

HSBC PLUS Active ETFs.

SFDR Article 6



Access the power of PLUS.



HSBC Asset Management

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Activate your portfolio's potential

At HSBC Asset Management, we are constantly innovating to help our clients meet their investment objectives with precision.

That's why we've created HSBC PLUS Active ETFs — a range of ETFs designed with discipline to deliver a suite of investment products that give exposure to standard asset classes such as global equities while aiming to provide strategies for investors seeking more.

Why Choose Active ETFs?

HSBC PLUS Active ETFs blend the efficiency of traditional beta—liquidity, diversification, and cost—with the potential to outperform.

Built on 20+ years of disciplined quantitative investing, our Quant strategies systematically target risk factor premiums through a robust, risk-controlled process. Over time, the compounding effect of excess returns can create meaningful value for portfolios.

Combine the benefits of the ETF wrapper....



- ◆ Transparency
- ◆ Liquidity
- ◆ Diversification
- ◆ Low cost
- ◆ Efficiency
- ◆ Simple and direct access

With potential outperformance



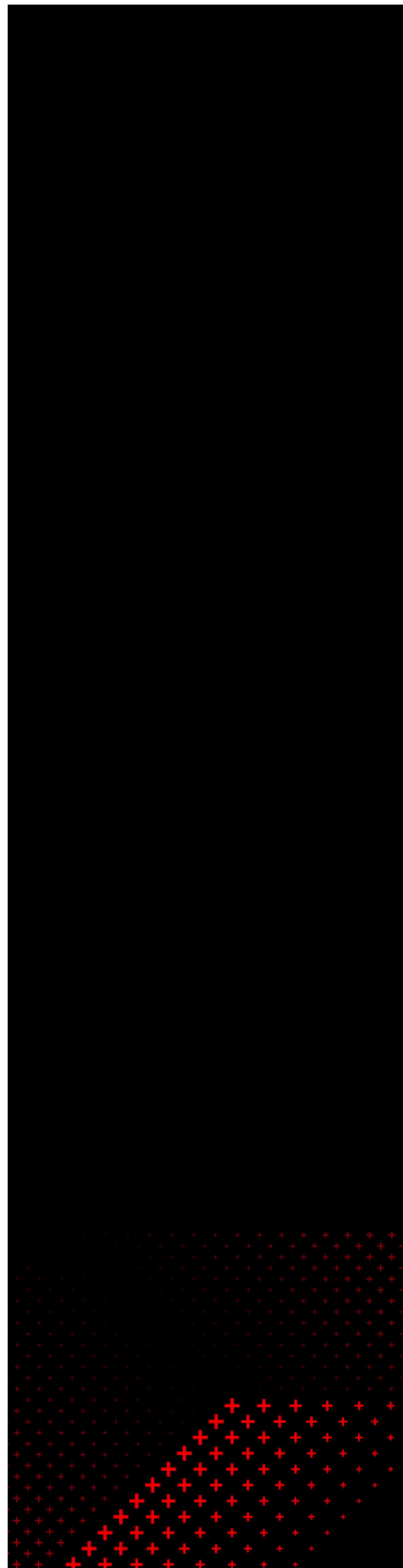
- ◆ Compounding excess returns over the long-term
- ◆ A complement to core portfolio exposures
- ◆ Introduces different sources of risk premia
- ◆ Provides a means of diversifying 'investment process risk'

.... In a risk-controlled manner



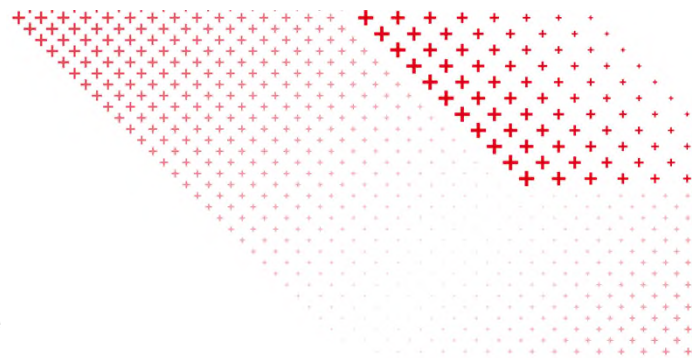
- ◆ Stock and sector deviation limits
- ◆ Turnover constraints
- ◆ Controlled tracking error versus a benchmark

Source: HSBC Asset Management, May 2025.



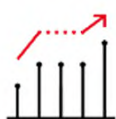
Understanding Quant Investing

Quantitative investing continues to gain traction as investors seek more efficient ways to capture risk premia and enhance equity returns. Style factor strategies—designed to boost performance within defined risk parameters—have been central to this momentum.



What is equity factor investing?

An investment approach that aims to target specific drivers of equity returns. Factors are broad persistent drivers of returns and are considered the foundation of investing, as they focus on understanding the key components of the risk-return relationship across a portfolio of equities. The most common factor strategies tend to be based on well-established factor risk premia such as value, quality, momentum, low volatility and small caps



Why invest in factors?

Investing in factors can help investors who seek a range of investment goals, from improving portfolio outcomes, generating returns, reducing risk and enhancing diversification, while improving portfolio transparency and risk management. Factor strategies can also be used to complement existing investments and help diversify sitting in a space between traditional active and passive investments



What are the benefits of a factor investing approach?

Whilst individual factors contribute and drive returns in the long run; they do exhibit cyclical performance in the short-term as a result of the way they may map to the economic cycle. By targeting a broad exposure to cyclical and defensive factors, the benefits of diversification allow multi-factor strategies to participate in a balanced way harnessing individual long-term factor premia whilst dampening the cyclical of individual factors through exposure across factors

Source: HSBC Asset Management, May 2025.

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Representative overview of the investment process, which may differ by product, client mandate or market conditions. This information shouldn't be considered as a recommendation to invest in the funds provided.

Overview of the HSBC PLUS Active ETF range

Core Range

- 1

HSBC PLUS USA Equity Quant Active Strategy
HQUD:LN | TER: 0.15%
- 2

HSBC PLUS World Equity Quant Active Strategy
HOWA:LN | TER: 0.20%
- 3

HSBC PLUS Emerging Markets Equity Quant Active Strategy
HQEM:LN | TER: 0.30%
- 4

HSBC Multi Factor Worldwide Equity UCITS ETF
HWWA:LN | TER: 0.25%

Income range

- 1

HSBC PLUS World Equity Income Quant Active Strategy
HQWD:LN | TER: 0.25%
- 2

HSBC PLUS Emerging Markets Equity Income Quant Active Strategy
HQED:LN | TER: 0.35%

Source: HSBC Asset Management, May 2025. This information shouldn't be considered as a recommendation to buy or sell specific investments mentioned.

Designed with discipline for investors seeking more



We have created and maintain proprietary factors using a robust Quant driven approach.

HSBC’s proprietary process

- ◆ Uses proprietary factors to deliver a robust and differentiated stock selection process
- ◆ Targets factor exposure in a risk-aware way, removing factor overlaps whilst employing dynamic factor tilting to benefit from factor regimes
- ◆ Utilises customised risk models allowing efficient and flexible portfolio construction

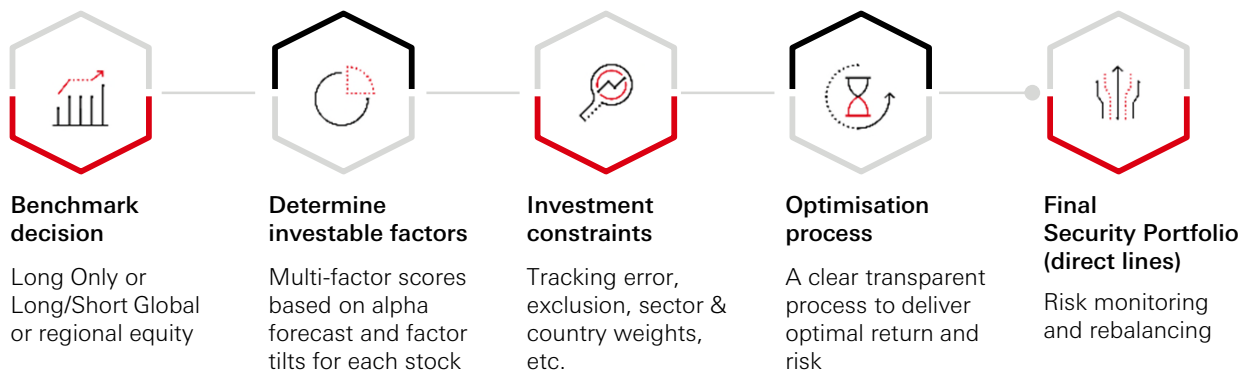
Quant driven approach

- ◆ Evidence based signals combining economic intuition and highly sophisticated data-analysis techniques
- ◆ Provides an objective and systematic approach, avoiding emotional pitfall in decision making
- ◆ Harnessing computer power to process vast amount of data, leveraging technological advancements and increased data availability

Multiple metrics are used to better enhance the explanatory power of signals and extract alpha:

Alpha Forecast				
Fundamental drivers			Behavioral drivers	
Attractive valuation ratios	◆ Profitability	Growth optionality	Under-invested in speculative stocks	◆ Industry trends ◆ Benefitting from return chasing behaviours
	◆ Earnings quality			
	◆ Low leverage			
	◆ Strong cash flows			
Value	Quality	Size	Low Risk	Momentum

Implementing an equity factor portfolio in practice



Source: HSBC Asset Management, May 2025.

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HSBC PLUS Income Active Quant ETFs range

To complement the Core range of Active ETFs, HSBC offers a HSBC PLUS Active Quant ETF Income range. These actively managed ETFs provide additional income compared to a market-cap index, while preserving the capital growth. The Income strategy aims to balance index performance and higher dividend yield, removing biases of naïve income investing.

The HSBC PLUS Income range is differentiated in three aspects:

1

Enhanced level of income without compromising market-cap return

Exposure to reliable dividend payers with a clear yield enhancement target of at least 50% over the standard market cap index

- ◆ Construct the sub-components of the sustainable quality income composite score
- ◆ Robust calculation across the universe

Dividend Yield
expectation



Sustainability of
cash flows

Profitability and value-creating
potential of company

2

Aims to improve diversification and reduce risks against an active strategy

Portfolio construction techniques capturing the relatively better risk attributes of dividend-paying stocks

3

Aims to provide better returns, and reduced drawdowns versus high dividend indices

Proven stable track records in the excess of 5 years, achieving better yield than the market.*

Past performance does not predict future returns. The views expressed above were held at the time of preparation and are subject to change without notice. Any forecast, projection or target where provided is indicative only and is not guaranteed in any way. HSBC Asset Management accepts no liability for any failure to meet such forecast, projection or target. Diversification does not ensure a profit or protect against loss. Representative overview of the investment process, which may differ by product, client mandate or market conditions. This information shouldn't be considered as a recommendation to invest in the funds provided. Source: HSBC Asset management, May 2025.

*Track record refers to HSBC CCF Global Developed Income Factor Fund among other strategies.

Partnering with HSBC for your Quant Equity Active ETFs

Over 20 years of experience in index and quantitative equity management, built on robust infrastructure, proprietary risk models and in-house technology

Differentiating resources



- ◆ Dedicated Quantitative Research team, focused on portfolio construction, model development and rebalancing
- ◆ Dedicated Passive and Quantitative Strategies Portfolio Management teams
- ◆ Specialised ETF Capital Market team on hand to help
- ◆ In-house global dealing team ensuring efficient collaboration on best execution of trades

Enhanced risk and governance framework



- ◆ Embedded in each step of the investment process – integral aspect of our process from front to back
- ◆ Aims to eliminate unintended risks from a portfolio and to provide optimal diversification across factors for our investors
- ◆ As a bank-owned asset manager, we are subject to very robust risk parameters and strict governance rules

In-house technology



- ◆ Constantly developing our in-house proprietary quantitative equity and risk models and optimisation tools
- ◆ Investing in the latest management and execution technology
- ◆ Strengthening our investment infrastructure and best support our investment processes for better performance outcomes for both our funds and investors

Our credentials



- ◆ Our strategies provide cost efficiency within a clear philosophy and transparent investment process
- ◆ Managing Multi-factor portfolios for institutional clients for over 20 years
- ◆ Dedicated large team of quantitative research, portfolio management and technology infrastructure
- ◆ Active manager of the year award*, managing 32 bln for institutional clients.
- ◆ Managing over \$40 billion across global and regional portfolios – a 300% growth over the last 5 years.
- ◆ Consistent top risk-adjusted returns over the long-term**

Past performance does not predict future returns.

*HSBC Asset Management was awarded 'Active Manager of the Year' at Insurance Asset Management Awards 2024.

<https://insuranceassetmanagement.net/awards/winners24.php>

**The peer groups are extracted from eVestment Global Smart Beta Equity peer group of 450+ competitor products and Global Large Caps peer group of 380+ competitors. For peer group criteria/methodology, please refer to <https://www.evestment.com/>. Data as at end of March 2025.

Source: HSBC Asset Management, as at March 2025

HSBC Quantitative Equity AUM USD over

40 bn

+20

years track record of applied quantitative innovation and experience in multi-factor portfolios

HSBC PLUS Active ETFs Fund details



HSBC PLUS Active ETFs Range

HSBC PLUS USA Equity Quant Active UCITS ETF

ETF launch	20/05/2025
Fund Domicile	Ireland
UCITS V Compliant	Yes
SFDR Classification	Article 6
UK reporting fund status (UKRS)	Yes
AUM (USD m)	
Base Currency	USD
Reference benchmark	S&P 500 Index (USD Net Total Return)
Listings/Ticker	London Stock Exchange HQUA LN (USD); HQUA LN (GBP) Borsa Italiana HQUA IM (EUR) Xetra TBC (EUR)
Registration	UK, FR, IT, ES, DE, AT, CH, SE, LU
Tracking error target	0.75-1.00%
ISIN	IE0008JXFQK8
Ongoing Charges figure (OCF)	0.15%
Fund manager	HSBC Asset Management (UK) Ltd.
Replication methodology	Active ETF
Dividend treatment / Frequency	Distribution / Quarterly

HSBC PLUS World Equity Quant Active UCITS ETF

Strategy launch	03/06/2025
Fund Domicile	Ireland
UCITS V Compliant	Yes
SFDR Classification	Article 6
UK reporting fund status (UKRS)	Yes
AUM (USD m)	
Base Currency	USD
Reference benchmark	MSCI World Index (USD Net Total Return)
Listings/Ticker	London Stock Exchange HQUA LN (USD); HQUA LN (GBP) Borsa Italiana HQUA IM (EUR) Xetra TBC (EUR)
Registration	UK, FR, IT, ES, DE, AT, CH, SE, LU
Tracking error target	0.75-1.00%
ISIN	IE000ZURGSV2
Ongoing Charges figure (OCF)	0.20%
Fund manager	HSBC Asset Management (UK) Ltd.
Replication methodology	Active ETF
Dividend treatment / Frequency	Distribution / Quarterly

Source: HSBC Asset Management, as at March 2025.



HSBC PLUS Active ETFs Range

HSBC PLUS Emerging Markets Equity Quant Active UCITS ETF

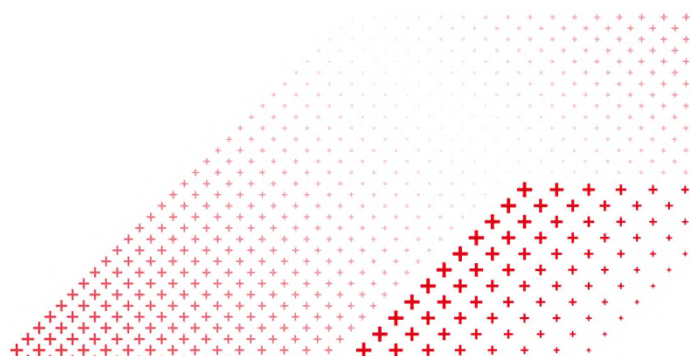
Strategy launch	30 July 2025
Fund Domicile	Ireland
UCITS V Compliant	Yes
SFDR Classification	Article 6
UK reporting fund status (UKRS)	Yes
AUM (USD m)	
Base Currency	USD
Reference benchmark	MSCI Emerging Markets Index (USD Net Total Return)
Listings/Ticker	London Stock Exchange HOEM LN (USD); HQES LN (GPB) Xetra TBC (EUR)
Registration	UK, FR, IT, ES, DE, AT, CH, SE, LU
Tracking error target	1.00-2.00%
ISIN	IE000UERNJ93
Ongoing Charges figure (OCF)	0.30%
Fund manager	HSBC Asset Management (UK) Ltd.
Replication methodology	Active ETF
Dividend treatment / Frequency	Distribution / Quarterly

HSBC PLUS World Equity Income Quant Active UCITS ETF

Strategy launch	03 June 2025
Fund Domicile	Ireland
UCITS V Compliant	Yes
SFDR Classification	Article 6
UK reporting fund status (UKRS)	Yes
AUM (USD m)	
Base Currency	USD
Reference benchmark	MSCI World Index (USD Net Total Return)
Listings/Ticker	London Stock Exchange HQWD LN (USD); HQIW LN (GPB) Borsa Italiana HQIW IM (EUR) Xetra TBC (EUR)
Registration	UK, FR, IT, ES, DE, AT, CH, SE, LU
Tracking error target	1.0-1.5%
ISIN	IE000KL4O2Z8
Ongoing Charges figure (OCF)	0.25%
Fund manager	HSBC Asset Management (UK) Ltd.
Replication methodology	Active ETF
Dividend treatment / Frequency	Distribution / Quarterly

Source: HSBC Asset Management, as at March 2025.

PUBLIC



HSBC PLUS Active ETFs Range

HSBC PLUS Emerging Markets Equity Income Quant Active UCITS ETF

Strategy launch	06 August 2025
Fund Domicile	Ireland
UCITS V Compliant	Yes
SFDR Classification	Article 6
UK reporting fund status (UKRS)	Yes
AUM (USD m)	
Base Currency	USD
Reference benchmark	MSCI Emerging Markets Index (USD Net Total Return)
Listings/Ticker	London Stock Exchange HOED LN (USD); HQIE LN (GPB) Xetra TBC (EUR)
Registration	UK, FR, IT, ES, DE, AT, CH, SE, LU
Tracking error target	1.5-2.0%
ISIN	IE000893FCN6
Ongoing Charges figure (OCF)	0.35%
Fund manager	HSBC Asset Management (UK) Ltd.
Replication methodology	Active ETF
Dividend treatment / Frequency	Distribution / Quarterly

HSBC Multi Factor Worldwide Equity UCITS ETF

Strategy launch ¹	25 October 2017
Fund Domicile	Ireland
UCITS V Compliant	Yes
SFDR Classification	Article 6
UK reporting fund status (UKRS)	Yes
AUM (USD m)	1,321
Base Currency	USD
Reference benchmark	MSCI All Country World Index (USD Net Total Return)
Listings/Ticker	London Stock Exchange HWWA LN (GBP); HWWD LN (USD) SIX Swiss HWWD SW (USD) Borsa Italiana HWWA IM (EUR) Xetra H41J GY (EUR)
Registration	CH, DE, ES, FR, IE, IT, LU, NL, PT, SE, SG, UK
Tracking error target	2.5%
ISIN	IE00BKZGB098
Ongoing Charges figure (OCF)	0.25%
Fund manager	HSBC Asset Management (UK) Ltd.
Replication methodology	Active ETF
Dividend treatment / Frequency	Distribution / Quarterly

Source: HSBC Asset Management, as at March 2025.

1. On 25/10/17 the fund switched from a passive to a multi-factor strategy.

Important information

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
- ◆ 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.

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Content ID: D045460_v1.0; Expiry: 31.12.2025

