

# HSBC MSCI China UCITS ETF

## Fund overview

February 2020

For Professional Clients only



### The strategy at a glance

- ◆ China accounts for one-fifth of global economic growth
- ◆ The ETF offers easy and quick access to large and mid cap companies across China
- ◆ This is an excellent building block for investors portfolios, that can be added to existing allocations – avoiding the need to reallocate

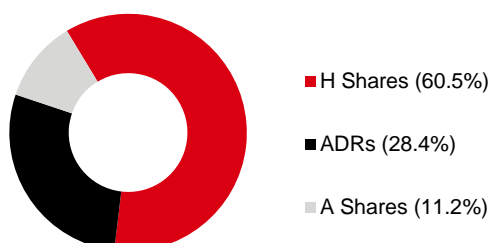
### Fund snapshot

- ◆ The fund's objective is to replicate the performance of the MSCI China Index, while aiming to minimise the tracking difference between the fund and the index
- ◆ This is achieved through our consistent implementation approach focused on both risk and costs, and leveraging our experience and proprietary technology

Chinese economy GDP is **USD 22.5 trillion<sup>1</sup>**

Estimates put Chinese **economic growth at 6.0% in 2020<sup>2</sup>**

### MSCI China Index<sup>3</sup>



### Why consider HSBC MSCI China UCITS ETF



**Our expertise in China:** as the leading foreign bank in China, our large footprint and expertise has been built upon a long heritage on investing in Chinese equities. Today, we leverage our on-the-ground insights to deliver cost-efficient and transparent investments across Chinese securities



**Competitive pricing:** our physically replicated ETF offers a cost efficient access to China A equities markets (TER of 0.60%)



**Dedicated teams:** our approach leverages our specialised ETF Sales and ETF Capital Markets teams as well as our dedicated SRI and engagement specialists



**Long track record:** 30+ years experience in managing passive portfolios, with a strong 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



**HSBC**  
Global Asset  
Management

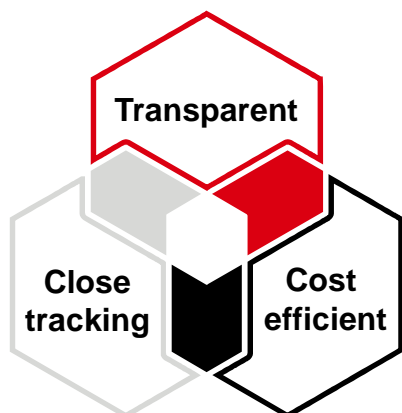
Any forecast, projection or target where provided is indicative only and not guaranteed in any way. HSBC Global Asset Management accepts no liability for any failure to meet such forecast, projection or target. For illustrative purposes only.

1. Source: Gross domestic product, PPP. World Development Indicators database, World Bank, data as of February 2020.
2. Source: IMF forecast for 2020, data as of February 2020.
3. Source: HSBC Global Asset Management, data as at January 2020.

# Our overall ETFs AUM

## USD 8.9bn

Our comprehensive range of 29 ETFs offers our clients access to developed and emerging equity markets at global, regional and country levels. We are recognised as experts in emerging markets, underpinned by our footprint, our local market knowledge and access through out global network.



As at 31 January 2020. For illustrative purposes only.

<b>Benchmark</b>	MSCI China Index Net Total Return (NDEUCHF Index)	
<b>OCF</b>	0.60%	
<b>Registration</b>	CH, DE, DK, ES, FI, FR, IE, IT, LU, NL, PT, SE, UK	
<b>Listings / Ticker</b>	<b>London Stock Exchange</b> HMCD LN (USD) HMCH LN (GBP)	<b>Borsa Italiana</b> HMCH IM (EUR)
		<b>Xetra</b> H4ZP GY (EUR)
		<b>SIX Swiss</b> HMCH SW (USD)
<b>ISIN</b>	IE00B44T3H88   DE000A1JF7L0	
<b>Base currency</b>	USD	
<b>Fund domicile</b>	Ireland	
<b>Fund manager</b>	HSBC Global Asset Management (UK) Ltd	
<b>Assets under management</b>	USD 419.43 million	
<b>Replication methodology</b>	Physical replication	
<b>Dividend treatment</b>	Distribution	
<b>Dividend frequency</b>	Semi-annual	

As at 31 January 2020. For illustrative purposes only.

## 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

## Important information

This document is intended 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 HSBC EURO STOXX 50 UCITS ETF, HSBC FTSE EPRA NAREIT DEVELOPED UCITS ETF, HSBC FTSE 100 UCITS ETF, HSBC MSCI EUROPE UCITS ETF, HSBC MSCI JAPAN UCITS ETF, HSBC MSCI USA UCITS ETF, HSBC S&P 500 UCITS ETF, HSBC MSCI BRAZIL UCITS ETF, HSBC MSCI PACIFIC ex JAPAN UCITS ETF, HSBC MSCI EM FAR EAST UCITS ETF, HSBC MSCI WORLD UCITS ETF, HSBC MSCI TURKEY UCITS ETF, HSBC MSCI CHINA UCITS ETF, HSBC MSCI CHINA A INCLUSION UCITS ETF, HSBC MSCI SOUTH AFRICA CAPPED UCITS ETF, HSBC MSCI CANADA UCITS ETF, HSBC MSCI MEXICO CAPPED UCITS ETF, HSBC MSCI EM LATIN AMERICA UCITS ETF, HSBC MSCI INDONESIA UCITS ETF, HSBC MSCI MALAYSIA UCITS ETF, HSBC MSCI TAIWAN CAPPED UCITS ETF, HSBC MSCI KOREA UCITS ETF, HSBC MSCI RUSSIA CAPPED UCITS ETF, HSBC MSCI EMERGING MARKETS UCITS ETF, HSBC MSCI AC FAR EAST ex JAPAN UCITS ETF, HSBC MULTI FACTOR WORLDWIDE EQUITY UCITS ETF and HSBC MSCI SAUDI ARABIA 20/35 CAPPED UCITS ETF are registered in Switzerland in the meaning of Art.120 CISA. The prospectus, Key Investor Information Document (KIID) of the aforementioned subfund and (semi) annual reports of the Company can be obtained free of charge at the Swiss office of the Swiss representative of the fund: HSBC Global Asset Management (Switzerland) AG, Gartenstrasse 26, P.O. Box, CH8002 Zurich. Paying agent in Switzerland: HSBC Private Bank (Suisse) S.A., Quai des Bergues 917, P.O. Box 2888, 1211 Geneva 1, Switzerland. All other funds mentioned in this document are not authorised for distribution in Switzerland.

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. Past performance is no indication to future results of a fund. The performance data do not take account of the commissions and costs incurred on the issue and redemption of units.