

HSBC ETFs PLC

HSBC BLOOMBERG GLOBAL SUSTAINABLE AGGREGATE 1-3 YEAR BOND UCITS ETF

Monthly report 29 February 2024 | HAGG LN | USD



Investment objective

The Fund aims to track as closely as possible the returns of the Bloomberg MSCI Global Aggregate 1-3 SRI Carbon ESG-Weighted Index (the Index). The Fund will invest in, or gain exposure to bonds issued by sovereign which make up the Index. The Fund qualifies under Article 8 of SFDR.



Investment strategy

The Index is a subset of the Bloomberg Global Aggregate 1-3 Year Index (the Parent Index), and is made up of investment grade, fixed-rate bonds maturing in 1 to 3 years from both developed and emerging markets issuers, as defined by the index provider. The Index seeks to achieve a reduction in carbon emissions and an improvement in the MSCI environmental, social and/or governance (ESG) rating against that of its Parent Index. The Index identifies securities based on sustainability exclusionary criteria include: issuers involved in business activities, such as, alcohol, gambling, civilian firearms, fossil fuels, controversial weapons, and revenue from thermal coal. The Fund is passively managed and utilises an investment technique called optimisation. The Fund may invest up to 30% in total return swaps, up to 30% in securities traded on the CIBM and may invest up to 10% in other funds, including HSBC funds. See the Prospectus for a full description of the investment objectives and derivative usage.



Main risks

- The Fund invests in bonds whose value generally falls when interest rates rise. This risk is typically greater the longer the maturity of a bond investment and the higher its credit quality. The issuers of certain bonds, could become unwilling or unable to make payments on their bonds and default. Bonds that are in default may become hard to sell or worthless.
- 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 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.

Share class details

Key metrics

NAV per share	USD 10.20
Performance 1 month	-0.79%
Yield to maturity	3.82%

Fund facts

UCITS V compliant	Yes
UK reporting fund status (UKRS)	Yes
ISA eligible	Yes
Dividend treatment	Accumulating
Dealing frequency	Daily
Fund base currency	USD
Currency Hedged	Not Hedged
Valuation time	23:00 Ireland
Share class base currency	USD
Domicile	Ireland
Inception date	13 January 2022
Fund size	USD 92,498,415
Reference benchmark	100% Bloomberg MSCI Global Aggregate 1-3 SRI Carbon ESG-Weighted Index
Managers	Sebastien Faucher Amnita Sanyal Richard Jenkins

Fees and expenses

Minimum initial investment ¹	USD 1
Ongoing charge figure ²	0.180%

Codes

ISIN	IE000XGNMWE1
Bloomberg ticker	HAGG LN
SEDOL	BP6QOZ3

¹Please note that initial minimum subscription may vary across different distributors

²Ongoing 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.

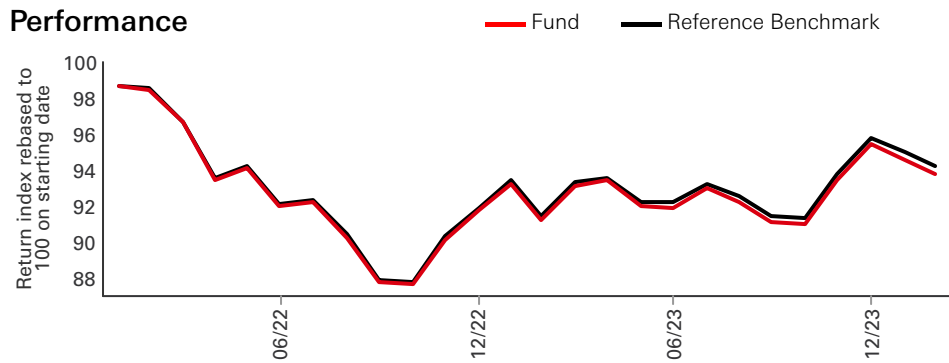
Past performance does not predict future returns. The figures are calculated in the share class base currency, dividend reinvested, net of fees.

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 29 February 2024

Performance



Performance (%)	YTD	1 month	3 months	6 months	1 year	3 years ann	5 years ann	Since inception ann
Fund	-1.67	-0.79	0.43	1.71	2.86	--	--	-2.93
Reference Benchmark	-1.61	-0.76	0.51	1.84	3.09	--	--	-2.72

Rolling performance (%)	28/02/23-29/02/24	28/02/22-28/02/23	28/02/21-28/02/22	29/02/20-28/02/21	28/02/19-29/02/20
Fund	2.86	-7.41	--	--	--
Reference Benchmark	3.09	-7.22	--	--	--

Carbon footprint	Fund	Broad Market Index	MSCI ESG Score	ESG score	E	S	G
Carbon intensity emissions	207.89	274.97	Fund	6.5	5.6	6.7	6.3
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	6.0	5.2	6.6	6.0

3-Year Risk Measures	Fund	Reference Benchmark	5-Year Risk Measures	Fund	Reference Benchmark
Volatility	--	--	Volatility	--	--
Sharpe ratio	--	--	Sharpe ratio	--	--
Tracking error	--	--	Tracking error	--	--
Information ratio	--	--	Information ratio	--	--

Fixed Income Characteristics	Fund	Reference Benchmark	Relative
No. of holdings ex cash	354	6,320	--
Average coupon rate	2.38	2.18	0.19
Yield to worst	3.78%	3.80%	-0.03%
Option adjusted duration	1.85	1.86	-0.01
Modified duration to worst	1.85	1.86	-0.01
Option adjusted spread duration	1.86	1.88	-0.02
Average maturity	1.94	1.94	0.00
Rating average	AA/AA-	AA/AA-	--

Credit rating (%)	Fund	Reference Benchmark	Relative	Maturity Breakdown (Option adjusted duration)	Fund	Reference Benchmark	Relative
AAA	19.66	17.32	2.35	0 - 6months	0.00	0.00	0.00
AA	42.23	45.19	-2.97	6months - 1 years	0.00	0.00	0.00
A	28.26	26.76	1.50	1 years - 1.5 years	0.26	0.30	-0.04
BBB	9.42	10.73	-1.31	1.5 years - 2 years	0.57	0.49	0.08
Cash	0.44	--	0.44	2 years - 2.5 years	0.52	0.47	0.05
				2.5 years - 4 years	0.50	0.59	-0.10
				Total	1.85	1.86	-0.01

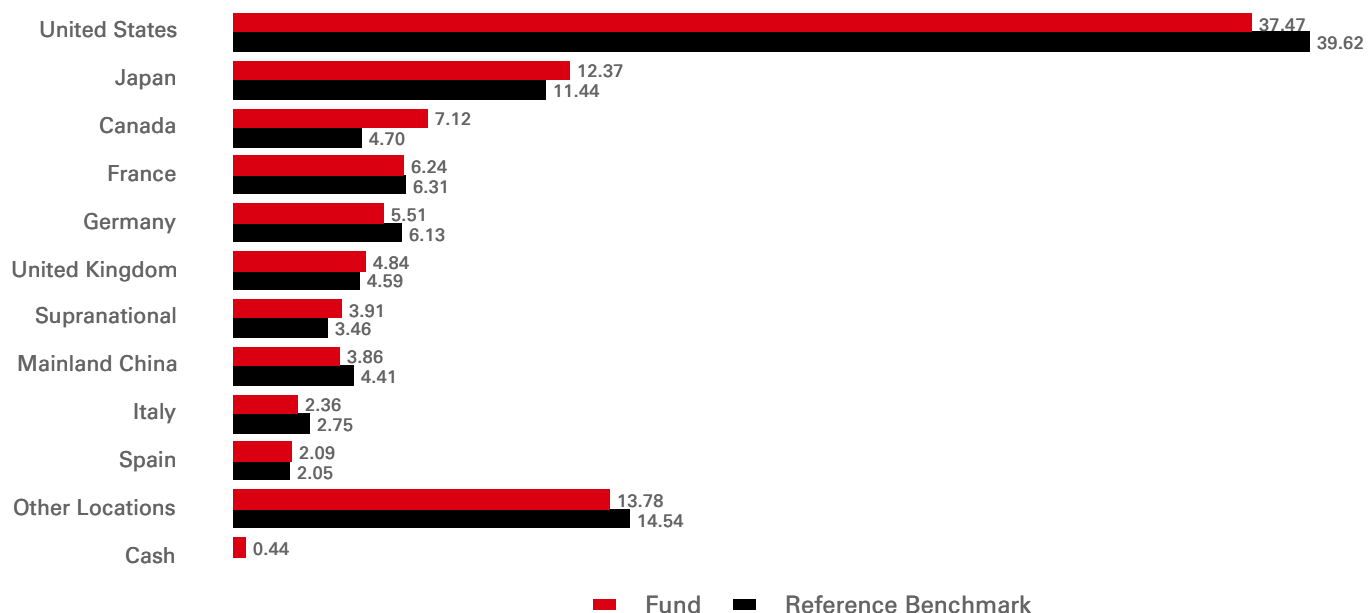
Past performance does not predict future returns. The figures are calculated in the share class base currency, dividend reinvested, net of fees.

Broad Market Index: Bloomberg Global Agg 1-3 Year Total Return Index

Source: HSBC Asset Management, data as at 29 February 2024

Currency Allocation (%)	Fund	Reference Benchmark	Relative
USD	46.76	46.75	0.01
EUR	23.74	23.72	0.02
JPY	10.73	10.72	0.01
GBP	4.41	4.40	0.00
CNY	3.88	3.88	0.00
CAD	3.16	3.19	-0.03
KRW	1.73	1.74	-0.01
AUD	1.54	1.53	0.01
SEK	0.83	0.83	0.00
CHF	0.48	0.48	0.00
Other Currencies	2.75	2.76	-0.01

Geographical allocation (%)



Sector allocation (%)	Fund	Reference Benchmark	Relative
Treasuries	64.10	64.55	-0.45
Financial Institutions	11.18	11.20	-0.02
Covered	5.15	3.71	1.44
Agencies	4.68	5.41	-0.73
Supranational	3.91	3.44	0.47
LOCAL AUTHORITY	2.47	2.53	-0.06
Consumer Non cyclical	1.74	1.80	-0.06
Technology	1.53	1.11	0.42
Consumer Cyclical	1.39	1.40	-0.01
Communications	0.98	0.92	0.06
Other Sectors	2.43	3.94	-1.51
Cash	0.44	--	0.44

Top 10 holdings	Weight (%)
JAPAN GOVT 5-YR 0.005 20/12/26	1.36
JAPAN GOVT 5-YR 0.005 20/06/26	1.16
US TREASURY N/B 0.250 31/07/25	1.01
US TREASURY N/B 3.000 15/07/25	0.95
US TREASURY N/B 4.000 15/12/25	0.91
US TREASURY N/B 4.500 15/11/25	0.87
JAPAN GOVT 5-YR 0.005 20/09/26	0.86
US TREASURY N/B 3.000 30/09/25	0.85
JAPAN GOVT 5-YR 0.100 20/09/25	0.83
US TREASURY N/B 4.500 15/07/26	0.81

Exchange name	Listing date	Trading currency	Trading hours	Bloomberg ticker	Reuters RIC	iNAV Bloomberg	iNAV Reuters
LONDON STOCK EXCHANGE	14 Jan 2022	USD	08:00 - 16:30	HAGG LN	HAGG.L	HAGUSDIV	HAGGUSDINA V=SOLA
LONDON STOCK EXCHANGE	14 Jan 2022	GBP	08:00 - 16:30	HAGS LN	HAGS.L	HAGGBPIV	HAGSGBPINAV =SOLA
NYSE EURONEXT - EURONEXT PARIS	14 Jan 2022	EUR	09:00 - 17:30	HAGG FP	HAGG.PA	HAGEURIV	HAGGEURINAV =SOLA
BORSA ITALIANA SPA	18 Jan 2022	EUR	09:00 - 17:35	HAGG IM	HAGG.MI	HAGEURIV	HAGGEURINAV =SOLA
DEUTSCHE BOERSE AG-XETRA	18 Jan 2022	EUR	09:00 - 17:30	HGGA GY	HGGA.DE	HAGEURIV	HAGGEURINAV =SOLA
SIX SWISS EXCHANGE		USD	--	HAGG SW	HAGG.S	HAGUSDIV	HAGGUSDINA V=SOLA

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)
ELV 4.9 02/08/26	0.62	SVEGNO 0.01 11/11/26 EMTN	0.06
SYF 4.875 06/13/25	0.64	SBAB 0.125 08/27/26 EMTN	0.06
NDAFH 1 04/01/25 CC2	0.65	SBAB 0.5 06/11/25 146	0.06
NDAFH V4.375 09/06/26 EMTN	0.65	LBPSFH 0.5 01/30/26 EMTN	0.08
ALDFP 4.375 11/23/26	0.71	CNPFP V4.25 06/05/45	0.08
AXASA V6.6862 PERP EMTN	0.77	FRLBP 0.25 07/12/26 EMTN	0.08
MET 4.05 08/25/25 144A	0.88	FRPTT 0.625 10/21/26 EMTN	0.08
PBBGR 0.25 01/17/25 EMTN	0.95	SRBANK 0.01 10/08/26 EMTN	0.09
SHBASS 0.5 06/01/26 1591	1.28	SRBANK 0.25 11/09/26 EMTN	0.09
SHBASS 3.75 05/05/26 EMTN	1.28	JUSTLN V7 04/15/31	0.11

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)
FE 5.15 03/30/26 144A	1,419.50	NTPCIN 2.75 02/01/27 EMTN	17,616.66
ENBCN 2.5 02/14/25	508.37	KALLPA 4.875 05/24/26 REGS	7,276.37
UNP 4.75 02/21/26 .	382.06	CPXCN 4.986 01/23/26 MTN	7,088.87
NGGLN 2.179 06/30/26 emtn	329.48	VST 3.7 01/30/27 144A	6,920.55
EJRAIL 2.614 09/08/25 EMTN	174.03	GDHJIN 1.875 06/23/25	6,812.49
ANNGR 1.375 01/28/26 EMTN	101.01	CNL 3.743 05/01/26	5,516.85
INTC 4.875 02/10/26	78.03	GZGETH 2.85 01/19/27	5,485.99
NESNVX 1.625 11/07/25	58.91	HKE 2.875 05/03/26 EMTN	4,913.81
NESNVX 5.25 03/13/26 144A	58.91	EVRG 3.65 08/15/25	4,775.06
NESNVX 0 12/03/25	58.91	EVRG 2.55 07/01/26	4,775.06

Risk disclosures

- 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.

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HSBC Asset Management

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Glossary



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Source: HSBC Asset Management, data as at 29 February 2024

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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 (KIID) 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>