



HSBC MSCI AC Asia Pacific ex-Japan Climate Paris Aligned UCITS ETF

Fund overview

April 2022

For Professional Clients Only. Not for further distribution. This is a marketing communication. Please refer to the prospectus of the Fund and to the KIID before making any final investment decisions.

The strategy at a glance

The HSBC MSCI AC Asia Pacific ex-Japan Climate Paris Aligned UCITS ETF is a passively managed fund designed to support investors seeking to minimise their exposure to climate risks by reducing carbon emissions in line with the Paris Agreement requirements. The fund tracks the MSCI AC Asia Pacific ex-Japan Climate Paris Aligned Index, which follows a rules-based and transparent methodology to go beyond EU minimum standards to address climate change risks and opportunities.

Why consider the MSCI AC Asia Pacific ex-Japan Climate Paris Aligned Index

Sophisticated climate analytics

Uses a wide variety of climate metrics, including Climate Value-at-Risk (VaR), Low Carbon Transition Score and TCFD¹ Recommendations

Climate compatible investing

Stocks are weighted based on their forward-looking, return-based climate-stressed market valuation

High standards

Designed to go beyond EU minimum standards, helping investors meet their sustainable investment objectives and limit risks

Extensive company coverage

Approximately 459 large and mid-cap securities across 13 countries

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

Source: HSBC Asset Management, MSCI, as at June 2021

1. Task Force on Climate-related Financial Disclosures
2. Socially Responsible Investment
3. Source: Euromoney 2020 "World's Best Bank for Sustainable Finance"
4. Principles for Responsible Investment
5. Source: https://www.unpri.org/signatories/hsbc-global-asset-management/1306_article
6. Please refer to page 3 for the full risk details

The strength of our sustainable ETFs

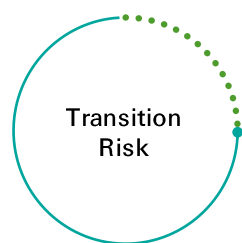
- ◆ Specialised **ETF Sales, Capital Markets and Investment Specialists** teams as well as dedicated SRI² and engagement specialists
- ◆ 30+ years experience in managing passive portfolios, with a **strong record of close tracking** and minimising costs
- ◆ The World's **Best Bank** for Sustainable Finance³ in 2020
- ◆ Early signatory of the **Montreal Carbon Pledge** in 2015
- ◆ Early global signatory of the **PRI**⁴ and highest **A+ assessment** score in all modules⁵
- ◆ Founding Signatory and Global Steering Committee Member of **Climate Action 100+**
- ◆ As a support of the **TCFD**, we work with portfolio companies to improve their climate-related disclosures

Key Risks⁶

- ◆ Counterparty Risk
- ◆ Derivatives Risk
- ◆ Emerging Markets Risk
- ◆ Exchange Rate Risk
- ◆ Index Tracking Risk
- ◆ Investment Leverage Risk
- ◆ Liquidity Risk
- ◆ Operational Risk

Passively managed. You can find more information about our sustainable aspects here: <https://www.assetmanagement.hsbc.de/de/institutionalinvestors/investment-expertise/sustainable-investments>

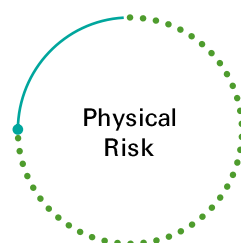
MSCI AC Asia Pacific ex-Japan Climate Paris Aligned Index objectives



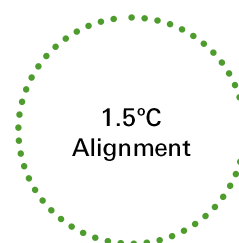
- ◆ Carbon intensity reduction of 50%
- ◆ Lower fossil fuel exposure
- ◆ Neutral exposure to high impact sector
- ◆ 20% higher weight to companies setting targets
- ◆ Underweight companies facing transition risk



- ◆ Overweight companies providing solutions
- ◆ 2x higher weighted average green revenue¹ percentage than parent index
- ◆ 4x higher green/brown² ratio
- ◆ 10% improvement in Low Carbon Transition score



- ◆ Physical Risk Climate VaR is at least 50% lower



- ◆ Self-decarbonisation of at least 10%
- ◆ Climate VaR under 1.5°C Scenario

Companies generating at least 1% of revenues from **thermal coal mining**, 10% of revenues from **oil and gas**, or 50% of revenues from **power generation** from thermal coal, oil or gas are excluded.

Sector breakdown

Industry	Index Weight
Information Technology	25.91%
Financials	23.93%
Consumer Discretionary	11.68%
Industrials	9.49%
Communication Services	7.81%
Real Estate	5.96%
Healthcare	5.06%
Consumer Staples	3.78%
Materials	3.23%
Utilities	3.14%

Source: MSCI, as at April 2022

Fund details

Benchmark	MSCI AC Asia Pacific ex-Japan Climate Paris Aligned Net USD Index (NU739400)		
TER	Up to 0.25%		
Registration ³	AT, CH, DE, DK, ES, FI, FR, HK, IE, IT, LU, NL, PT, SE, UK		
Listings ⁴ / Ticker	LSE: HPAJ LN (USD) HPAX LN (GBP)	Euronext: HPAJ FP (EUR) SIX: HPAJ SW (USD)	BI: HPAJ IM EUR Xetra: HP2A GY (EUR)
ISIN	IE000XFORJ80		
Inception date	12 April 2022		
Base currency ⁵	USD		
Fund domicile	Ireland		
Fund manager	HSBC Global Asset Management (UK) Ltd		
Replication method	Physical full replication		
Dividend treatment	Accumulating		

Source: MSCI, HSBC Asset Management, as at April 2022

1. Green revenue is defined as revenue from goods and services including alternative energy, energy efficiency, green building, pollution prevention and sustainable water.
2. Brown revenue is defined as the revenue generated from thermal coal extraction, unconventional and conventional oil and gas extraction, oil refining, thermal coal based power generation, liquid fuel based power generation or natural gas based power generation.
3. This fund may not be yet registered for sale in the mentioned regions.
4. This fund may not be yet available in the mentioned exchanges.
5. The cost may increase or decrease as a result of currency and exchange rate fluctuations.

Passively managed. You can find more information about our sustainable aspects here:

<https://www.assetmanagement.hsbc.de/de/institutional-investors/investment-expertise/sustainable-investments>

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

Further information on the potential risks can be found in the Key Investor Information Document (KIID) and/or the Prospectus of Offering Memorandum.

Important information

The MSCI information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the "MSCI Parties") expressly disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages. (www.msci.com)

This document provides a high level overview of the recent economic environment. It is for marketing purposes and does not constitute investment research, investment advice nor a recommendation to any reader of this content to buy or sell investments. It has not been prepared in accordance with legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of its dissemination.

This document is produced by HSBC Global Asset Management and amended by HSBC Global Asset Management (Deutschland) GmbH. This marketing document is designed for sales and marketing purposes for the introduced fund and is not an offer, an investment advice/recommendation or an invitation to make an application to invest in this fund. It is for your information only. This document is not contractually binding nor are we required to provide this to you by any legislative provision. It 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. It does not constitute independent investment research. All statutory requirements concerning impartiality of financial analysis are unaffected. This document does not replace a professional investment advice. It is not an offer for subscription. A prohibition of trading concerning mentioned financial products before publishing this document does not exist. This document is not determined to citizens of the USA. It is only intended for the recipient and parts of it may not be disclosed to any third party or used for any other purpose without prior written consent. Past performance contained in this document is not a reliable indicator of future performance whilst any forecasts, projections and simulations contained herein should not be relied upon as an indication of future results. In addition to the information on performance contained in this document, for gross performance, fees are not included in the presentation and have a negative impact on the performance of the investment. Due to the composition of the fund prices may fluctuate significantly in the short term to the downside as well as the upside. If awards are mentioned in this document, it is possible that this is not the most recent award. This document is based on information obtained from sources we believe to be reliable but which have not been independently verified; therefore we accept no responsibility for accuracy and/or completeness. The opinions represented in this document express opinions of the author/the authors, editors and business partners of HSBC Global Asset Management (Deutschland) GmbH and are subject to change. The shift of opinion has not to be published. The fund is not suitable for every investor. It cannot be ruled out that an investment in the fund could lead to losses for the investor. It is also possible that investors might lose all of their initial investment. Further information can be found in the prospectus and Key Investor Information Document (KIID). All information within this document do neither replace the prospectus for the fund nor the Key Investor Information Documents and the most recent annual and semi-annual reports. German citizens can obtain these documents upon request and free of charge from HSBC Global Asset Management (Deutschland) GmbH, Hansaallee 3, 40549 Duesseldorf, Germany or via www.assetmanagement.hsbc.de/de.

Austrian citizens can obtain these documents upon request and free of charge for

- all ETF and HSBC Discountstrukturen from Erste Bank der Oesterreichischen Sparkassen AG, Graben 21, 1010 Wien, Austria
 - HSBC Aktienstrukturen Europa, HSBC Euro Credit Subordinated Bond, HSBC MSCI Europe Select SRI Index, HSBC MSCI World Select SRI Index, HSBC Rendite Substanz from Erste Bank der Oesterreichischen Sparkassen AG, Am Belvedere 1, 1100 Wien, Austria
 - all HGIF, ICAV, Liquidity, HSBC Euro Short Term Bond Fund and HSBC RIF - SRI Euroland Equity from Raiffeisen Bank International AG, Am Stadtpark 9, 1030 Wien, Austria
 - HSBC Euro Credit Non-Financial Bond and HSBC Multi Markets Select from Walsler Privatbank Aktiengesellschaft, Walslerstraße 61, A-6691 / D-87567 Riezlem, Austria
- or via www.assetmanagement.hsbc.at/de.