



For Professional Clients Only

HSBC MSCI AC Asia Pacific ex-Japan Climate Paris Aligned UCITS ETF

Fund overview

April 2022

This is a marketing communication. Please refer to the prospectus of the Fund and to the KIID before making any final investment decisions

The strategy at a glance

The HSBC MSCI AC Asia Pacific ex-Japan Climate Paris Aligned UCITS ETF is a passively managed fund designed to support investors seeking to minimise their exposure to climate risks by reducing carbon emissions in line with the Paris Agreement requirements. The fund tracks the MSCI AC Asia Pacific ex-Japan Climate Paris Aligned Index, which follows a rules-based and transparent methodology to go beyond EU minimum standards to address climate change risks and opportunities.

Why consider the MSCI AC Asia Pacific ex-Japan Climate Paris Aligned Index

Sophisticated climate analytics

Uses a wide variety of climate metrics, including Climate Value-at-Risk (VaR), Low Carbon Transition Score and TCFD¹ Recommendations

Climate compatible investing

Stocks are weighted based on their forward-looking, return-based climate-stressed market valuation

High standards

Designed to go beyond EU minimum standards, helping investors meet their sustainable investment objectives and limit risks

Extensive company coverage

Approximately 459 large and mid-cap securities across 13 countries

Past performance should not be seen as an indication of future returns.

Source: HSBC Asset Management, MSCI, as at June 2021

1. Task Force on Climate-related Financial Disclosures
2. Socially Responsible Investment
3. Source: Euromoney 2020 "World's Best Bank for Sustainable Finance"
4. Principles for Responsible Investment
5. Source: <https://www.unpri.org/signatories/hsbc-global-asset-management/1306.article>
6. Please refer to page 3 for the full risk details

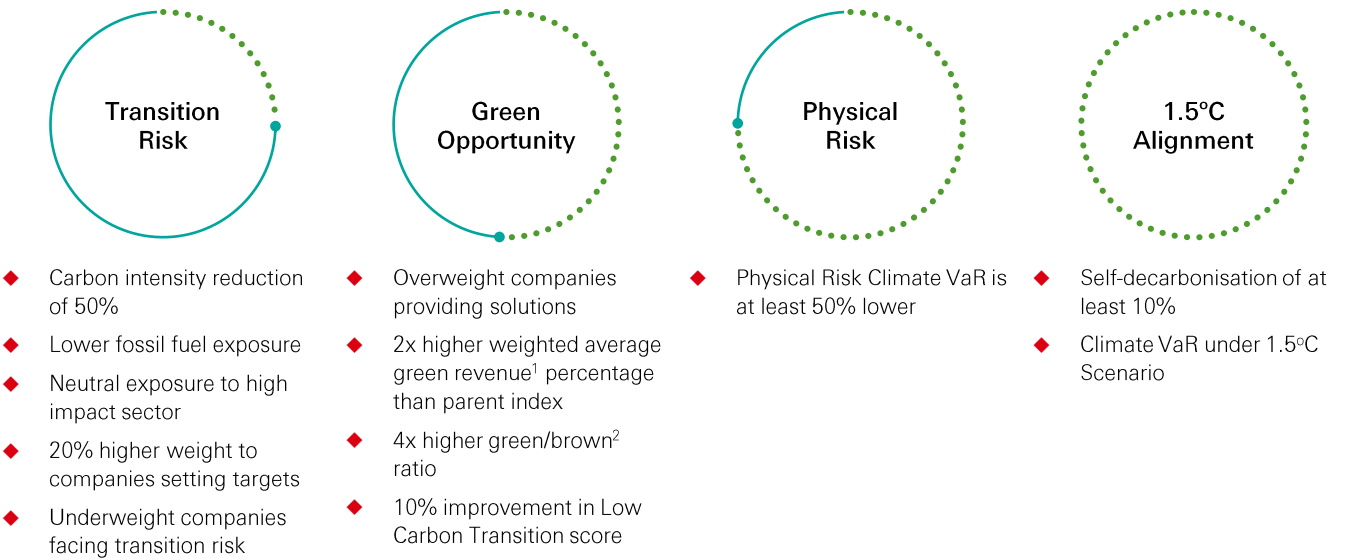
The strength of our sustainable ETFs

- ◆ Specialised **ETF Sales, Capital Markets and Investment Specialists** teams as well as dedicated SRI² and engagement specialists
- ◆ 30+ years experience in managing passive portfolios, with a **strong record of close tracking** and minimising costs
- ◆ The World's **Best Bank** for Sustainable Finance³ in 2020
- ◆ Early signatory of the **Montreal Carbon Pledge** in 2015
- ◆ Early global signatory of the **PRI**⁴ and highest **A+ assessment** score in all modules⁵
- ◆ Founding Signatory and Global Steering Committee Member of **Climate Action 100+**
- ◆ As a support of the **TCFD**, we work with portfolio companies to improve their climate-related disclosures

Key Risks⁶

- | | |
|-------------------------|----------------------------|
| ◆ Counterparty Risk | ◆ Index Tracking Risk |
| ◆ Derivatives Risk | ◆ Investment Leverage Risk |
| ◆ Emerging Markets Risk | ◆ Liquidity Risk |
| ◆ Exchange Rate Risk | ◆ Operational Risk |

MSCI AC Asia Pacific ex-Japan Climate Paris Aligned Index objectives



Companies generating at least 1% of revenues from **thermal coal mining**, 10% of revenues from **oil and gas**, or 50% of revenues from **power generation** from thermal coal, oil or gas are excluded.

Sector breakdown

Industry	Index Weight
Information Technology	25.91%
Financials	23.93%
Consumer Discretionary	11.68%
Industrials	9.49%
Communication Services	7.81%
Real Estate	5.96%
Healthcare	5.06%
Consumer Staples	3.78%
Materials	3.23%
Utilities	3.14%

Source: MSCI, as at April 2022

Fund details

Benchmark	MSCI AC Asia Pacific ex-Japan Climate Paris Aligned Net USD Index (NU739400)		
TER	Up to 0.25%		
Registration ³	AT, CH, DE, DK, ES, FI, FR, HK, IE, IT, LU, NL, PT, SE, UK		
Listings ⁴ / Ticker	LSE: HPAJ LN (USD) HPAX LN (GBP)	Euronext: HPAJ FP (EUR) SIX: HPAJ SW (USD)	BI: HPAJ IM EUR Xetra: HP2A GY (EUR)
ISIN	IE000XFORJ80		
Inception date	12 April 2022		
Base currency	USD		
Fund domicile	Ireland		
Fund manager	HSBC Global Asset Management (UK) Ltd		
Replication method	Physical full replication		
Dividend treatment	Accumulating		

Source: MSCI, HSBC Asset Management, as at April 2022

- 1. Green revenue is defined as revenue from goods and services including alternative energy, energy efficiency, green building, pollution prevention and sustainable water.
- 2. Brown revenue is defined as the revenue generated from thermal coal extraction, unconventional and conventional oil and gas extraction, oil refining, thermal coal based power generation, liquid fuel based power generation or natural gas based power generation.
- 3. This fund may not be yet registered for sale in the mentioned regions.
- 4. This fund may not be yet available in the mentioned exchanges.

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.

- ◆ **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

Further information on the potential risks can be found in the Key Investor Information Document (KIID) and/or the Prospectus of Offering Memorandum.

Important information

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The value of investments and any income from them can go down as well as up and investors may not get back the amount originally invested. Where overseas investments are held the rate of currency exchange may also cause the value of such investments to fluctuate. Investments in emerging markets are by their nature higher risk and potentially more volatile than those inherent in some established markets. Stock market investments should be viewed as a medium to long term investment and should be held for at least five years. Any performance information shown refers to the past and should not be seen as an indication of future returns. To help improve our service and in the interests of security we may record and/or monitor your communication with us. HSBC Global Asset Management (UK) Limited provides information to Institutions, Professional Advisers and their clients on the investment products and services of the HSBC Group. Approved for issue in the UK by HSBC Global Asset Management (UK) Limited, who are authorised and regulated by the Financial Conduct Authority. HSBC Asset Management is the brand name for the asset management business of HSBC Group, which includes the investment activities provided through our local regulated entity, HSBC Global Asset Management (UK) Limited.

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