

Asset Management

ETF overview

HSBC Euro Stoxx 50 UCITS ETF

July 2023



The strategy at a glance

The HSBC Euro Stoxx 50 UCITS ETF aims to replicate the performance of the Euro Stoxx 50 Index, while focusing on minimizing the tracking difference between the fund and the index. This is done through an easy and cost-efficient approach harnessing HSBC's expertise in passive investing.

About the Index

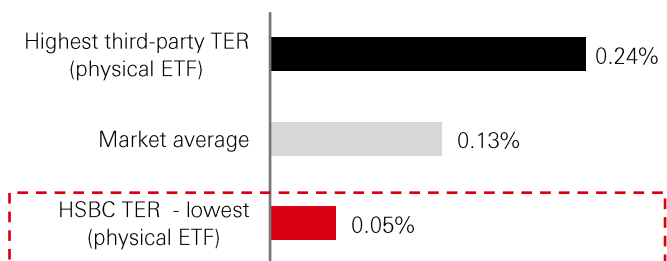
The Euro Stoxx 50 provides direct access to 50 largest companies in the European Monetary Union

12-month dividend yield	3.30%
No. of constituents	50

Source: Stoxx, as at 30 June 2023.

Cost efficiency in practice

- ◆ Our aim is to offer investors cost-efficient access to a physically replicated solution that tracks the MSCI Europe Index
- ◆ As we recognize that the cost of investing and its impact on returns is in focus now more than ever, our Fund is the cheapest ETF in the market that offers exposure to large cap stocks in Eurozone



Past performance should not be seen as an indication of future returns.

Source: Bloomberg and HSBC Asset Management, as at June 2023. Market average and TER comparisons have been computed by looking at the TER of the main Europe-domiciled ETFs tracking the same benchmark.

The strength of our ETF



- **Competitive pricing:** Our physically replicated ETF offers cost efficient access to large cap stocks in Eurozone (TER of 0.05%)



- **Dedicated teams:** Our approach leverages our global equity trading team, ensuring on-the-ground expertise and insights



- **Long track record:** Strong track record of close tracking and minimizing costs



- **Proprietary resources:** Robust in-house systems, including proprietary portfolio modelling and risk analytics, designed to support efficient investment processes and aim for superior tracking



- **Enhanced valuations:** Deconstructed alongside the index each day by price, income and corporate action, ensuring we do not miss out on any entitlement that the fund is due

Geographical allocation



■ France (37.33%)	■ Germany (26.02%)
■ Netherlands (13.64%)	■ Spain (6.52%)
■ Italy (4.96%)	■ United States (4.71%)
■ Finland (1.77%)	■ Belgium (1.46%)
■ Ireland (1.19%)	■ Australia (1.02%)
■ Cash and Others (1.4%)	

EETF details

Benchmark	EURO STOXX 50 Net (SX5T)
TER	0.05%
Registration	AT, BE, CH, DE, DK, ES, FI, FR, IE, IT, LU, NL, PT, SE, SG, UK, MX
Listings/Ticker	MX / MXN: <i>Bloomberg</i> –H50N MM
ISIN	IE000MWUQBJ0
Holdings	50
Inception date	05 October 2009
Base currency	EUR
Fund domicile	Ireland
Fund manager	HSBC Global Asset Management (UK) Ltd
AUM	EUR 511.27 million
Replication method	Physical replication
Dividend treatment	Accumulation
SFDR¹	Article 6
SRRI²	6
Investment Horizon	5 years

Source: HSBC Asset Management, as at 30 June 2023.

1. SFDR: EU Sustainable Finance Disclosures Regulation. Art. 6 Product: A financial product which does not integrate sustainability into the investment process.
2. The rating is based on price volatility over the last five years, and is an indicator of absolute risk. Historical data may not be a reliable indication for the future. The scale varies from 1 (least risky) to 7 (most risky). The rating is not guaranteed to remain unchanged and the categorization may shift over time. The lowest rating does not mean a risk-free investment. Do not run any unnecessary risk. Read the Key Investor Information Document.

Key risks

The value of an investment in the portfolios and any income from them can go down as well as up and as with any investment you may not receive back the amount originally invested.

- ◆ **Counterparty risk:** The possibility that the counterparty to a transaction may be unwilling or unable to meet its obligations
- ◆ **Derivatives risk:** Derivatives 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
- ◆ **Exchange rate risk:** Changes in currency exchange rates could reduce or increase investment gains or investment losses, in some cases significantly
- ◆ **Index tracking risk:** 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")
- ◆ **Investment leverage risk:** 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 risk:** Liquidity Risk is the risk that a Fund may encounter difficulties meeting its obligations in respect of financial liabilities that are settled by delivering cash or other financial assets, thereby compromising existing or remaining investors
- ◆ **Operational risk:** Operational risks may subject the Fund to errors affecting transactions, valuation, accounting, and financial reporting, among other things

Further information on the potential risks can be found in the Key Investor Information Document (KIID) and/or the Prospectus of Offering Memorandum.

Important information

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The funds or securities referred to herein are not sponsored, endorsed, or promoted by Stoxx, and Stoxx bears no liability with respect to any such funds or securities or any index on which such funds or securities are based. The Supplement to the Prospectus contains a more detailed description of the limited relationship Stoxx has with HSBC ETFs plc and any related funds.

The value of investments and any income from them can go down as well as up and investors may not get back the amount originally invested. Where overseas investments are held the rate of currency exchange may also cause the value of such investments to fluctuate. Investments in emerging markets are by their nature higher risk and potentially more volatile than those inherent in some established markets. Stock market investments should be viewed as a medium to long term investment and should be held for at least five years. Any performance information shown refers to the past and should not be seen as an indication of future returns.

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