

# 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 FTSE EPRA NAREIT DEVELOPED CLIMATE PARIS ALIGNED 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 (Dist)

Telephone: +352 4888 9625

ISIN: IE000SPKU8M9

Production Date: 02 April 2024.

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 FTSE EPRA Nareit Developed Green EU PAB 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.

#### Investment Policy:

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 a subset of the FTSE EPRA Nareit Global Developed Index (the Parent Index) and follows the FTSE EPRA Nareit Green Index Series ground rules. The Index is designed to support investors seeking to reduce their exposure to transition and physical climate risks, and who wish to pursue opportunities arising from the transition to a lower carbon economy while aligning with the Paris Agreement requirements and is designed to exceed the minimum standards of the EU Paris-Aligned Benchmark. The Fund will aim to replicate the net total return performance of the Index.

At each index review date, companies with specific activities and conduct are excluded from the eligible universe. The baselines exclusions are Controversial weapons and Tobacco. Climate activity exclusions include thermal coal power generation, thermal coal extraction, thermal coal supporting services and oil & gas generation. Conduct-related exclusions include non-compliance with UN Global Compact Principles and non-compliance with the principles of Do No Significant Harm. Please refer to the Supplement for more details on excluded activities and conduct.

The Index constituents are weighted based on a target exposure weighting methodology; specifically, the FTSE EPRA Nareit Developed Green EU PAB Index targets a 50% GHG emissions intensity reduction, 7% minimum average GHG emissions intensity reduction relative to previous year after inception, 30% Green certificate increase and 10% energy consumption reduction. The Index takes into consideration constraints, including country and industry banding constraints.

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 or practical for the Fund to invest in all constituents of the Index. If the Fund cannot invest directly in the companies that constitute the Index, it may gain exposure by using other investments such as depositary receipts, derivatives, or 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% of its assets in total return swaps and contracts for difference. However, this is not expected to exceed 5%.

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

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 distributed.
- ◆ 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 0.20%.

### 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 REITS and 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. 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:

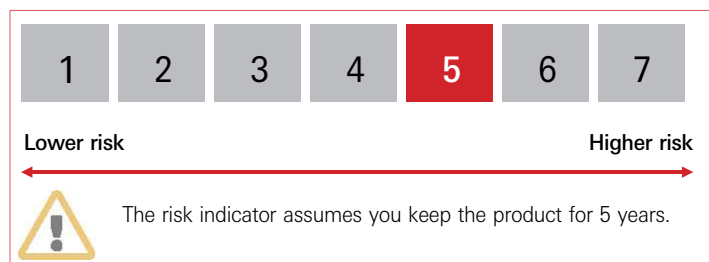
This document describes a single share class of a sub-fund of the Company. Further information about the Company including the Prospectus, the most recent annual and semi-annual reports of the Company and the latest share prices, may be obtained free of charge, in English, from the Administrator by emailing [ifsinvestorqueries@hsbc.com](mailto:ifsinvestorqueries@hsbc.com), or by visiting [www.etf.hsbc.com](http://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](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 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.

### 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		If you exit after 1 year	If you exit after 5 years
Investment of USD 10,000			
Minimum	The Fund is not covered by an investor compensation or guarantee scheme, you may lose some or all of the amount invested.		
Stress Scenarios	What you might get back	USD 930	USD 1,070
	Average Return each year	-90.68 %	-36.03 %
Unfavourable Scenario	What you might get back	USD 7,490	USD 7,950
	Average Return each year	-25.09 %	-4.50 %
Moderate Scenario	What you might get back	USD 10,250	USD 12,020
	Average Return each year	2.48 %	3.74 %
Favourable Scenario	What you might get back	USD 14,210	USD 14,560
	Average Return each year	42.12 %	7.81 %

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 December 2021 and January 2024. The moderate scenario occurred for an investment between December 2015 and December 2020. The favourable scenario occurred for an investment between December 2016 and December 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.

<b>Recommended Holding Period: 5 Years</b>	<b>If you exit after 1 year</b>	<b>If you exit after 5 years</b>
<b>Investment of USD 10,000</b>		
Total Costs	51 USD	308 USD
Annual cost impact % *	0.5%	0.5% 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 4.27% before costs and 3.74% 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

<b>One-off costs upon entry or exit</b>		<b>If you exit after 1 year</b>
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
<b>Ongoing costs taken each year</b>		
Management fees and other administrative or operating costs	0.30% of the value of your investment per year. This figure is an estimate as the share class has not been priced for a full financial year.	30 USD
Transaction costs	0.21% 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.	21 USD
<b>Incidental costs taken under specific conditions</b>		
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](mailto:hifl.complaint@hsbc.com).

#### Other relevant information

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 can be found in the Fund Centre section of our website by visiting <http://www.etf.hsbc.com>. There is insufficient history available to provide past performance figures.

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.