

HSBC MSCI Malaysia UCITS ETF

Fund Overview

For Professional Clients only
March 2021



The strategy at a glance

The HSBC MSCI Malaysia UCITS ETF aims to replicate the performance of the MSCI Malaysia Index, while focusing on minimising the tracking difference between the fund and the index. This is done through an easy and cost-efficient approach harnessing HSBC's expertise in passive investing.

About the Index

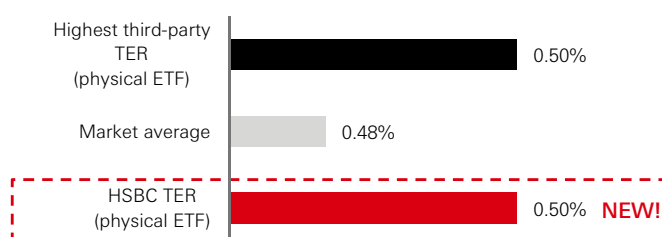
The MSCI Malaysia provides direct access to large and mid cap companies, representing about 85% of the Malaysian equity universe.

Dividend Yield	2.81%
No. of constituents	38

Source: MSCI, as at end of January 2021.

Cost efficiency in practice

- ◆ As we recognise that the macroeconomic conditions are in place for emerging markets to thrive, in March 2021, we reduced the cost of our HSBC MSCI Malaysia UCITS ETF to 0.50%
- ◆ Our ETF is amongst the cheapest in the market that offers exposure to Malaysian equities



The strength of our ETF



Competitive pricing: Our physically replicated ETF offers cost efficient access to Malaysian equities (TER of 0.50%)



Dedicated teams: Our approach leverages our global equity dealing team, ensuring on-the-ground expertise and insights



Long track record: Strong track record of close tracking and minimising costs



Proprietary resources: Robust in-house systems, including proprietary portfolio modelling and risk analytics, designed to support efficient investment processes and aim for superior tracking



Enhanced valuations: Deconstructed alongside the index each day by price, income and corporate action, ensuring we do not miss out on any entitlement that the fund is due

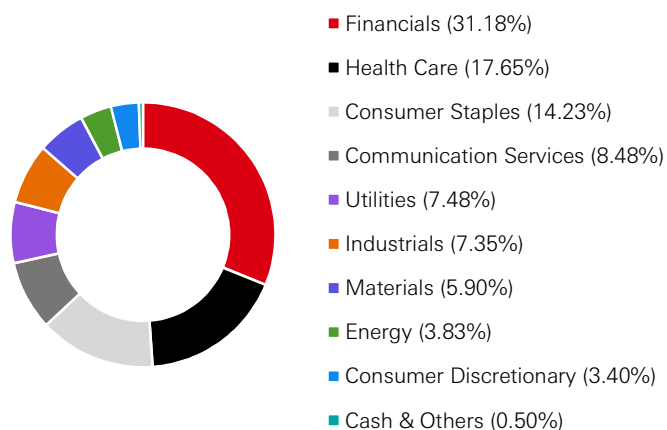


Emerging market expertise: Leverages HSBC's strong on-the-ground presence in key developing markets, offering unparalleled local access and insight

Source: Bloomberg and HSBC Global Asset Management, as at March 2021. Market average and TER comparisons have been computed by looking at the TER of the main Europe-domiciled ETFs tracking the same benchmark.

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

Sectoral allocations of the Fund¹



1. Source: HSBC Global Asset Management, as at 31 January 2021.
2. As at 1 March 2021.

Fund details¹

Benchmark	MSCI Malaysia Net Index (NDDUMAF)	
TER²	0.50%	
Registration	CH, DE, ES, FR, IE, IT, LU, NL, PT, SE, SG, UK	
Listings / Ticker	London Stock Exchange	Borsa Italiana
	HMYR LN (GBP)	HMYD IM (EUR)
	HMYD LN (USD)	Xetra
	SIX Swiss	H4ZV GY (EUR)
	HMYR SW (USD)	
ISIN	IE00B3X3R831	
Holdings	38	
Inception date	28 March 2011	
Base currency	USD	
Fund domicile	Ireland	
Fund manager	HSBC Global Asset Management (UK) Ltd	
AUM	USD 4.14 million	
Replication method	Physical replication	
Dividend treatment/frequency	Distribution/Semi-annual	

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.

- ◆ **Concentration risk:** The Fund may be concentrated in a limited number of securities, economic sectors and/or countries. As a result, it may be more volatile and have a greater risk of loss than more broadly diversified funds
- ◆ **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

Important information

For Professional Clients only and should not be distributed to or relied upon by Retail Clients.

Important information for Swiss Investors: This document has no contractual value and is not by any means intended as a solicitation, nor a recommendation for the purchase or sale of any financial instrument. This document may be distributed in Switzerland only to qualified investors according to Art. 10 para 3, 3bis and 3ter of the Federal Collective Investment Schemes Act (CISA).

The presented funds are authorised for distribution in Switzerland in the meaning of Art. 120 CISA. (Potential) investors are kindly asked to consult the latest issued Key Investor Information Document (KIID), prospectus, the articles of incorporation and the (semi-)annual report of the fund which may be obtained free of charge at the office of the representative: HSBC Global Asset Management (Switzerland) AG, Gartenstrasse 26, P.O. Box, CH-8002 Zurich. Paying agent: HSBC Private Bank (Suisse) S.A., Quai des Bergues 9-17, P.O. Box 2888, CH-1211 Geneva 1. Investors and potential investors should read and note the risk warnings in the prospectus and relevant KIID. Before subscription, investors should refer to the prospectus for general risk factors and to the KIID for specific risk factors associated with this fund. Issue and redemption expenses are not taken into consideration in the calculation of performance data.

The funds presented are sub-funds of HSBC ETFs plc, 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 shares in HSBC ETFs plc have not been and will not be registered under the US Securities Act of 1933 and will not be sold or offered in the United States of America, its territories or possessions and all areas subject to its jurisdiction, or to United States Persons.

The material contained herein is for information only and does not constitute legal, tax or investment advice or a recommendation to any reader of this material to buy or sell investments. You must not, therefore, rely on the content of this document when making any investment decisions. This document is not intended for distribution to or use by any person or entity in any jurisdiction or country where such distribution or use would be contrary to law or regulation. This document is not and should not be construed as an offer to sell or the solicitation of an offer to purchase or subscribe to any investment. Any views expressed were held at the time of preparation and are subject to change without notice. While any forecast, projection or target where provided is indicative only and not guaranteed in any way. HSBC Global Asset Management (UK) Limited accepts no liability for any failure to meet such forecast, projection or target.

HSBC ETFs are sub-funds 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. 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-funds 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.**

The funds or securities referred to herein are not sponsored, endorsed, or promoted by MSCI, and MSCI bears no liability with respect to any such funds or securities or any index on which such funds or securities are based. The Supplement to the Prospectus contains a more detailed description of the limited relationship MSCI has with HSBC ETFs plc and any related funds.

Important information

For Professional Clients only and should not be distributed to or relied upon by Retail Clients.

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.

This sub-fund invests predominantly in one geographic area; therefore any decline in the economy of this area may affect the prices and value of the underlying assets. Markets in some countries are described as 'emerging markets'. Some of these may involve a higher risk than where investment is within a more established market. These risks include the possibility of failed or delayed settlement, registration and custody of securities and the level of investor protection offered.

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. In Israel, HSBC Bank plc (Israel Branch) is regulated by the Bank of Israel. This document is only directed in Israel to qualified investors (under the Investment advice, Investment marketing and Investment portfolio management law-1995) of the Israeli Branch of HBEU for their own use only and is not intended for distribution. www.assetmanagement.hsbc.com/uk

Copyright © HSBC Global Asset Management (UK) Limited 2021. All rights reserved.

XB-1594 EXP: 31/12/2021
