

## HSBC Index Tracker Investment Funds

# Developed World Sustainable Equity Index Fund

Monthly report 31 May 2024 | Share class Acc C

### Investment objective

The Fund aims to track the performance of the FTSE Developed ESG Low Carbon Select Index (the "Index") before the deduction of charges.

### Investment strategy

The Fund will invest directly in shares of all of the companies that make up the Index and in the same or very similar proportions in which they are included in the Index. However, there may be circumstances when it is not possible or practical for the Fund to invest in shares of all the companies of the Index. The Fund's performance is measured against the Index, because the Fund intends to track the performance of the Index. The Index is net of tax that applies to UK funds. The Index is comprised of the shares (equities) of large and medium sized companies from developed markets. 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 FTSE Developed Index (the 'Parent Index'). The Index also excludes the shares of certain companies based on sustainability criteria. Further information about the Index and the criteria can be found in the Prospectus.

### 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 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.

### Share class details

Key metrics	
NAV per share	<b>GBP 1.40</b>
Performance 1 month	<b>1.51%</b>
Volatility 3 years	<b>9.58%</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>
Dealing frequency	<b>Daily</b>
Valuation time	<b>12:00 United Kingdom</b>
Share class base currency	<b>GBP</b>
Domicile	<b>United Kingdom</b>
Inception date	<b>10 December 2020</b>
Fund size	<b>GBP 4,039,544,472</b>
Reference benchmark	<b>100% FTSE Developed ESG Low Carbon Select Index</b>
Fees and expenses	
Minimum initial investment <sup>1</sup>	<b>GBP 1,000,000</b>
Ongoing charge figure <sup>2</sup>	<b>0.160%</b>
Codes	
ISIN	<b>GB00BN71RZ01</b>
Bloomberg ticker	<b>HSDWSAC LN</b>
SEDOL	<b>BN71RZ0</b>

<sup>1</sup>Please note that initial minimum subscription may vary across different distributors  
<sup>2</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.

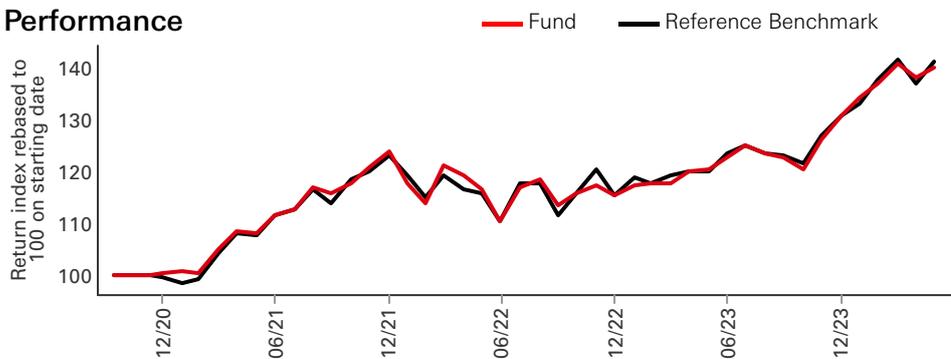
Past performance does not predict future returns. The figures are calculated in the share class base currency, dividend reinvested, net of fees.

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 May 2024

## Performance



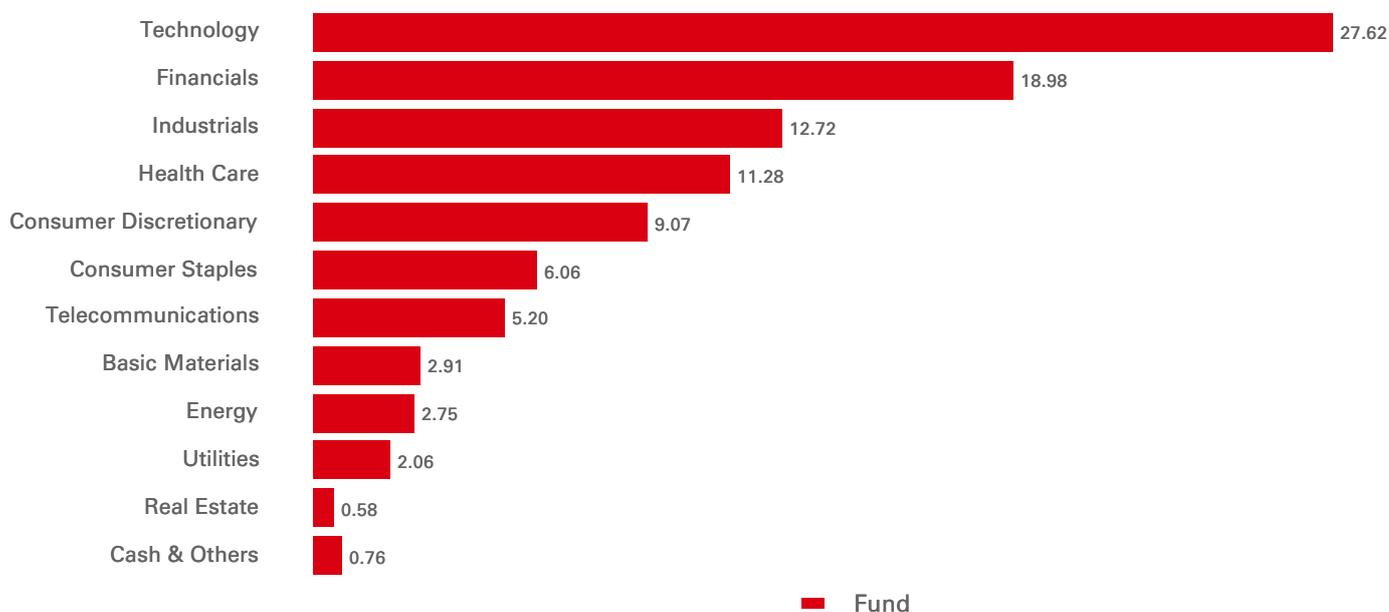
Performance (%)	YTD	1 month	3 months	6 months	1 year	3 years ann	5 years ann	Since inception ann
<b>Acc C</b>	<b>7.33</b>	<b>1.51</b>	<b>2.46</b>	<b>11.25</b>	<b>16.33</b>	<b>9.02</b>	--	<b>10.20</b>
Reference Benchmark	7.73	2.95	2.40	11.16	17.73	9.38	--	10.41
Tracking difference	-0.40	-1.44	0.06	0.09	-1.40	-0.35	--	-0.21
Tracking error	--	--	--	--	3.30	4.65	--	4.46

Rolling performance (%)	31/05/23-31/05/24	31/05/22-31/05/23	31/05/21-31/05/22	31/05/20-31/05/21	31/05/19-31/05/20
<b>Acc C</b>	<b>16.33</b>	<b>3.43</b>	<b>7.71</b>	--	--
Reference Benchmark	17.73	3.42	7.48	--	--

Carbon footprint	Fund	Broad Market Index	MSCI ESG Score	ESG score	E	S	G
Carbon intensity emissions	54.43	105.82	Fund	7.4	7.1	5.3	5.6
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			Broad Market Index	6.9	6.7	5.1	5.7

Equity characteristics	Fund	Reference Benchmark	Benchmark information
No. of holdings ex cash	813	821	Index name
Average market cap (GBP Mil)	610,715	610,010	100% FTSE Developed ESG Low Carbon Select Index
Price/earning ratio	15.95	15.94	Index currency
			GBP

## 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 Developed

Source: HSBC Asset Management, data as at 31 May 2024

**Geographical allocation (%)**



Top 10 holdings	Sector	Weight (%)
Microsoft Corp	Technology	10.88
Apple Inc	Technology	5.95
Visa Inc	Industrials	5.50
Johnson & Johnson	Health Care	5.26
NVIDIA Corp	Technology	3.16
Cisco Systems Inc	Telecommunications	2.37
Amazon.com Inc	Consumer Discretionary	1.43
Royal Bank of Canada	Financials	1.32
QUALCOMM Inc	Technology	0.90
Nestle SA	Consumer Staples	0.88

### Ten lowest carbon intensity issuers

Fund	Carbon intensity emissions (tonnes CO <sub>2</sub> e/USD million)	Broad Market Index	Carbon intensity emissions (tonnes CO <sub>2</sub> e/USD million)
SPOTIFY TECHNOLOGY SA	0.02	INDUSTRIVARDEN AB-A SHS	0.01
3I GROUP PLC	0.09	SPOTIFY TECHNOLOGY SA	0.02
NU HOLDINGS LTD/CAYMAN ISL-A	0.09	WHEATON PRECIOUS METALS CORP	0.03
ST JAMES'S PLACE PLC	0.11	3I GROUP PLC	0.09
INTERMEDIATE CAPITAL GROUP	0.16	NU HOLDINGS LTD/CAYMAN ISL-A	0.09
HANNOVER RUECK SE	0.18	ALLFUNDS GROUP PLC	0.10
SWISS RE AG	0.24	ST JAMES'S PLACE PLC	0.11
DNB BANK ASA	0.26	INTERMEDIATE CAPITAL GROUP	0.16
GJENSIDIGE FORSIKRING ASA	0.29	CHALLENGER LTD	0.16
PHOENIX GROUP HOLDINGS PLC	0.42	SAGAX AB-B	0.18

### Ten highest carbon intensity issuers

Fund	Carbon intensity emissions (tonnes CO <sub>2</sub> e/USD million)	Broad Market Index	Carbon intensity emissions (tonnes CO <sub>2</sub> e/USD million)
SOUTH32 LTD	3,887.49	VISTRA CORP	6,920.55
ALLIANT ENERGY CORP	3,147.17	ELECTRIC POWER DEVELOPMENT C	4,977.84
ENERGY CORP	2,873.69	KOREA ELECTRIC POWER CORP	4,974.78
LAFARGEHOLCIM LTD-REG	2,715.53	BUZZI SPA	4,819.92
AIR PRODUCTS & CHEMICALS INC	2,087.71	EVERGY INC	4,775.06
NEXTERA ENERGY INC	2,004.22	SEMBCORP INDUSTRIES LTD	4,486.64
DOMINION ENERGY INC	1,959.07	AGL ENERGY LTD	4,175.12
FORTUM OYJ	1,843.43	SOUTH32 LTD	3,887.49
CF INDUSTRIES HOLDINGS INC	1,591.29	TAIHEIYO CEMENT CORP	3,603.20
JFE HOLDINGS INC	1,532.73	PPL CORP	3,502.27

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 Developed

Source: HSBC Asset Management, data as at 31 May 2024

## ESG score for ten highest holdings by weight

Fund	Weight	ESG score	E	S	G	Carbon intensity emissions
MICROSOFT CORP	10.881%	7.9	8.4	5.3	4.5	32.9
APPLE INC	5.948%	5.7	4.8	5.0	5.0	3.4
VISA INC-CLASS A SHARES	5.499%	7.1	10.0	5.2	5.7	2.3
JOHNSON & JOHNSON	5.263%	6.6	5.6	5.1	2.7	11.6
NVIDIA CORP	3.160%	10.0	6.2	8.0	6.3	5.1
CISCO SYSTEMS INC	2.369%	7.7	6.0	4.9	5.5	11.6
AMAZON.COM INC	1.434%	4.6	6.4	4.1	4.7	50.9
ROYAL BANK OF CANADA	1.318%	8.3	9.0	4.8	4.6	2.3
QUALCOMM INC	0.905%	6.9	3.8	6.7	5.8	8.9
NESTLE SA-REG	0.882%	6.3	4.9	4.0	5.3	58.9

Broad Market Index	Weight	ESG score	E	S	G	Carbon intensity emissions
MICROSOFT CORP	4.664%	7.9	8.4	5.3	4.5	32.9
APPLE INC	4.233%	5.7	4.8	5.0	5.0	3.4
NVIDIA CORP	3.933%	10.0	6.2	8.0	6.3	5.1
AMAZON.COM INC	2.400%	4.6	6.4	4.1	4.7	50.9
META PLATFORMS INC-CLASS A	1.559%	2.2	10.0	2.4	3.9	34.2
ALPHABET INC-CL A	1.548%	4.7	7.5	4.7	2.9	28.8
ALPHABET INC-CL C	1.318%	4.7	7.5	4.7	2.9	28.8
ELI LILLY & CO	1.048%	7.0	5.7	4.1	6.2	20.5
JPMORGAN CHASE & CO	0.883%	6.0	8.9	3.9	4.4	7.1
BROADCOM INC	0.865%	6.9	5.2	5.4	6.4	8.7

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Source of analytics: Trucost / HSBC

Broad Market Index: FTSE Developed

Source: HSBC Asset Management, data as at 31 May 2024

## ESG score for ten lowest holdings by weight

Fund	Weight	ESG score	E	S	G	Carbon intensity emissions
EDP RENOVAVEIS SA-BONUS RIGH	0.000%	8.0	9.0	4.9	6.4	14.4
SVITZER GROUP A/S*^	0.000%	0.0	0.0	0.0	0.0	0.0
HYUNDAI MOTOR CO-REG S GDR	0.000%	1.3	6.1	2.2	2.1	23.1
MITSUBISHI MOTORS CORP	0.003%	5.6	5.7	3.4	4.9	22.0
LION CORP	0.003%	8.2	5.9	2.3	6.4	55.1
NATIONAL GRID PLC-NIL	0.003%	9.1	7.1	8.0	7.8	329.5
NISSAN CHEMICAL CORP	0.004%	6.4	5.5	3.0	5.6	193.7
SIMS LTD	0.004%	10.0	8.4	8.7	8.3	20.8
AP MOLLER-MAERSK A/S-B	0.004%	7.6	6.2	6.8	6.0	423.2
SONIC HEALTHCARE LTD	0.004%	7.4	10.0	5.7	6.3	17.0

Broad Market Index	Weight	ESG score	E	S	G	Carbon intensity emissions
CJ CHEILJEDANG CORP-PREF	0.000%	7.4	5.1	6.5	3.9	175.1
GAV-YAM LANDS CORP LTD^	0.000%	0.0	0.0	0.0	0.0	51.0
H LUNDBECK A/S-A SHS	0.000%	6.8	3.7	4.4	6.0	14.9
SAMSUNG SDI CO LTD-PREF	0.000%	6.9	6.4	4.9	5.5	112.0
HANWHA CORPORATION-3P	0.000%	7.0	5.4	5.7	4.3	47.1
LG H&H-PRF	0.000%	6.9	4.3	6.9	4.2	24.5
SD BIOSENSOR INC	0.000%	1.3	6.1	3.5	3.6	39.3
SKANDINAVISKA ENSKILDA BAN-C	0.000%	7.6	8.4	4.7	5.8	1.1
KERRY LOGISTICS NETWORK LTD	0.000%	7.0	10.0	5.8	5.0	34.4
DAH SING BANKING GROUP LTD	0.000%	5.0	1.5	4.6	5.2	8.3

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## Risk disclosures

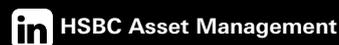
- The Fund may be concentrated in a limited number of securities, economic sectors and/or countries and as a result, may be more volatile and have a greater risk of loss than more broadly diversified funds.
- To the extent that the Fund seeks to replicate index performance by holding individual securities, 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.
- Liquidity is a measure of how easily the Fund's holdings can be quickly converted to cash. The value of the Fund's holdings may be significantly impacted by liquidity risk during adverse market conditions.
- 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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### Glossary



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