

HSBC ETFs PLC

HSBC BLOOMBERG USD SUSTAINABLE CORPORATE BOND UCITS ETF

Monthly report 30 April 2023 | HUDC LN | USD



Investment objective

The Fund aims to track as closely as possible the returns of the Bloomberg MSCI US Corporate SRI Carbon ESG-Weighted (USD Unhedged) (the Index). The Fund will invest in or gain exposure to bonds issued by corporates which make up the Index. The Fund qualifies under Article 8 of SFDR.



Investment strategy

The Index is a subset of the Bloomberg US Aggregate Corporate Index (the Parent Index), and is made up of fixed-rate, investment grade bonds issued by corporate issuers. The Index seeks to achieve a reduction in carbon emissions and an improvement of the MSCI ESG rating. 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. Each company in the Index is assigned an ESG rating, and weights are capped at 2%. 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. There may be circumstances when it is not possible for the Fund to invest in all constituents of the Index. The Fund may invest up to 10% in funds and up to 10% in total return swaps. See the Prospectus for a full description of the investment objectives and derivative usage.



Main risks

- The value of investments and any income from them can go down as well as up and you may not get back the amount originally invested.
- 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 11.88
Performance 1 month	0.71%
Yield to maturity	4.99%

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	18 November 2021
Fund size	USD 15,072,733
Reference benchmark	100% Bloomberg MSCI US Corporate SRI Carbon ESG-Weighted (USD Unhedged)
Managers	HSBC Index and Systematic Equity Portfolio Management Team

Fees and expenses

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

Codes

ISIN	IE00BKY81627
Bloomberg ticker	HUDC LN
SEDOL	BKY8162

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

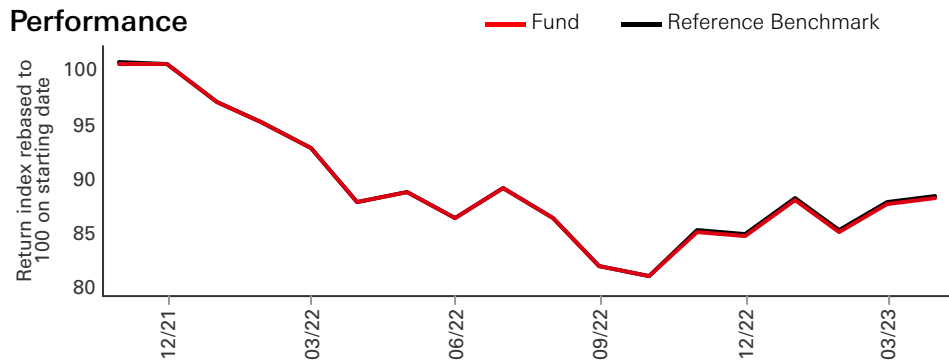
²Ongoing Charges Figure, is based on expenses over a year. The figure includes annual management charge but not the transaction costs. Such figures may vary from time to time.

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 KIID before making any final investment decisions.

Source: HSBC Asset Management, data as at 30 April 2023

Performance



Performance (%)	YTD	1 month	3 months	6 months	1 year	3 years ann	5 years ann	Since inception ann
Fund	4.24	0.71	0.28	9.04	0.48	--	--	-8.34
Reference Benchmark	4.27	0.73	0.30	9.13	0.69	--	--	-8.22

Rolling performance (%)	30/04/22-30/04/23	30/04/21-30/04/22	30/04/20-30/04/21	30/04/19-30/04/20	30/04/18-30/04/19
Fund	0.48	--	--	--	--
Reference Benchmark	0.69	--	--	--	--

Carbon footprint	Fund	Reference benchmark	MSCI ESG Score	ESG score	E	S	G
Carbon intensity emissions	96.55	243.61	Fund	7.0	7.5	5.0	5.9
Carbon Intensity measures the quantity of carbon emission of a company (tonnes CO ₂ e/USD million revenue) Source: S&P Global Trucost			Reference benchmark	6.6	7.1	4.9	5.8

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	250	5,118	--
Average coupon rate	3.51	3.86	-0.35
Yield to worst	4.97%	5.03%	-0.06%
Option adjusted duration	7.29	7.30	0.00
Modified duration to worst	7.41	7.33	0.09
Option adjusted spread duration	7.45	7.38	0.07
Average maturity	10.66	11.03	-0.37
Rating average	A-/BBB+	A-/BBB+	--

Credit rating (%)	Fund	Reference Benchmark	Relative	Maturity Breakdown (Option adjusted duration)	Fund	Reference Benchmark	Relative
AAA	1.80	1.60	0.20	0-2 years	0.12	0.16	-0.04
AA	5.58	6.07	-0.49	2-5 years	0.99	0.88	0.11
A	44.32	44.63	-0.31	5-10 years	1.80	1.72	0.08
BBB	47.47	47.70	-0.24	10+ years	4.39	4.55	-0.16
Cash	0.84	--	0.84	Total	7.29	7.30	0.00

Currency Allocation (%)	Fund	Reference Benchmark	Relative
USD	100.00	100.00	0.00
EUR	0.00	--	0.00

Geographical allocation (%)



■ Fund ■ Reference Benchmark

Sector allocation (%)	Fund	Reference Benchmark	Relative
Banking	23.79	23.52	0.27
Consumer Non cyclical	17.67	17.49	0.18
Technology	13.15	13.27	-0.12
Communications	10.56	10.65	-0.09
Consumer Cyclical	8.04	7.83	0.21
Electric	6.59	6.59	0.00
Insurance	4.22	4.03	0.19
Energy	2.63	2.58	0.05
Capital Goods	2.40	2.73	-0.33
Transportation	2.39	2.38	0.01
Other Sectors	7.72	8.92	-1.20
Cash	0.84	--	0.84

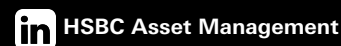
Top 10 holdings	Weight (%)
HSBC HOLDINGS 4.250 18/08/25	1.63
SUMITOMO MITSUI 2.130 08/07/30	1.10
ORACLE CORP 6.150 09/11/29	1.08
BARCLAYS PLC 3.564 23/09/35	1.07
JPMORGAN CHASE 3.782 01/02/28	0.96
TOYOTA MTR CRED 1.125 18/06/26	0.91
CITIGROUP INC 1.122 28/01/27	0.84
BALTIMORE GAS 3.750 15/08/47	0.81
MORGAN STANLEY 3.625 20/01/27	0.77
T-MOBILE USA INC 3.750 15/04/27	0.77

Exchange name	Listing date	Trading currency	Trading hours	Bloomberg ticker	Reuters RIC	iNAV Bloomberg	iNAV Reuters
LONDON STOCK EXCHANGE	19 Nov 2021	USD	08:00 - 16:30	HUDC LN	HUDC.L	HUDUSDIV	HUDCUSDINA V=SOLA
LONDON STOCK EXCHANGE	19 Nov 2021	GBP	08:00 - 16:30	HUSC LN	HUSC.L	HUSCGBIV	HUSCGBPINA =SOLA
NYSE EURONEXT - EURONEXT PARIS	07 Dec 2021	EUR	09:00 - 17:30	HUDC FP	HUDC.PA	HUDEURIV	HUDCEURINA =SOLA
DEUTSCHE BOERSE AG-XETRA	09 Dec 2021	EUR	09:00 - 17:30	HUSC GY	HUSC.DE	HUDEURIV	HUDCEURINA =SOLA
SIX SWISS EXCHANGE	23 Dec 2021	USD	09:00 - 17:30	HUDC SW	HUDC.S	HUDUSDIV	HUDCUSDINA V=SOLA
BORSA ITALIANA SPA	18 Jan 2022	EUR	09:00 - 17:35	HUDC IM	HUDC.MI	HUDEURIV	HUDCEURINA =SOLA

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.
- 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 30 April 2023

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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.

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