HSBC Asset Management

Key Information Document

Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

HSBC MSCI Emerging Markets Value ESG UCITs ETF

a sub-fund of HSBC ETFs PLC,(the "UCITS"). The Fund is managed by HSBC Investment Funds (Luxembourg) S.A., authorised in Ireland and supervised by Central Bank of Ireland (CBI). HSBC Asset Management is the brand name for the asset management business of HSBC Group.

PRIIP Manufacturer: HSBC Investment Funds (Luxembourg) S.A. | Share Class: USD (Acc)

Telephone: +352 48 88 961 | ISIN: IE000NVVIF88

Production Date: 26 March 2025. | Website: http://www.etf.hsbc.com

What is this product?

Type

The Fund is an investment company with variable capital. The Fund's value is dependent on the performance of the underlying assets and may go up as well as down. Any capital invested in the Fund may be at risk.

Objectives and Investment Policy

Investment Objective:

The Fund aims to track as closely as possible the returns of the MSCI Emerging Markets Value SRI ESG Target Select Index (the Index), that provides investors the opportunity to gain specific exposure to companies with lower market valuations relative to their fundamental value (the Value Factor), while integrating environmental, social and governance (ESG) metrics. The Fund will invest in or gain exposure to shares of companies which make up the Index.

Investment Policy:

The Index is a subset of the MSCI Emerging Markets Index (Parent Index), and is made up of large and mid-cap companies (as measured by the market value of their shares) based in emerging markets worldwide, as defined by the Index Provider.

In replicating the performance of the Index, the Fund promotes certain environmental, social and/or governance (ESG) characteristics and has been categorised as an Article 8 fund for the purpose of the SFDR.

The Index is constructed by excluding companies with exposure to: nuclear weapons, adult entertainment, alcohol, gambling, nuclear power, thermal coal power, fossil fuel, tobacco, genetically modified organisms, controversial and conventional weapons. The Index aims to maximise the exposure to the Value Factor using a proprietary factor model along with a 20% ESG score improvement of the Index relative to the Parent Index. The proprietary factor model after applying exclusion criteria, measures the exposure of each remaining security to the Value Factor using three value-specific variables (price-to-book value, price-to-forward earnings and enterprise value-to-cash flow from operations) and ranks the securities providing maximum exposure to the Value Factor. The Index is rebalanced on a quarterly basis. Please refer the Fund's Supplement for more details on ESG exclusion criteria and Value Factor.

The Fund is passively managed and aims to invest in the shares of the companies in generally the same proportion as in the Index. There may be circumstances when it is not possible for the Fund to invest in all constituents of the Index and may gain exposure by using other investments such as depositary receipts, funds, or derivatives or may hold cash and cash equivalents.

The Fund may invest up to 10% of its assets in other funds, including HSBC funds.

The Fund may invest up to 35% of its assets in securities from a single issuer during exceptional market conditions.

The Fund may invest up to 10% in total return swaps and contracts for difference. However, this is not expected to exceed 5%.

The Fund may also invest in derivatives for efficient portfolio management purposes (such as to manage risk and costs, or to generate additional capital or income) and for investment purposes.

- The Fund may enter into securities lending transactions for up to 30% of its assets. However, this is not expected to exceed 25%.
- The reference currency of the Fund is USD. The reference currency of this share class is USD.
- Income is reinvested.
- Authorised Participants only may deal in the Fund's shares directly with the UCITS.
- The Fund's shares are listed on one or more stock exchange(s).
- You may sell your investment on most working days.
- The anticipated level of tracking error in normal market conditions is expected to be 0.40%.
- The reference benchmark has a high level of concentration. This means that a small number of securities make up a significant proportion of the benchmark.

Intended Retail Investor

Investment in the Fund may be suitable for investors seeking capital appreciation with a five year time horizon through investments made primarily in equities that are listed or traded on Recognised Markets, as defined in the Prospectus. An investor should consider his/her personal tolerance for the daily fluctuations of the market before investing in the Fund, as the volatility of the Fund may be high. Investors should be prepared to bear losses. Shares in the Fund will be available to both retail and institutional investors.

An investment in the Fund is only suitable for investors who are capable of evaluating the risks and merits of such an investment, and who have sufficient resources to bear any loss as the Fund is not guaranteed and they may receive back less than the amount invested. The Fund is designed for use as part of a diversified investment portfolio. Prospective investors should consult with their financial advisor before making an investment.

Term:

The Fund does not have a maturity date.

The PRIIP Manufacturer cannot terminate the Fund unilaterally. The Board of Directors may furthermore decide to liquidate the Fund in certain circumstances set out in the prospectus and articles of incorporation of the Fund.

Additional Information:

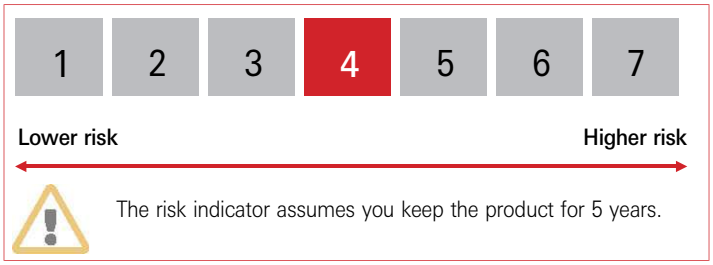
This document describes a single share class of a sub-fund of the Company. Further information about the Company including the Prospectus, the most recent annual and semi-annual reports of the Company and the latest share prices, may be obtained free of charge, in English, from the Administrator by emailing ifsinvestorqueries@hsbc.com, or by visiting www.etf.hsbc.com. The most recent Prospectus is available in English, German and French. Details of the underlying investments of the fund are available on www.etf.hsbc.com. The indicative intra-day net asset value of the fund 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. The Prospectus, annual and semi-annual reports are prepared for the entire Company.

The Depositary is HSBC Continental Europe. The Fund's assets are kept safe by the Depositary and are segregated from the assets of other Funds.

It is possible to switch your shares into shares of a different share class or sub-fund within the Company. Details of how to do this are in the "Conversion of Shares - Primary Market" section of the Prospectus.

What are the risks and what could I get in return?

Risk Indicator



The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.

We have classified this product as 4 out of 7, which is a medium risk class. This rates the potential losses from future performance at a medium, and poor market conditions are could impact our capacity to pay you.

Be aware of currency risk. You will receive payments in a different currency, so the final return you will get depend on the exchange rate between the two currencies. This risk is not considered in the indicator shown above.

Additional risks not included in the Summary Risk Indicator (SRI) include: Liquidity, Counterparty, Operational, Investment Leverage and Exchange Rate Risk. Please refer to the prospectus for other risks.

This product does not include any protection from future market performance so you could lose some or all of your investment.

If we are not able to pay you what is owed, you could lose your entire investment.

Performance Scenarios

What you will get from this product depends on future market performance. Market developments in the future are uncertain and cannot be accurately predicted. The unfavourable, moderate, and favourable scenarios shown are illustrations using the worst, average, and best performance of the product and a suitable benchmark over the last 10 years. Markets could develop very differently in the future.

Recommended Holding Period: 5 Years **Investment of USD 10,000**		**If you exit after 1 year**	**If you exit after 5 years**
Minimum	The Fund is not covered by an investor compensation or guarantee scheme, you may lose some or all of the amount invested.		
Stress Scenario	What you might get back after costs	USD2,740	USD3,960
	Average return each year	-72.58 %	-16.93 %
Unfavourable Scenario	What you might get back after costs	USD7,310	USD8,150
	Average return each year	-26.87 %	-4.02 %
Moderate Scenario	What you might get back after costs	USD10,680	USD12,290
	Average return each year	6.80 %	4.21 %
Favourable Scenario	What you might get back after costs	USD15,770	USD18,650
	Average return each year	57.68 %	13.27 %

The figures shown include all the costs of the product itself, but may not include all the costs that you pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back. The stress scenario shows what you might get back in extreme market circumstances. The unfavourable scenario occurred for an investment between October 2017 and October 2022. The moderate scenario occurred for an investment between April 2019 and April 2024. The favourable scenario occurred for an investment between February 2016 and February 2021. A suitable benchmark was used where the Fund had insufficient history.

What happens if HSBC Investment Funds (Luxembourg) S.A. is unable to pay out?

The Fund's ability to pay out would not be affected by the default of HSBC Investment Funds (Luxembourg) S.A.. The Fund's assets are kept safe by the Depositary and are segregated from the assets of other Funds. This means that the holdings of one Fund are kept separate from the holdings of the other Funds and your investment in the Fund cannot be used to pay the liabilities of any other Fund. There is a potential liability risk for the Depositary if the assets of the Fund are lost. The Depositary is liable in case of its negligent or intentional failure to properly fulfil its obligations.

In the event of a bankruptcy or insolvency of the Depositary or other service provider, investors could experience delays (for example, delays in the processing of subscriptions, conversions and redemption of shares) or other disruptions and there may be a risk of default. The Fund is not covered by an investor compensation or guarantee scheme.

What are the costs?

The person advising on or selling you this product may charge you other costs. If so, this person will provide you with information about these costs and how they affect your investment.

Cost over time

The tables show the amounts that are taken from your investment to cover different types of costs. These amounts depend on how much you invest, how long you hold the product and how well the product does. The amounts shown here are illustrations based on an example investment amount and different possible investment periods.

We have assumed:

- In the first year you would get back the amount that you invested (0% annual return). For the other holding periods we have assumed the product performs as shown in the moderate scenario.
- USD 10,000 is invested.

Recommended Holding Period: 5 Years Investment of USD 10,000	If you exit after 1 year	If you exit after 5 years
Total Costs	41 USD	251 USD
Annual cost impact % *	0.4%	0.4% each year

* This illustrates how costs reduce your return each year over the holding period. For example it shows that if you exit at the recommended holding period your average return per year is projected to be 4.63% before costs and 4.21% after costs.

We may share part of the costs with the person selling you the product to cover the services they provide to you. They will inform you of the amount.

Composition of costs

One-off costs upon entry or exit		If you exit after 1 year
Entry costs	No entry nor exit charges are payable where investors deal in shares in the secondary market – i.e. where shares are purchased and sold on a stock exchange. In such cases, investors may pay fees charged by their broker. Authorised Participants dealing directly with the Fund may be subject to a Direct Dealing (Cash Transaction) Fee of up to 3.00% on subscriptions and up 3.00% on redemptions.	Up to 0 USD
Exit costs	We do not charge an exit fee for this product, but the person selling you the product may do so.	0 USD
Ongoing costs taken each year		
Management fees and other administrative or operating costs	0.35% of the value of your investment per year. This figure is based on the last year's expenses for the year ending 29 December 2023.	35 USD
Transaction costs	0.05%* of the value of your investment per year. This is an estimate of the costs incurred when we buy and sell the underlying investments for the product. The actual amount will vary depending on how much we buy and sell.	5 USD
Incidental costs taken under specific conditions		
Performance Fees	There is no performance fee for this product.	0 USD

A conversion charge may be payable.

How long should I hold it and can I take money out early?

Recommended Holding Period: 5 years

Investment in this Fund may be appropriate for investors who plan to invest over a long term.

There are no penalties if you wish to redeem your holdings in the Fund prior to the recommended holding period. An exit fee may be applicable, please refer to the "Composition of Costs" table for details.

How can I complain?

Complaints about the product, or the about the conduct of HSBC Investment Funds (Luxembourg) S.A., or the person advising on or selling the product, should be addressed in writing to 18 Boulevard de Kockelscheuer, 1821 Luxembourg, Grand Duchy of Luxembourg, or by e-mail to hifl.complaint@hsbc.com.

Other relevant information

*Note: this figure is based on an incomplete data set and is therefore subject to change. An updated figure will be provided in due course.

Detailed information for article 8 and 9 sustainable investment products, as categorised under the Sustainable Finance Disclosure Regulation (SFDR), including; description of the environmental or social characteristics or the sustainable investment objective; methodologies used to assess, measure and monitor the environmental or social characteristics and the impact of the selected sustainable investments and; objectives and benchmark information, can be found at: https://www.assetmanagement.hsbc.co.uk/en/intermediary/investment-expertise/sustainable-investments/sustainable-investment-product-offering

The previous performance scenarios and past performance of the Fund for the previous 2 years can be found in the Fund Centre section of our website by visiting http://www.etf.hsbc.com.

When this product is used as a unit-linked support for a life insurance or capitalization contract, the additional information on this contract, such as the costs of the contract, which are not included in the costs indicated in this document, the contact in the event of a claim and what happens in the event of failure of the insurance company, are presented in the key information document of this contract, which must be provided by your insurer or broker or any other intermediary of insurance in accordance with its legal obligation.