

HSBC ETFs PLC

HSBC MSCI JAPAN CLIMATE PARIS ALIGNED UCITS ETF

Monthly report 31 May 2024 | HPJS LN | USD


Investment objective

The Fund aims to track as closely as possible the returns of the MSCI Japan Climate Paris Aligned 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 is a subset of the MSCI Japan Index (the Parent Index) and made up of shares of large and mid-sized companies (as measured by the market value of their shares) of the Japanese markets, as defined by the Index Provider. The Index is designed to support investors seeking to pursue opportunities arising from the transition to a lower-carbon economy while aligning with the Paris Agreement requirements. It excludes shares of companies with exposure to controversial weapons, ESG controversies, tobacco, environmental harm, thermal coal mining, oil and gas, and power generation. The Fund is passively managed and aims to invest in the shares of the companies in generally the same proportion as in the Index. The Fund may invest up to up to 35% of its assets in securities from a single issuer during exceptional market conditions, up to 10% in other funds, up to 10% in total return swaps and up to 5% of its assets in 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 14.32
Performance 1 month	-0.28%

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	10 November 2021
Shares outstanding	685,000
Fund size	USD 9,811,955
Reference benchmark	100% MSCI Japan Climate Paris Aligned 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	IE000UU299V4
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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.

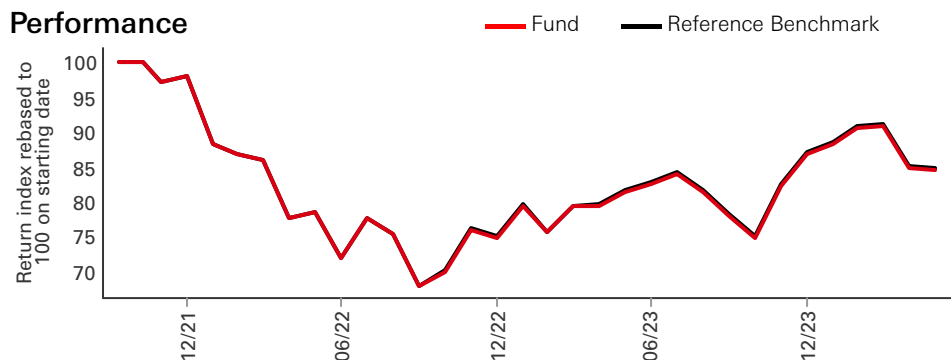
Past performance is not an indicator of future returns. The figures are calculated in the share class base currency, dividend reinvested, net of fees.

This is a marketing communication. Please refer to the prospectus and to the KIID 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



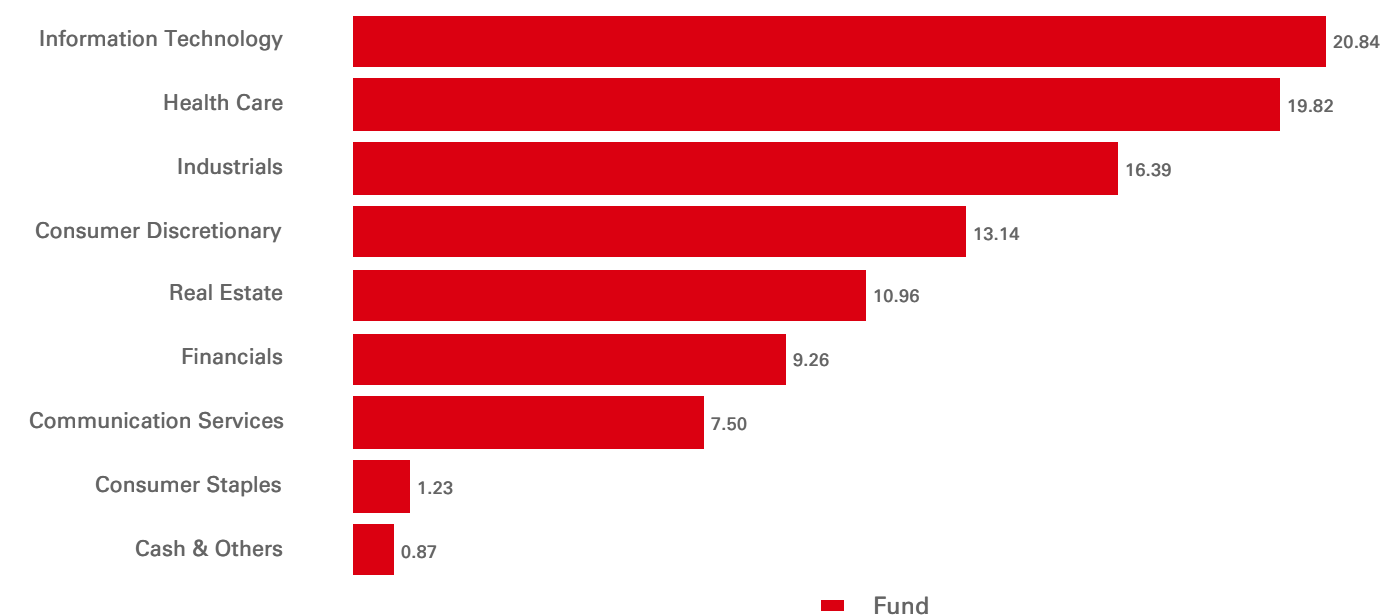
Performance (%)	YTD	1 month	3 months	6 months	1 year	3 years ann	5 years ann	Since inception ann
Fund	-2.40	-0.28	-6.49	2.93	3.92	--	--	-6.29
Reference Benchmark	-2.41	-0.25	-6.49	2.95	4.01	--	--	-6.17
Tracking difference	0.01	-0.03	0.00	-0.02	-0.09	--	--	-0.12
Tracking error	--	--	--	--	0.09	--	--	0.08

Calendar year performance (%)	2019	2020	2021	2022	2023
Fund	--	--	--	-23.74	15.84
Reference Benchmark	--	--	--	-23.65	16.08

Carbon footprint	Fund	Broad Market Index	MSCI ESG Score	ESG score	E	S	G
Carbon intensity emissions	33.98	71.00	Fund	7.3	6.5	5.5	5.7
Carbon Intensity measures the quantity of carbon emission of a company (tonnes CO ₂ e/USD million)			Broad Market Index	7.3	6.1	5.5	5.7
Source of analytics: Trucost							

Equity characteristics	Fund	Reference Benchmark	Benchmark information
No. of holdings ex cash	69	98	Index name
Average market cap (USD Mil)	51,953	51,954	Index currency
Price/earning ratio	20.07	20.07	TR Index Bloomberg Ticker
			TR Index Reuters RIC

Sector allocation (%)



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

Broad Market Index: MSCI Japan

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

Top 10 holdings	Sector	Weight (%)
Keyence Corp	Information Technology	4.18
Sony Group Corp	Consumer Discretionary	4.17
Toyota Motor Corp	Consumer Discretionary	4.09
Daiichi Sankyo Co Ltd	Health Care	3.76
Fast Retailing Co Ltd	Consumer Discretionary	2.92
SoftBank Group Corp	Communication Services	2.85
Tokio Marine Holdings Inc	Financials	2.64
FANUC Corp	Industrials	2.62
Hoya Corp	Health Care	2.58
Astellas Pharma Inc	Health Care	2.53

Exchange name	Listing date	Trading currency	Trading hours	Bloomberg ticker	Reuters RIC	iNAV Bloomberg	iNAV Reuters
LONDON STOCK EXCHANGE	11 Nov 2021	USD	08:00 - 16:30	HPJP LN	HPJP.L	HPJUSDIV	HPJPUSDINAV =SOLA
LONDON STOCK EXCHANGE	11 Nov 2021	GBP	08:00 - 16:30	HPJS LN	HPJS.L	HPJSGBIV	HPJSGBPINAV =SOLA
NYSE EURONEXT - EURONEXT PARIS	12 Nov 2021	EUR	09:00 - 17:30	HPJP FP	HPJP.PA	HPJEURIV	HPJPEURINAV =SOLA
SIX SWISS EXCHANGE	24 Nov 2021	USD	09:00 - 17:30	HPJP SW	HPJPS	HPJUSDIV	HPJPUSDINAV =SOLA
BORSA ITALIANA SPA	30 Nov 2021	EUR	09:00 - 17:35	HPJP IM	HPJP.MI	HPJEURIV	HPJPEURINAV =SOLA
DEUTSCHE BOERSE AG-XETRA	23 Nov 2021	EUR	09:00 - 17:30	HJAP GY	HJAP.DE	HPJEURIV	HPJPEURINAV =SOLA

Emissions from reserves (mn tonnes/ USDmn)	Fund	Broad Market Index
Emissions from reserves/market cap	0.00000	425.19249

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)
TOKIO MARINE HOLDINGS INC	1.22	JAPAN POST INSURANCE CO LTD	0.53
RECRUIT HOLDINGS CO LTD	1.65	mitsubishi hc capital inc	1.04
SHIZUOKA FINANCIAL GROUP INC	1.94	TOKIO MARINE HOLDINGS INC	1.22
JAPAN POST BANK CO LTD	2.87	DAI-ICHI LIFE HOLDINGS INC	1.61
NOMURA HOLDINGS INC	3.78	RECRUIT HOLDINGS CO LTD	1.65
OBIC CO LTD	5.53	MS&AD INSURANCE GROUP HOLDIN	1.76
DAIWA SECURITIES GROUP INC	5.83	SHIZUOKA FINANCIAL GROUP INC	1.94
SBI HOLDINGS INC	6.91	HIKARI TSUSHIN INC	2.01
ZOZO INC	7.09	JAPAN POST BANK CO LTD	2.87
SUMITOMO MITSUI FINANCIAL GR	7.16	OTSUKA CORP	3.14

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)
CENTRAL JAPAN RAILWAY CO	196.81	NIPPON STEEL CORP	1,725.28
EAST JAPAN RAILWAY CO	174.03	JFE HOLDINGS INC	1,532.73
HOYA CORP	92.52	JAPAN AIRLINES CO LTD	1,055.72
LASERTEC CORP	91.42	KAWASAKI KISEN KAISHA LTD	983.56
MURATA MANUFACTURING CO LTD	88.20	KANSAI ELECTRIC POWER CO INC	937.00
UNICHARM CORP	84.52	MITSUI OSK LINES LTD	900.00
RENESAS ELECTRONICS CORP	81.25	ANA HOLDINGS INC	871.92
KEISEI ELECTRIC RAILWAY CO	80.86	AGC INC	715.75
JAPAN REAL ESTATE INVESTMENT	67.46	NIPPON YUSEN KK	678.21
ORIENTAL LAND CO LTD	61.23	NIPPON SANZO HOLDINGS CORP	623.28

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: MSCI Japan

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
KEYENCE CORP	4.177%	5.3	2.7	7.0	3.0	23.5
SONY GROUP CORP	4.166%	10.0	8.4	5.3	8.1	14.1
TOYOTA MOTOR CORP	4.090%	5.9	6.6	4.1	3.1	23.5
DAIICHI SANKYO CO LTD	3.757%	8.0	4.8	4.7	7.6	21.8
FAST RETAILING CO LTD	2.923%	8.3	7.5	5.6	6.1	19.8
TOKIO MARINE HOLDINGS INC	2.642%	8.3	7.3	5.8	5.2	1.2
FANUC CORP	2.616%	10.0	6.7	7.0	7.6	26.2
HOYA CORP	2.581%	10.0	8.5	6.2	7.7	92.5
ASTELLAS PHARMA INC	2.526%	8.4	6.6	4.3	7.3	15.1
CENTRAL JAPAN RAILWAY CO	2.461%	6.5	5.4	6.0	3.7	196.8

Broad Market Index	Weight	ESG score	E	S	G	Carbon intensity emissions
TOYOTA MOTOR CORP	6.056%	5.9	6.6	4.1	3.1	23.5
MITSUBISHI UFJ FINANCIAL GRO	3.091%	6.4	4.4	5.4	4.6	9.1
SONY GROUP CORP	2.704%	10.0	8.4	5.3	8.1	14.1
TOKYO ELECTRON LTD	2.663%	8.4	3.0	8.1	6.6	9.8
HITACHI LTD	2.514%	8.2	5.2	2.4	7.5	48.0
KEYENCE CORP	2.309%	5.3	2.7	7.0	3.0	23.5
SUMITOMO MITSUI FINANCIAL GR	2.162%	7.4	5.3	5.5	5.4	7.2
RECRUIT HOLDINGS CO LTD	1.982%	7.3	10.0	5.9	6.3	1.7
MITSUBISHI CORP	1.854%	6.8	5.8	6.4	6.1	152.8
SHIN-ETSU CHEMICAL CO LTD	1.771%	6.0	5.7	3.8	5.4	333.3

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Source of analytics: Trucost / HSBC

Broad Market Index: MSCI Japan

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
ZOZO INC	0.051%	8.3	10.0	5.6	6.2	7.1
SUMITOMO MITSUI FINANCIAL GR	0.087%	7.4	5.3	5.5	5.4	7.2
KOBE BUSSAN CO LTD	0.104%	5.5	1.3	5.3	4.8	42.5
NTT DATA GROUP CORP	0.145%	6.7	7.6	4.2	4.7	7.7
TOHO CO LTD	0.188%	3.3	6.0	5.5	2.0	30.9
RAKUTEN GROUP INC	0.202%	7.8	9.6	6.0	5.7	22.8
SHIZUOKA FINANCIAL GROUP INC	0.209%	4.8	2.9	4.7	4.2	1.9
M3 INC	0.239%	1.9	8.0	4.3	4.5	17.8
DENTSU GROUP INC	0.246%	5.6	10.0	4.4	5.4	15.5
TREND MICRO INC	0.268%	6.7	8.0	5.3	5.0	8.0

Broad Market Index	Weight	ESG score	E	S	G	Carbon intensity emissions
JAPAN AIRLINES CO LTD	0.064%	6.3	5.5	4.9	4.4	1,055.7
MONOTARO CO LTD	0.070%	6.6	3.8	7.1	7.0	37.3
ORACLE CORP JAPAN	0.072%	6.4	6.0	6.3	3.8	11.1
KOITO MANUFACTURING CO LTD	0.075%	4.7	4.2	5.2	3.5	27.3
NOMURA REAL ESTATE HOLDINGS	0.075%	6.2	4.5	6.1	5.5	23.2
YAMATO HOLDINGS CO LTD	0.076%	8.0	8.5	4.5	7.5	58.1
HITACHI CONSTRUCTION MACHINE	0.077%	8.2	5.3	6.4	4.5	30.4
HIKARI TSUSHIN INC	0.078%	4.9	3.4	5.0	3.7	2.0
SCSK CORP	0.078%	7.6	6.0	5.4	5.3	18.6
ANA HOLDINGS INC	0.080%	8.4	6.4	5.6	4.9	871.9

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Source of analytics: Trucost / HSBC

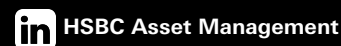
Broad Market Index: MSCI Japan

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

Risk disclosures

- 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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Glossary



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

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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>