



June 13, 2022

HSBC Amanah launches Structured Product in Malaysia to track exponential tech growth

Enables investors to capitalise on opportunities arising in technology with major growth potential

HSBC Amanah has launched a structured product for individual investors in Malaysia seeking exposure to opportunities arising in technology with some degree of protection on their investment.

The product tracks the Morningstar Exponential Technologies ESG Screened Target Volatility 7% Select Index ("the Index").

Two degrees of protection are offered by the product: (1) 100% of the investment amount is protected if the product is held to maturity; and (2) the Index has a 7% volatility control target, with the aim of maintaining price stability during volatile market periods.

The product provides diversified exposure to companies benefiting from innovative technologies with exponential growth potential. These companies are not limited to the likes of FAANG (acronym for Facebook, Amazon, Apple, Netflix, Google) names only but can be the users and suppliers of technology across various sectors such as healthcare, finance, transportation, IT, etc.

HSBC's collaboration with Morningstar is a reflection of the bank's ambition and commitment to scale up its wealth franchise in Asia, with Malaysia playing a key role in achieving this ambition. Through this partnership, HSBC's wealth clients in the country will be able to draw on Morningstar's product expertise, being a household name in the investment community. Morningstar provides data and research insights on a wide range of investment offerings and has more than 125 analysts covering 1500 stocks globally.

"HSBC's ability to partner with various established Index providers such as Morningstar to provide our retail and institutional clients in Malaysia access to customised innovative products, will enable them to stay connected to the latest global thematic investing trends. Looking ahead, we will continue to make considerable investments in offerings that contribute to our suite of investment strategies while addressing the needs of our wealth clients", said Alvin Kong, Head of Markets and Securities Services, HSBC Malaysia.

The Index focuses on nine key exponential technology themes below:

- Big Data & Analytics
- Cloud Computing
- Energy Transition
- Fintech Innovation
- Healthcare Innovation
- Hyperconnectivity



- Nanotechnology
- Next Generation Transportation
- Robotics

ESG research, ratings and data firm Morningstar Sustainalytics then applies an ESG rating to each one of the tech companies chosen per theme, and Morningstar Indexes screen out companies that are deemed severe risk or non-compliant with the Ten Principles of the UN Global Compact.

“At HSBC, technology and sustainability are close to our heart and we know they are for our clients too, particularly with these themes having an impact on our daily life. We believe our wealth clients will like this Index given its good track record since the main Morningstar Exponential Technology Index went live in 2014, proving its ability to keep pace with the evolving nature of the theme. Offering this capability reinforces our focus on bringing our clients compelling and differentiated solutions critical to both protecting and growing their wealth”, said Jon Chivers, Head of Wealth, Wealth and Personal Banking, HSBC Malaysia.

HSBC Group is the exclusive licensee of the Index. Aside from Malaysia, HSBC Group has also launched similar structured products tracking the Index in Mainland China. This will be followed by offering the solution in other markets globally.

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HSBC Malaysia

HSBC's presence in Malaysia dates back to 1884 when the Hongkong and Shanghai Banking Corporation Limited established its first office in the country on the island of Penang, with the permission to issue currency notes. HSBC Bank Malaysia Berhad was locally incorporated in 1984 and is a wholly-owned subsidiary of The Hongkong and Shanghai Banking Corporation Limited, founding member of the HSBC Group. In 2007, HSBC Bank Malaysia was the first foreign bank to be awarded an Islamic banking subsidiary licence in Malaysia, namely HSBC Amanah Malaysia Berhad. HSBC Malaysia offers a comprehensive range of banking and financial services including Islamic financial solutions. HSBC Malaysia has also led innovation in Malaysia by introducing Malaysia's first ATM and Electronic Touch Banking in the early 1980s. Today, HSBC Malaysia has launched innovative solutions such as HSBCnet for secure banking for businesses, Trade Transaction Tracker and Facial Recognition on supported mobile phones.

The Hongkong and Shanghai Banking Corporation Limited

The Hongkong and Shanghai Banking Corporation Limited is the founding member of the HSBC Group. HSBC serves customers worldwide from offices in 64 countries and territories in its geographical regions: Europe, Asia, North America, Latin America, and Middle East and North Africa. With assets of US\$3,022 billion at 31 March 2022, HSBC is one of the largest banking and financial services organisations in the world.