

# HSBC Hang Seng TECH UCITS ETF

## Fund Overview

For Professional Clients only  
January 2021



### The strategy at a glance

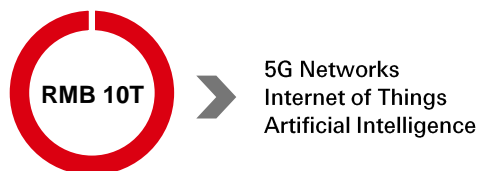
- ◆ China's technology sector has seen explosive growth in recent years, and China now has leading companies in high tech industries including aerospace, robotics and biotech
- ◆ Our HSBC Hang Seng TECH UCITS ETF tracks the innovative Hang Seng TECH Index, comprised of the 30 largest companies listed in Hong Kong which have high exposure to technology themes
- ◆ This ETF offers transparent and cost efficient access to this increasingly important segment, and can be simply added to existing allocations

### Fund snapshot

- ◆ The fund aims to physically replicate the performance of the Hang Seng TECH Index, while aiming to minimise the tracking error between the fund and the index
- ◆ This is achieved through our consistent implementation approach focused on both risk and costs that leverages our experience and proprietary technology

With significant mega trends being intrinsically linked to China's technology industry, and the development of the digital economy, **we believe the growth in China's technology sector is here to stay.**

### China investments in technology 2020-2025



Source: China Centre for Information Industry Development, as of May 2020

### Why consider the HSBC Hang Seng TECH UCITS ETF



**Our expertise in China:** as the leading foreign bank in China, our large footprint and expertise has been built upon a long heritage on investing in Chinese equities. We are the first ETF provider to launch a UCITS product for investors who seek easy access to the Chinese technology market.



**Competitive pricing:** our physically replicated ETF offers a cost efficient access to China's technological revolution (TER of 0.50%).



**Dedicated teams:** our approach leverages our dedicated ETF Capital Markets team and coverage, on hand to help.



**Long track record:** 30+ years experience in managing passive portfolios, with a strong record of close tracking and minimising costs.



**Proprietary resources:** robust in-house systems, including proprietary portfolio modelling and risk analytics, designed to support efficient investment processes.

Any performance information shown refers to the past and should not be seen as an indication of future returns. Any forecast, projection or target where provided is indicative only and not guaranteed in any way. HSBC Global Asset Management (UK) Ltd. accepts no liability for any failure to meet such forecast, projection or target.

Hang Seng TECH Index top holdings

Company Name	Industry	Index Weight
Xiaomi-W	IT	8.64%
JD Health	Healthcare	8.17%
Meituan-W	IT	8.04%
Sunny Optical	Industrials	7.75%
Tencent	IT	7.52%
Baba-SW	IT	7.07%
JD-SW	IT	6.77%
SMIC	IT	6.11%
Ali Health	Healthcare	5.92%
Kingdee International	IT	4.56%
Total weight		70.55%

Source: Hang Seng Indexes Limited, as of December 2020.

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.

- ◆ **Concentration Risk:** The Fund may be concentrated in a limited number of securities, economic sectors and/or countries. As a result, it may be more volatile and have a greater risk of loss than more broadly diversified funds
- ◆ **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
- ◆ **Emerging Markets Risk:** Emerging markets are less established, and often more volatile, than developed markets and involve higher risks, particularly market, liquidity and currency risks.
- ◆ **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

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Fund details

Benchmark	Hang Seng TECH Index (HSTECHN)		
TER	0.50%		
Registration	BE, CH, DE, DK, ES, FI, FR, IE, IT, LU, NL, PT, SE, SG, UK		
Listings / Ticker	London Stock Exchange	Euronext	BI
	HSTE LN (USD)	HSTE FP (EUR)	HSTE IM (EUR)
Listings / Ticker	HSTC LN (GBP)	SIX	Xetra
		HSTE SW (USD)	H4ZX GY (EUR)
ISIN	IE00BMWXKN31		
Inception date	09 December 2020		
Base currency	HKD		
Fund domicile	Ireland		
Fund manager	HSBC Global Asset Management (UK) Ltd		
Replication method	Physical replication		
Dividend treatment/frequency	Accumulation		

Source: HSBC Global Asset Management, as at January 2021.