

HSBC Hang Seng TECH UCITS ETF

Fund Overview

December 2020



The strategy at a glance

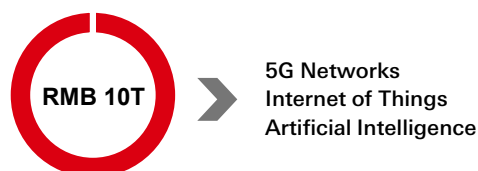
- ◆ China's technology sector has seen explosive growth in recent years, and China now has leading companies in high tech industries including aerospace, robotics and biotech
- ◆ Our HSBC Hang Seng TECH UCITS ETF tracks the innovative Hang Seng TECH Index, comprised of the 30 largest companies listed in Hong Kong which have high exposure to technology themes
- ◆ This ETF offers transparent and cost efficient access to this increasingly important segment, and can be simply added to existing allocations

Fund snapshot

- ◆ The fund aims to physically replicate the performance of the Hang Seng TECH Index, while aiming to minimise the tracking error between the fund and the index
- ◆ This is achieved through our consistent implementation approach focused on both risk and costs that leverages our experience and proprietary technology

With significant mega trends being intrinsically linked to China's technology industry, and the development of the digital economy, **we believe the growth in China's technology sector is here to stay.**

China investments in technology 2020-2025



Source: China Centre for Information Industry Development, as of May 2020

Why consider the HSBC Hang Seng TECH 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. We are the first ETF provider to launch a UCITS product for investors who seek easy access to the Chinese technology market.



Competitive pricing: our physically replicated ETF offers a cost efficient access to China's technological revolution (TER of 0.50%).



Dedicated teams: our approach leverages our dedicated ETF Capital Markets team and coverage, on hand to help.



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.

Hang Seng TECH Index top holdings

Company Name	Industry	Index Weight
Sunny Opticals	Industrials	8.56%
Tencent Holdings	IT	8.29%
Baba-SW	IT	8.25%
Meituan-W	IT	8.22%
Xiaomi-W	IT	7.39%
SMIC	IT	6.05%
Kingdee International	IT	5.12%
Ali Health	Healthcare	5.10%
JD-SW	IT	4.67%
PA Good doctor	Healthcare	4.28%
Total weight		65.93%

Source: Hang Seng Indexes Limited, as of August 2020.

Characteristics and weightings are for information only, are not guaranteed and are subject to change over time, and without prior notice, taking into account any changes in markets.

Fund details

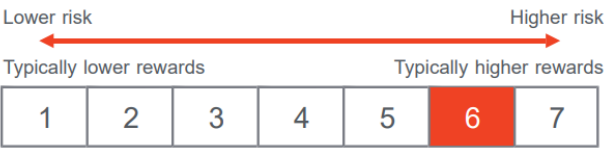
Benchmark	Hang Seng TECH Index (HSTECHN)
TER	0.50%
Registration	BE, DE, DK, ES, FI, FR, IE, IT, LU, NL, PT, SE, SG, UK
Listings / Ticker	London Stock Exchange HSTE LN (USD) HSTC LN (GBP)
ISIN	IE00BMWXKN31
Inception date	09 December 2020
Base currency	HKD
Fund domicile	Ireland
Fund manager	HSBC Global Asset Management (UK) Ltd
Replication method	Physical replication
Dividend treatment/frequency	Accumulation

Source: HSBC Global Asset Management, November 2020.

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
- ◆ **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
- ◆ **Style Risk** Different investment styles typically go in and out of favour depending on market conditions and investor sentiment



The rating is based on price volatility over the last five years, and is an indicator of absolute risk. Historical data may not be a reliable indication for the future. The rating is not guaranteed to remain unchanged and the categorisation may shift over time. The lowest rating does not mean a risk-free investment. Do not run any unnecessary risk. Read the Key Investor Information Document. The fund invests in instruments of high level of volatility. The value of investments can go up as well as down.

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