

HSBC ETFs PLC

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

Marketing communication | Monthly report 31 October 2024 | HAGS 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's unit value can go up as well as down, and any capital invested in the Fund may be at risk.
- 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").

Share class details
Key metrics

NAV per share	USD 10.49
Performance 1 month	-2.24%
Yield to maturity	3.35%

Fund facts

UCITS V compliant	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 84,787,821
Reference benchmark	100% Bloomberg MSCI Global Aggregate 1-3 SRI Carbon ESG-Weighted Index

Managers	Sebastien Faucher Amnita Sanyal Richard Jenkins
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Fees and expenses

Ongoing charge figure ¹	0.180%
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Codes

ISIN	IE000XGNMWE1
Bloomberg ticker	HAGG LN

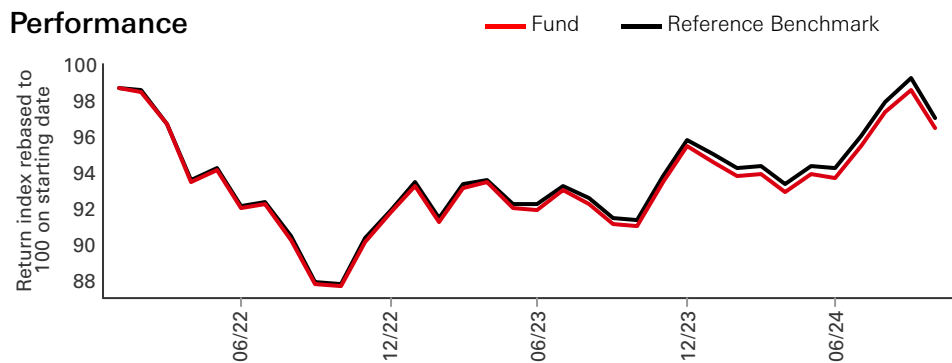
¹Ongoing Charges Figure is based on expenses over a year. The figure includes annual management charge but not the transaction costs. Such figures may vary from time to time.

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 October 2024

Performance



Performance (%)	YTD	1 month	3 months	6 months	1 year	3 years ann	5 years ann	Since inception ann
Fund	1.06	-2.24	1.01	3.79	5.91	--	--	-1.28
Reference Benchmark	1.27	-2.23	1.06	3.91	6.15	--	--	-1.06

Calendar year performance (%)	2019	2020	2021	2022	2023
Fund	--	--	--	--	3.99
Reference Benchmark	--	--	--	--	4.21

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	383	6,307	--
Average coupon rate	2.61	2.35	0.26
Yield to worst	3.32%	3.34%	-0.02%
Option adjusted duration	1.86	1.88	-0.02
Modified duration to worst	1.85	1.87	-0.02
Option adjusted spread duration	1.87	1.89	-0.02
Average maturity	1.94	1.96	-0.02
Rating average	AA/AA-	AA/AA-	--

Credit rating (%)	Fund	Reference Benchmark	Relative
AAA	20.15	16.89	3.25
AA	44.83	46.54	-1.71
A	26.40	25.99	0.40
BBB	8.12	10.57	-2.45
BB	0.13	--	0.13
Cash	0.38	--	0.38

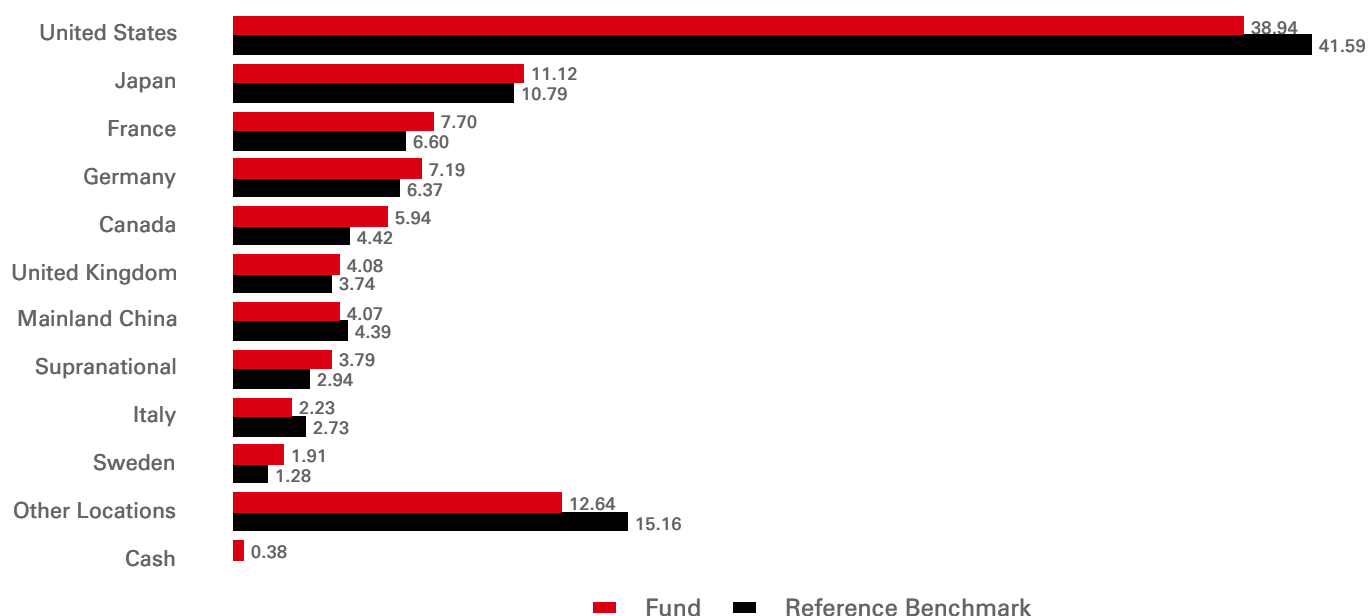
Maturity Breakdown (Option adjusted duration)	Fund	Reference Benchmark	Relative
0 - 6months	0.00	0.00	0.00
6months - 1 years	0.00	0.00	0.00
1 years - 1.5 years	0.32	0.33	-0.01
1.5 years - 2 years	0.46	0.47	-0.01
2 years - 2.5 years	0.60	0.48	0.12
2.5 years - 4 years	0.47	0.59	-0.12
Total	1.86	1.88	-0.02

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: Bloomberg Global Agg 1-3 Year Total Return Index
 Source: HSBC Asset Management, data as at 31 October 2024

Currency Allocation (%)	Fund	Reference Benchmark	Relative
USD	47.68	47.73	-0.06
EUR	24.41	24.40	0.01
JPY	10.28	10.28	0.00
CNY	4.07	4.07	0.00
GBP	3.57	3.57	0.00
CAD	2.86	2.88	-0.02
KRW	1.61	1.61	0.00
AUD	1.50	1.50	0.00
SEK	0.73	0.73	0.00
CHF	0.47	0.47	0.01
Other Currencies	2.80	2.75	0.05

Geographical allocation (%)



Sector allocation (%)	Fund	Reference Benchmark	Relative
Treasuries	65.85	65.80	0.05
Financial Institutions	10.53	10.84	-0.31
Covered	6.13	4.05	2.08
Agencies	4.33	4.95	-0.62
Supranational	3.79	2.92	0.87
LOCAL AUTHORITY	2.35	2.41	-0.05
Consumer Non cyclical	1.79	1.77	0.02
Consumer Cyclical	1.40	1.24	0.17
Communications	0.83	0.91	-0.08
Capital Goods	0.80	0.64	0.16
Other Sectors	1.82	4.47	-2.65
Cash	0.38	--	0.38

Top 10 holdings	Weight (%)
JAPAN GOVT 10-YR 0.100 20/03/27	1.35
US TREASURY N/B 4.875 31/05/26	0.97
JAPAN GOVT 5-YR 0.005 20/09/26	0.92
US TREASURY N/B 1.250 31/12/26	0.89
JAPAN GOVT 5-YR 0.005 20/12/26	0.84
US TREASURY N/B 4.375 15/12/26	0.84
US TREASURY N/B 4.625 15/03/26	0.83
US TREASURY N/B 4.125 15/02/27	0.83
FRANCE O.A.T. 0.500 25/05/26	0.82
JAPAN GOVT 5-YR 0.005 20/03/26	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

Sustainability indicators	Fund	Broad market index
Carbon emissions intensity*	6.35	22.27

*Carbon Intensity measures the quantity of carbon emission of a company (tonnes CO₂e/USD million revenue)

Source: S&P Global Trucost

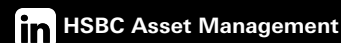
MSCI ESG Score	ESG score	E	S	G
Fund	6.5	6.2	6.5	6.7
Broad market index	5.9	5.7	6.3	6.4

The MSCI ESG Key Issue Score is the numerical, weighted average of MSCI's E, S, and G pillar scores. A higher number indicates a more favourable ESG profile in the view of MSCI. The weighted averages of the Key Issue Scores are aggregated and companies' scores are normalized by their industries. After any overrides are factored in, each company's Final Industry-Adjusted Score corresponds to a rating. For more information, see MSCI ESG Ratings Methodology @ <https://www.msci.com/esg-and-climate-methodologies>

Risk disclosures

- 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 October 2024

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Any third party information has been obtained from sources we believe to be reliable, but which we have not independently verified.

Further additional and complete information (including but not limited to) investor rights, costs and charges, please refer to 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.

If necessary, investors can refer to the complaints handling charter available in the banner of our website:

<https://www.assetmanagement.hsbc.se/-/media/files/attachments/common/traitement-reclamation-amfr-eng-2024.pdf>

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.

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>