

HSBC ETFs PLC

HSBC JAPAN SUSTAINABLE EQUITY UCITS ETF

Monthly report 31 March 2024 | HSJD FP | USD

Investors should note that, relative to the expectations of the Autorité des Marchés Financiers, this UCITS presents disproportionate communication on the consideration of non-financial criteria in its investment policy.



Investment objective

The Fund aims to track as closely as possible the returns of the FTSE Japan 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 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 Parent Index. It excludes shares of companies with exposure to: tobacco, thermal coal extraction, electricity generation, gambling, adult entertainment and controversial weapons. The Index also applies, among others, 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.

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 Fund's unit value can go up as well as down, and any capital invested in the Fund may be at risk.
- 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.
- 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").

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 17.70
Performance 1 month	2.95%
Tracking error 3 years	0.07%

Fund facts

UCITS V compliant	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	17,355,930
Fund Size	USD 346,262,969
Reference benchmark	100% FTSE Japan 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	0.180%
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Codes

ISIN	IE00BKY55S33
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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.

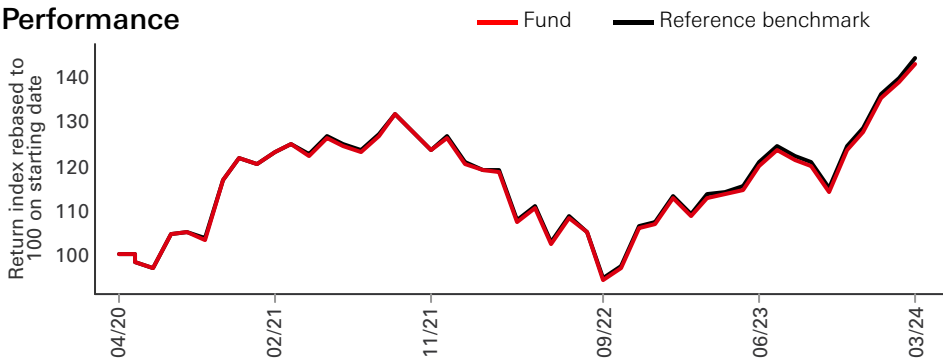
Past performance does not predict future returns. Future returns will depend inter alia on market developments, the fund manager's skill, the fund's level risk and management costs and if applicable subscription and redemption costs. The return, the value of money invested in the fund may become negative as a result of price losses and currency fluctuations. There is no guarantee that all of your invested capital can be redeemed. Unless stated otherwise, inflation is not taken into account.

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 March 2024

Performance



Performance (%)	Year to date	1 month	3 months	6 months	1 year	3 years ann	5 years ann	Since inception ann
Fund	11.93	2.95	11.93	19.03	26.59	4.63	--	9.79
Reference benchmark	11.99	2.97	11.99	19.13	26.84	4.84	--	9.99
Tracking difference	-0.06	-0.02	-0.06	-0.10	-0.25	-0.21	--	-0.20
Tracking error	--	--	--	--	0.07	0.07	--	0.08

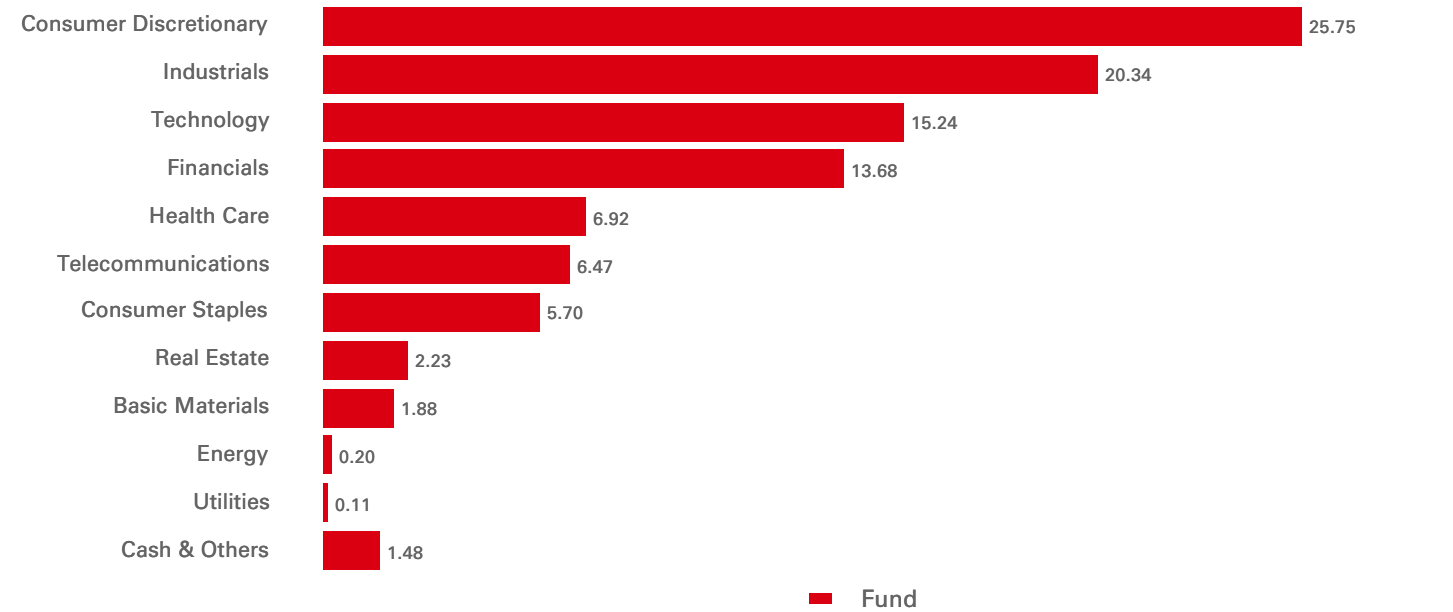
Calendar year performance (%)	2019	2020	2021	2022	2023
Fund	--	--	3.86	-15.24	19.41
Reference benchmark	--	--	4.09	-15.11	19.64

Carbon footprint	Fund	Broad Market Index	FTSE ESG Score	ESG score	E	S	G
Carbon intensity emissions	41.06	85.15	Fund	4.3	4.2	4.4	4.3
Carbon Intensity measures the quantity of carbon emission of a company (tonnes CO ² e/USD million) Source of analytics: Trucost			Broad Market Index	3.6	3.5	3.7	3.8

Equity characteristics	Fund	Reference benchmark
No. of holdings ex cash	260	261
Average Market Cap (USD Mil)	92,276	92,259
Price/earning ratio	14.28	14.28

Benchmark Information	
Index name	100% FTSE Japan ESG Low Carbon Select Index
Index currency	USD
Index Rebalancing Frequency	Annually
TR Index Bloomberg Ticker	ELCJPNN
TR Index Reuters RIC	.TFTELCJPNNU

Sector Allocation (%)



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Broad Market Index: FTSE Japan
Source: HSBC Asset Management, data as at 31 March 2024

Top 10 Holdings	Sector	Weight (%)
Toyota Motor Corp	Consumer Discretionary	11.62
Mizuho Financial Group Inc	Financials	5.36
ITOCHU Corp	Industrials	5.24
SoftBank Group Corp	Telecommunications	4.96
Sony Group Corp	Consumer Discretionary	4.26
Sumitomo Mitsui Financial Grou	Financials	4.16
Mitsui & Co Ltd	Industrials	3.05
Seven & i Holdings Co Ltd	Consumer Staples	2.73
NEC Corp	Technology	2.69
Daiichi Sankyo Co Ltd	Health Care	2.60

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	HSJD LN	HSJD.L		HSJUSDIV	HSJDUSDINAV =SOLA
LONDON STOCK EXCHANGE	05 Jun 2020	GBP	08:00 - 16:30	HSJP LN	HSJP.L		HSJPGBIV	HSJPGBPINAV =SOLA
NYSE EURONEXT - EURONEXT PARIS	29 Jun 2020	EUR	09:00 - 17:30	HSJD FP	HSJP.PA		HSJEURIV	HSJDEURINAV =SOLA
BORSA ITALIANA SPA	06 Jul 2020	EUR	09:00 - 17:35	HSJD IM	HSJD. MI		HSJEURIV	HSJDEURINAV =SOLA
DEUTSCHE BOERSE AG-XETRA	15 Jul 2020	EUR	09:00 - 17:30	XU8Z GY	XU8Z.DE		HSJEURIV	HSJDEURINAV =SOLA
SIX SWISS EXCHANGE	02 Sep 2020	USD	09:00 - 17:30	HSJD SW	HSJD.S		HSJUSDIV	HSJDUSDINAV =SOLA
BOLSA INSTITUCIONAL DE VALORES	22 Sep 2020	MXN	--	HSJDN MM	HSJD.BIV	--	--	--

Emissions from reserves (mn tonnes/ USDmn)	Fund	Broad Market Index
Emissions from reserves/market cap	171.62373	350.33478

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)
OPEN HOUSE GROUP CO LTD	0.84	OPEN HOUSE GROUP CO LTD	0.84
FUYO GENERAL LEASE CO LTD	0.91	FUYO GENERAL LEASE CO LTD	0.91
TOKIO MARINE HOLDINGS INC	1.22	MITSUBISHI HC CAPITAL INC	1.04
DAI-ICHI LIFE HOLDINGS INC	1.61	TOKIO MARINE HOLDINGS INC	1.22
RECRUIT HOLDINGS CO LTD	1.65	SEVEN BANK LTD	1.48
MS&AD INSURANCE GROUP HOLDIN	1.76	DAI-ICHI LIFE HOLDINGS INC	1.61
JAPAN POST INSURANCE CO LTD	1.88	RECRUIT HOLDINGS CO LTD	1.65
SHIZUOKA FINANCIAL GROUP INC	1.94	MS&AD INSURANCE GROUP HOLDIN	1.76
JAPAN POST BANK CO LTD	2.87	MERCARI INC	1.77
T&D HOLDINGS INC	3.18	JAPAN POST INSURANCE CO LTD	1.88

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)
UBE CORP	2,129.29	ELECTRIC POWER DEVELOPMENT C	4,977.84
NIPPON STEEL CORP	1,725.28	TAIHEIYO CEMENT CORP	3,603.20
JFE HOLDINGS INC	1,532.73	UBE CORP	2,129.29
JAPAN AIRLINES CO LTD	1,055.72	CHUGOKU ELECTRIC POWER CO	1,827.87
TOSOH CORP	1,015.21	TOHOKU ELECTRIC POWER CO INC	1,750.92
KAWASAKI KISEN KAISHA LTD	983.56	NIPPON STEEL CORP	1,725.28
TOKAI CARBON CO LTD	952.43	YAMATO KOGYO CO LTD	1,699.14
MITSUI OSK LINES LTD	900.00	SHIKOKU ELECTRIC POWER CO	1,691.53
ANA HOLDINGS INC	871.92	JFE HOLDINGS INC	1,532.73
KOBE STEEL LTD	869.93	KYUSHU ELECTRIC POWER CO INC	1,142.18

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 Japan
 Source: HSBC Asset Management, data as at 31 March 2024

MSCI ESG Score	ESG score	E	S	G
Fund	7.8	6.3	5.8	5.8
Broad Market Index	7.1	6.0	5.5	5.5

ESG score for ten highest holdings by weight

Fund	Weight	ESG score	E	S	G	Carbon intensity emissions
TOYOTA MOTOR CORP	11.617%	4.3	4.7	4.0	4.0	23.5
MIZUHO FINANCIAL GROUP INC	5.356%	4.6	4.0	5.0	4.8	11.1
ITOCHU CORP	5.242%	4.7	5.0	4.6	4.5	20.7
SONY GROUP CORP	4.265%	4.3	4.3	4.0	4.5	14.1
SUMITOMO MITSUI FINANCIAL GR	4.163%	4.4	4.0	4.7	4.4	7.2
SOFTBANK CORP	3.608%	4.6	4.1	4.8	5.0	18.5
mitsui & co ltd	3.051%	4.4	4.3	4.2	4.8	40.0
SEVEN & I HOLDINGS CO LTD	2.725%	4.5	4.1	4.7	4.7	44.4
NEC CORP	2.693%	4.7	4.6	4.8	4.8	13.3
DAIICHI SANKYO CO LTD	2.600%	4.3	4.0	4.7	4.3	21.8

Broad Market Index	Weight	ESG score	E	S	G	Carbon intensity emissions
TOYOTA MOTOR CORP	6.441%	4.3	4.7	4.0	4.0	23.5
TOKYO ELECTRON LTD	2.470%	3.8	3.4	4.0	4.0	9.8
MITSUBISHI UFJ FINANCIAL GRO	2.464%	3.9	3.0	4.7	3.9	9.1
SONY GROUP CORP	2.277%	4.3	4.3	4.0	4.5	14.1
KEYENCE CORP	1.926%	2.5	2.3	2.6	2.7	23.5
MITSUBISHI CORP	1.876%	4.2	3.9	4.6	3.9	152.8
SHIN-ETSU CHEMICAL CO LTD	1.785%	3.7	3.8	3.5	3.7	333.3
HITACHI LTD	1.750%	3.8	4.0	3.5	4.0	48.0
SUMITOMO MITSUI FINANCIAL GR	1.588%	4.4	4.0	4.7	4.4	7.2
MITSUI & CO LTD	1.471%	4.4	4.3	4.2	4.8	40.0

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Source of analytics: Trucost / HSBC
 Broad Market Index: FTSE Japan
 Source: HSBC Asset Management, data as at 31 March 2024

ESG score for ten lowest holdings by weight

Fund	Weight	ESG score	E	S	G	Carbon intensity emissions
SUMITOMO PHARMA CO LTD	0.003%	3.8	3.6	4.0	3.7	24.8
ORIX JREIT INC	0.005%	3.2	2.9	4.0	3.0	66.3
HAMAMATSU PHOTONICS KK	0.005%	0.0	0.0	0.0	0.0	34.4
SOCIONEXT INC	0.005%	0.0	0.0	0.0	0.0	75.6
DAIWA HOUSE REIT INVESTMENT	0.005%	3.2	2.4	3.4	4.0	52.3
NS SOLUTIONS CORP	0.005%	3.5	3.0	3.7	4.0	21.2
NIPPON BUILDING FUND INC	0.006%	3.1	2.9	3.4	3.0	38.8
BENESSE HOLDINGS INC	0.006%	4.2	3.5	4.4	4.5	29.3
ALPS ALPINE CO LTD	0.006%	3.4	3.3	3.6	3.3	35.4
MORINAGA & CO LTD	0.006%	3.5	3.6	3.4	3.6	54.4

Broad Market Index	Weight	ESG score	E	S	G	Carbon intensity emissions
BENESSE HOLDINGS INC	0.004%	4.2	3.5	4.4	4.5	29.3
BENEFIT ONE INC	0.005%	0.9	0.0	0.4	2.5	15.8
ORIENT CORP	0.009%	1.9	2.0	1.2	2.3	6.4
SUMITOMO PHARMA CO LTD	0.009%	3.8	3.6	4.0	3.7	24.8
AZ-COM MARUWA HOLDINGS INC	0.010%	1.5	1.1	1.6	2.0	38.8
NOEVIR HOLDING CO	0.011%	1.3	1.1	0.8	2.1	16.1
MENICON CO LTD	0.011%	2.6	2.0	2.4	3.5	31.2
MATSUI SECURITIES CO LTD	0.012%	1.6	1.0	1.0	2.6	5.6
FUJI MEDIA HOLDINGS INC	0.012%	1.3	1.2	1.0	1.9	16.0
ASKUL CORP	0.013%	3.0	2.8	2.3	4.0	7.7

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 Source of analytics: Trucost / HSBC
 Broad Market Index: FTSE Japan
 Source: HSBC Asset Management, data as at 31 March 2024

Risk Disclosure

- 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.

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

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Glossary



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https://www.assetmanagement.hsbc.nl/-/media/files/attachments/benelux/netherlands/traitement_reclamation_amfr_eng.pdf

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The 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. Affiliated companies of HSBC Global Asset Management (UK) Limited may make markets in HSBC ETFs plc. UK based investors are advised 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 UK by the Financial Conduct Authority under section 264 of the Act. The shares in the company 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. Investors and potential investors should read and note the risk warnings in the prospectus, relevant KID 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 Information Document (PRIIPs KID) are available in the local language where they are registered.

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Further Information can be found in the prospectus.

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>