

## HSBC ETFs PLC

# HSBC MSCI USA Islamic ESG UCITS ETF

Monthly report 31 December 2023 | HIUA LN | USD (Acc)



## Investment objective

The Fund aims to track as closely as possible the returns of the MSCI USA Islamic ESG Universal Screened Select Index (the Index), 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. The Fund qualifies under Article 8 of SFDR.



## Investment strategy

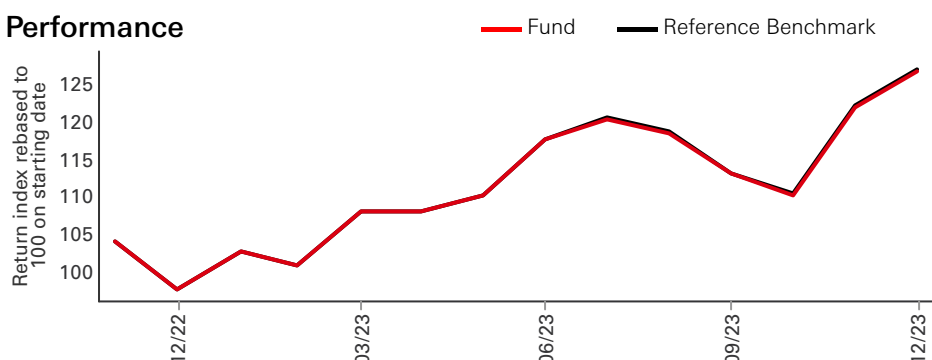
The Index is a subset of the MSCI USA Islamic Index (Parent Index), and is made up of large and mid-cap companies based in the US equity market, that comply with Shariah investment principles, as defined by the Index Provider. The Index is constructed by applying values- and climate-based exclusionary criteria, this includes (but is not limited to) companies with exposure to: controversial weapons, tobacco, thermal coal mining and breaching the United Nations Global Compact (UNGC) principles. The Fund will be passively managed and will aim to invest in the shares of the companies in generally the same proportion as in the Index. The Shariah committee monitors the Fund periodically and issues an annual Shariah certificate on the Fund's compliance with Shariah principles. The Fund may invest up to 35% of its assets in securities from a single issuer during exceptional market conditions. See the Prospectus for a full description of the investment objectives and derivative usage.



## Main risks

- The value of investible securities can change over time due to a wide variety of factors, including but not limited to: political and economic news, government policy, changes in demographics, cultures and populations, natural or human-caused disasters etc.
- 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 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.

## Performance



## Share class details

### Key metrics

NAV per share	<b>USD 28.71</b>
Performance 1 month	<b>3.75%</b>

### Fund facts

UCITS V compliant	<b>Yes</b>
UK reporting fund status (UKRS)	<b>Yes</b>
ISA eligible	<b>Yes</b>
Dividend treatment	<b>Accumulating</b>
Dividend currency	<b>USD</b>
Fund base currency	<b>USD</b>
Currency Hedged	<b>Not Hedged</b>
Share class base currency	<b>USD</b>
Domicile	<b>Ireland</b>
Inception date	<b>17 November 2022</b>
Shares outstanding	<b>675,000</b>
Fund size	<b>USD 19,381,172</b>
Reference benchmark	<b>100% MSCI USA Islamic ESG Universal Screened Index (USD unhedged Total Net Return)</b>

Replication method	<b>Physical- Full</b>
SIPP eligible	<b>Yes</b>
Issuer	<b>HSBC ETFs PLC</b>
Fiscal year end	<b>Dec</b>

### Fees and expenses

Ongoing charge figure <sup>1</sup>	<b>0.300%</b>
------------------------------------	---------------

### Codes

ISIN	<b>IE000I5NV504</b>
SEDOL	<b>BMV9P23</b>

<sup>1</sup>Ongoing Charges Figure is an estimate as the share class has not been priced for a full financial year.

Past performance does not predict future returns. The figures are calculated in the share class base currency, dividend reinvested, net of fees.

This is a marketing communication. Please refer to the prospectus and to the KIID before making any final investment decisions.

For definition of terms, please refer to the Glossary QR code and Prospectus.

Source: HSBC Asset Management, data as at 31 December 2023

Performance (%)	YTD	1 month	3 months	6 months	1 year	3 years ann	5 years ann	Since inception ann
Fund	29.38	3.75	11.95	7.61	29.38	--	--	23.28
Reference Benchmark	29.66	3.78	12.09	7.75	29.66	--	--	23.54
Tracking difference	-0.28	-0.03	-0.14	-0.15	-0.28	--	--	-0.26
Tracking error	--	--	--	--	0.07	--	--	0.07

Rolling performance (%)	31/12/22-31/12/23	31/12/21-31/12/22	31/12/20-31/12/21	31/12/19-31/12/20	31/12/18-31/12/19
Fund	29.38	--	--	--	--
Reference Benchmark	29.66	--	--	--	--

Carbon footprint	Fund	Broad Market Index	MSCI ESG Score	ESG score	E	S	G
Carbon intensity emissions	84.60	108.68	Fund	7.9	7.0	5.7	5.8
			Broad Market Index	7.6	6.8	5.5	5.6

Carbon Intensity measures the quantity of carbon emission of a company (tonnes CO<sup>2</sup>e/USD million revenue)  
Source: S&P Global Trucost

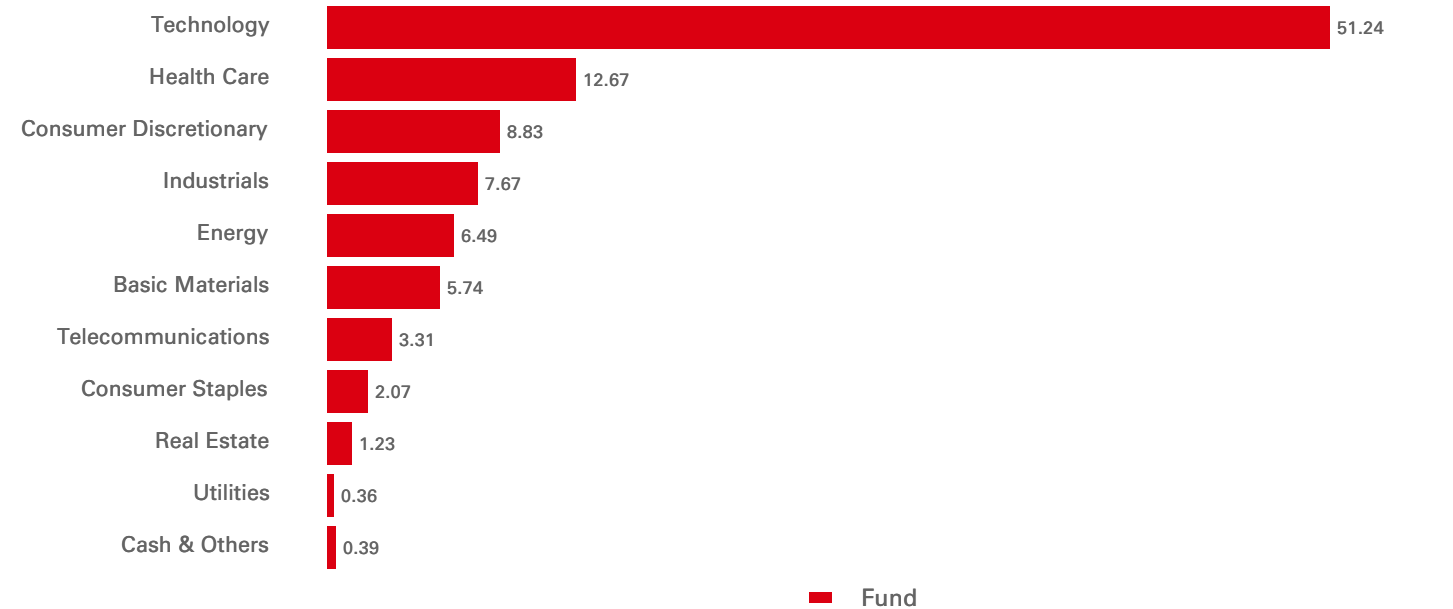
Equity characteristics	Fund	Reference Benchmark
No. of holdings ex cash	112	113
Average market cap (USD Mil)	845,343	845,615
Price/earning ratio	21.42	21.43

Benchmark information	
Index name	100% MSCI USA Islamic ESG Universal Screened Index (USD unhedged Total Net Return)
Index currency	USD
TR Index Bloomberg Ticker	NU748043
TR Index Reuters RIC	.MIACJ0S02NUS

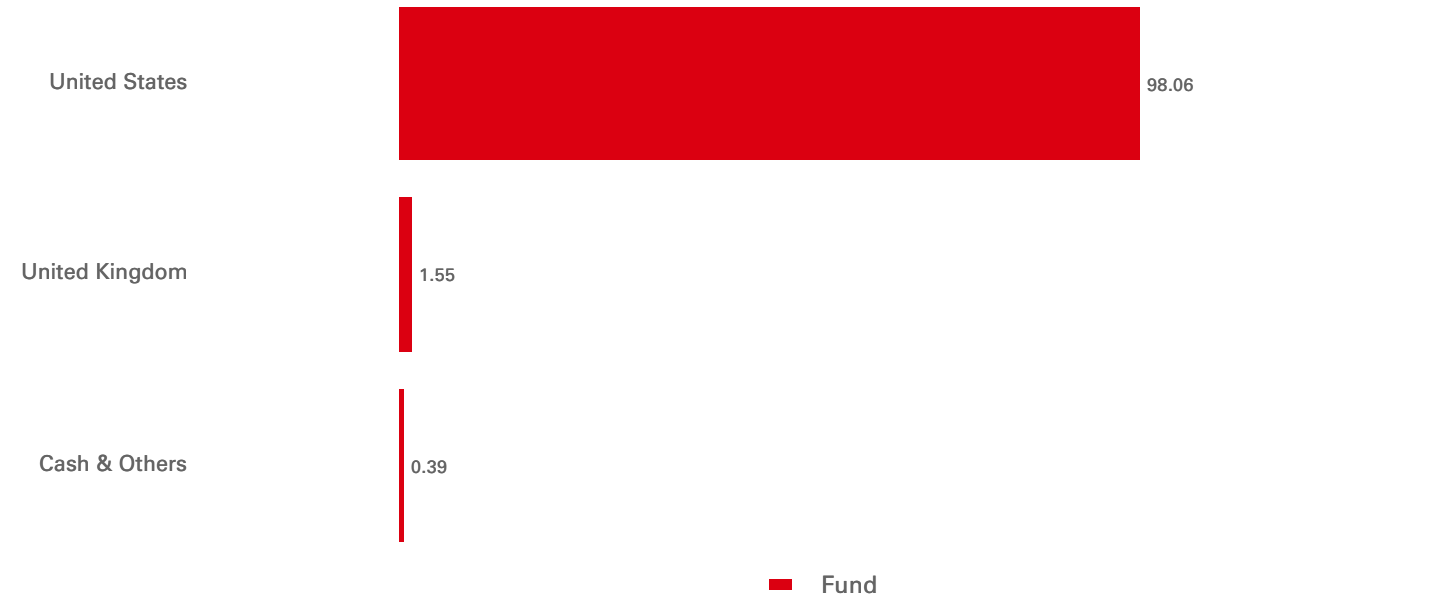
Fund facts

Fund manager	HSBC Global Asset Management (UK) Limited
Custodian	HSBC Continental Europe
Fund administrator	HSBC Securities Services (Ireland) DAC

Sector allocation (%)



Geographical allocation (%)



Top 10 holdings	Sector	Weight (%)
Microsoft Corp	Technology	24.98
Tesla Inc	Consumer Discretionary	5.49
Adobe Inc	Technology	4.20
Salesforce Inc	Technology	3.96
Advanced Micro Devices Inc	Technology	3.68
Intel Corp	Technology	3.26
Cisco Systems Inc	Telecommunications	3.17
Exxon Mobil Corp	Energy	3.09
Johnson & Johnson	Health Care	2.92
Intuit Inc	Technology	2.71

Exchange name	Listing date	Trading currency	Trading hours	Bloomberg ticker	Reuters RIC	iNAV Bloomberg	iNAV Reuters
LONDON STOCK EXCHANGE	18 Nov 2022	USD	08:00 - 16:30	HIUA LN	HIUA.L	HIUAUXIV	HIUAUSDINAV =SOLA
LONDON STOCK EXCHANGE	18 Nov 2022	GBP	--	HIUS LN	HIUS.L	HIUAGBIV	HIUAGBiv.P
NYSE EURONEXT - EURONEXT PARIS	09 Dec 2022	EUR	--	HIUS FP	--	--	--
SIX SWISS EXCHANGE		CHF	--	--	--	--	--
LONDON STOCK EXCHANGE	18 Nov 2022	GBP	08:00 - 16:30	HIUS LN	HIUS.L	HIUSGXIV	HIUSGPPINAV =SOLA
NYSE EURONEXT - EURONEXT PARIS	09 Dec 2022	EUR	09:00 - 17:30	HIUS FP	HIUS.PA	HIUSERIV	HIUSEURINAV =SOLA
SIX SWISS EXCHANGE		CHF	--	--	--	--	--
SIX SWISS EXCHANGE	01 Mar 2023	USD	--	HIUA SW	HIUA.S	HIUAUXIV	HIUAUSDINAV =SOLA

Emissions from reserves (mn tonnes/ USDmn)	Fund	Broad Market Index
Emissions from reserves/market cap	505.45225	2,007.18447

### Ten lowest carbon intensity issuers

Fund	Carbon intensity emissions (tonnes CO <sup>2</sup> e/USD million)	Broad Market Index	Carbon intensity emissions (tonnes CO <sup>2</sup> e/USD million)
PROLOGIS INC	1.13	PROLOGIS	1.13
OKTA INC	1.13	OKTA	1.13
INTUIT INC	1.62	INTUIT	1.62
TAKE-TWO INTERACTIVE SOFTWARE	1.70	TAKE-TWO INTERACTIVE SOF	1.70
PALO ALTO NETWORKS INC	2.24	PALO ALTO NETWORKS	2.24
ADVANCED MICRO DEVICES	3.29	ADVANCED MICRO DEVICES	3.29
DR HORTON INC	3.61	HORTON (DR)	3.61
ADOBE INC	3.62	ADOBE	3.62
LULULEMON ATHLETICA INC	3.63	LULULEMON ATHLETICA	3.63
CERIDIAN HCM HOLDING INC	4.63	CERIDIAN HCM HOLDING	4.63

### Ten highest carbon intensity issuers

Fund	Carbon intensity emissions (tonnes CO <sup>2</sup> e/USD million)	Broad Market Index	Carbon intensity emissions (tonnes CO <sup>2</sup> e/USD million)
AIR PRODUCTS & CHEMICALS INC	2,087.71	AIR PRODUCTS & CHEMICALS	2,087.71
CF INDUSTRIES HOLDINGS INC	1,591.29	CF INDUSTRIES HOLDINGS	1,591.29
LINDE PLC	1,130.44	CLEVELAND CLIFFS	1,323.10
WESTLAKE CORP	577.94	LINDE (NEW)	1,130.44
DOW INC	541.16	DEVON ENERGY CORP	960.70
INTERNATIONAL PAPER CO	454.62	OCCIDENTAL PETROLEUM	612.95
OWENS CORNING	357.59	WESTLAKE CORPORATION	577.94
FREEPORT-MCMORAN INC	342.81	DOW	541.16
KNIGHT-SWIFT TRANSPORTATION	313.64	INTERNATIONAL PAPER	454.62
EXXON MOBIL CORP	288.40	MARATHON OIL CORP	443.62

## ESG score for ten highest holdings by weight

Fund	Weight	ESG score	E	S	G	Carbon intensity emissions
MICROSOFT CORP	24.976%	9.3	8.4	6.3	5.4	34.1
TESLA INC	5.486%	6.2	9.0	1.3	4.1	7.5
ADOBE INC	4.202%	10.0	5.8	7.2	7.2	3.6
SALESFORCE INC	3.961%	8.3	6.6	6.6	5.9	15.0
ADVANCED MICRO DEVICES	3.681%	7.8	5.7	6.4	6.1	3.3
INTEL CORP	3.255%	10.0	7.8	7.5	5.8	78.0
CISCO SYSTEMS INC	3.165%	7.7	6.0	4.8	5.4	11.6
EXXON MOBIL CORP	3.095%	4.5	4.7	5.7	5.1	288.4
JOHNSON & JOHNSON	2.919%	6.6	5.6	5.2	3.9	11.6
INTUIT INC	2.709%	9.0	5.7	6.1	6.8	1.6

Broad Market Index	Weight	ESG score	E	S	G	Carbon intensity emissions
MICROSOFT CORP	25.377%	9.3	8.4	6.3	5.4	34.1
TESLA	6.787%	6.2	9.0	1.3	4.1	7.5
EXXON MOBIL CORP	3.830%	4.5	4.7	5.7	5.1	288.4
JOHNSON & JOHNSON	3.609%	6.6	5.6	5.2	3.9	11.6
PROCTER & GAMBLE CO	3.302%	6.7	6.0	3.8	4.9	56.3
ADOBE	2.597%	10.0	5.8	7.2	7.2	3.6
CHEVRON CORP	2.587%	7.1	5.7	6.5	5.9	252.4
SALESFORCE	2.448%	8.3	6.6	6.6	5.9	15.0
ADVANCED MICRO DEVICES	2.277%	7.8	5.7	6.4	6.1	3.3
INTEL CORP	2.012%	10.0	7.8	7.5	5.8	78.0

## ESG score for ten lowest holdings by weight

Fund	Weight	ESG score	E	S	G	Carbon intensity emissions
WESTLAKE CORP	0.057%	4.6	4.2	0.9	5.3	577.9
HEICO CORP	0.060%	4.9	2.6	4.7	4.9	44.0
BIO-RAD LABORATORIES-A	0.067%	4.9	10.0	4.8	4.8	37.4
HF SINCLAIR CORP	0.067%	5.5	4.8	6.3	6.5	250.8
KNIGHT-SWIFT TRANSPORTATION	0.072%	7.0	8.4	1.8	6.3	313.6
SMITH (A.O.) CORP	0.080%	4.8	6.8	5.3	3.1	40.2
BORGWARNER INC	0.082%	7.0	6.2	2.8	7.1	30.5
F5 INC	0.083%	6.5	2.9	4.1	7.1	12.5
HEICO CORP-CLASS A	0.085%	4.9	2.6	4.7	4.9	44.0
QORVO INC	0.085%	6.9	5.2	5.3	6.9	62.7

Broad Market Index	Weight	ESG score	E	S	G	Carbon intensity emissions
WESTLAKE CORPORATION	0.051%	4.6	4.2	0.9	5.3	577.9
ASPEN TECHNOLOGY	0.061%	7.4	6.3	4.8	6.0	33.3
BIO-RAD LABORATORIES A	0.067%	4.9	10.0	4.8	4.8	37.4
PAYLOCITY HOLDING CORP	0.071%	7.8	7.0	6.4	6.3	8.0
HEICO CORP	0.075%	4.9	2.6	4.7	4.9	44.0
BORGWARNER	0.081%	7.0	6.2	2.8	7.1	30.5
CHESAPEAKE ENERGY CORP	0.083%	4.2	1.4	5.3	6.1	124.5
HF SINCLAIR	0.085%	5.5	4.8	6.3	6.5	250.8
KNIGHT-SWIFT TRANSPORT	0.089%	7.0	8.4	1.8	6.3	313.6
JUNIPER NETWORKS	0.091%	8.4	2.9	5.1	7.2	20.0

## Risk disclosures

- Where overseas investments are held the rate of currency exchange may cause the value of such investments to go down as well as up.
- Further information on the potential risks can be found in the Key Information Document (KID) and/or the Prospectus or Offering Memorandum.

Follow us on:



E-mail: [etf.client.services@hsbc.com](mailto:etf.client.services@hsbc.com)  
Website: [www.etf.hsbc.com](http://www.etf.hsbc.com)  
For more information please contact us at E-mail:  
[Wholesale.clientservices@hsbc.com](mailto:Wholesale.clientservices@hsbc.com).  
[www.assetmanagement.hsbc.com/uk](http://www.assetmanagement.hsbc.com/uk)  
To help improve our service and in the interests of security we may record and/or monitor your communication with us.

---

## Glossary



## Index disclaimer

Source: MSCI. 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](http://www.msci.com))

Source: HSBC Asset Management, data as at 31 December 2023

## Important information

The material contained herein is for marketing purposes and 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.

This material is not intended for distribution to or use by any person or entity in any jurisdiction or country where such distribution or use would be contrary to law or regulation. This material is not and should not be construed as an offer to sell or the solicitation of an offer to purchase or subscribe to any investment.

Any views expressed were held at the time of preparation and are subject to change without notice. While any forecast, projection or target where provided is indicative only and not guaranteed in any way. HSBC Global Asset Management (UK) Limited accepts no liability for any failure to meet such forecast, projection or target.

This fund is a sub-fund of HSBC ETFs plc ("the Company"), 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 company is constituted as an umbrella fund, with segregated liability between sub-funds. Shares purchased on the secondary market cannot usually be sold directly back to the Company. Investors must buy and sell shares on the secondary market with the assistance of an intermediary (e.g. a stockbroker) and may incur fees for doing so. In addition, investors may pay more than the current Net Asset Value per share when buying shares and may receive less than the current Net Asset Value per Share when selling them. UK based investors in HSBC ETFs plc are advised that they may not be afforded some of the protections conveyed by the Financial Services and Markets Act (2000), ("the Act"). The Company is recognised in the United Kingdom by the Financial Conduct Authority under section 264 of the Act. The shares in HSBC ETFs plc have not been and will not be offered for sale or sold in the United States of America, its territories or possessions and all areas subject to its jurisdiction, or to United States Persons. Affiliated companies of HSBC Global Asset Management (UK) Limited may make markets in HSBC ETFs plc. All applications are made on the basis of the current HSBC ETFs plc Prospectus, relevant Key Investor Information Document ("KIID"), Supplementary Information Document (SID) and Fund supplement, and most recent annual and semi-annual reports, which can be obtained upon request free of charge from HSBC Global Asset Management (UK) Limited, 8 Canada Square, Canary Wharf, London, E14 5HQ. UK, or from a stockbroker or financial adviser. The indicative intra-day net asset value of the sub-fund[s] 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](http://www.reuters.com).

Investors and potential investors should read and note the risk warnings in the prospectus, relevant KIID and Fund supplement (where available) and additionally, in the case of retail clients, the information contained in the supporting SID.

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](mailto:ifsinvestorqueries@hsbc.com), or by visiting [www.etf.hsbc.com](http://www.etf.hsbc.com). Details of the underlying investments of the fund are available on [www.etf.hsbc.com](http://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](http://www.reuters.com).

The most recent Prospectus is available in English, German and French. Key Investor Information Document (KIID) are available in the local language where they are registered.

To help improve our service and in the interests of security we may record and/or monitor your communication with us. HSBC Global Asset Management (UK) Limited provides information to Institutions, Professional Advisers and their clients on the investment products and services of the HSBC Group.

Approved for issue in the UK by HSBC Global Asset Management (UK) Limited, who are authorised and regulated by the Financial Conduct Authority. [www.assetmanagement.hsbc.co.uk](http://www.assetmanagement.hsbc.co.uk)

Copyright © HSBC Global Asset Management (UK) Limited 2023. All rights reserved.

Further Information can be found in the prospectus and in our Key Investor Information Documents published in our Fund Centre at [www.assetmanagement.hsbc.co.uk](http://www.assetmanagement.hsbc.co.uk)

Term: The management company 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. Further additional and complete information (including but not limited to) investor rights, costs and charges, please refer to the prospectus.

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>