index	Weight	ESG score	E	S	G	Carbon intensity emissions
GRAIL INC	0.001%	0.0	0.0	0.0	0.0	9.2
UBIQUITI INC^	0.001%	0.9	0.3	0.0	2.7	15.9
LIBERTY BR-A	0.002%	1.9	1.2	0.8	4.0	13.6
CNA FINL CORP	0.002%	2.4	2.0	1.2	3.7	1.9
LIBERTY MEDIA CO	0.003%	3.7	3.0	3.0	5.0	23.9
LIBERTY MEDIA	0.003%	3.7	3.0	3.0	5.0	8.6
LENNAR CORP-B	0.003%	1.8	0.7	1.2	3.6	22.9
SIRIUS XM HOLDIN	0.004%	3.5	2.0	3.3	5.0	7.1
AMERICAN AIRLINE	0.004%	3.3	3.0	4.0	3.1	711.3
ZILLOW GROUP I-A	0.004%	3.4	3.0	4.0	3.5	5.4

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 USA
 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

FTSE International Limited ("FTSE") © FTSE 2024. "FTSE®" is a trade mark of the London Stock Exchange Group companies and is used by FTSE International Limited under licence. All rights in the FTSE indices and / or FTSE ratings vest in FTSE and/or its licensors. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE indices and / or FTSE ratings or underlying data. No further distribution of FTSE Data is permitted without FTSE's express written consent.

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

Follow us on:



E-mail: etf.client.services@hsbc.com
Website: www.etf.hsbc.com
For more information please contact us at E-mail:
Wholesale.clientservices@hsbc.com
www.assetmanagement.hsbc.com/uk
To help improve our service and in the interests of security we may record and/or monitor your communication with us.

Fund center



Glossary



Important information

The material contained herein is for marketing purposes and is for your information only. This document is not contractually binding nor are we required to provide this to you by any legislative provision. It 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 material 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 material 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.

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.

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.co.uk

Copyright © HSBC Global Asset Management (UK) Limited 2024. 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.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>