HSBC MSCI China A Inclusion UCITS ETF

Fund overview

February 2020

For Professional Clients only

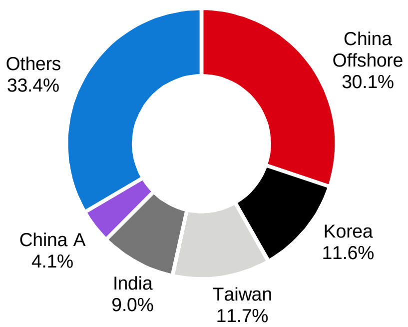
The strategy at a glance

- China is too significant as a market to be ignored by global investors, yet it is currently under-represented in many portfolios
- With an inclusion factor lifted to 20%, the weighting of China's A-shares in MSCI Emerging Markets Index is 4.09%[1]
- The ETF offers easy and quick access to mainland Chinese securities – which were traditionally only available to mainland citizens
- 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 A Inclusion 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

MSCI Emerging Markets – 20% Inclusion Factor (January 2020)[1]



Why consider HSBC MSCI China A Inclusion 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 0.30%)

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

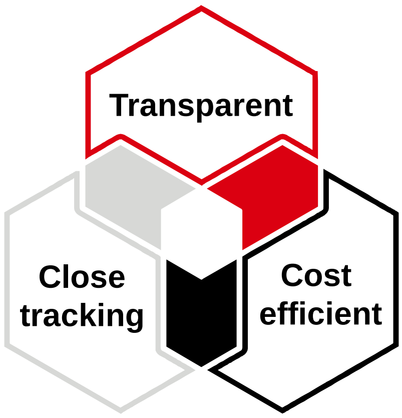
Any forecast, projection or target where provided is indicative only and not guaranteed in any way. HSBC Global Asset Management accepts no liability for any failure to meet such forecast, projection or target.

1. Source: MSCI, January 2020. Others include Brazil, South Africa, Russia, Mexico, etc.

HSBC Global Asset Management

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.

Benchmark	MSCI China A Inclusion index Net Total Return (M1CNA Index)
OCF	0.30%
Registration	AT, CH, DE, ES, FR, IE, IT, LU, NL, PT, SE, UK
Listings / Ticker	**London Stock Exchange** HMCT LN (USD) HMCA LN (GBP) **Borsa Italiana** HMCA IM (EUR) **Xetra** H41K GY (EUR) **SIX Swiss** HMCT SW (USD)
ISIN	IE00BF4NQ904 | DE000A2N5QJ3
Base currency	USD
Fund domicile	Ireland
Fund manager	HSBC Global Asset Management (UK) Ltd
Assets under management	USD 154.77 million
Replication methodology	Physical replication
Dividend treatment	Distribution
Dividend frequency	Quarterly

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.

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