

HSBC ETFs plc

Registered Office: 1 Grand Canal Square | Grand Canal Harbour | Dublin 2 | Ireland

This circular (the "Circular") is sent to you as a Shareholder of HSBC CAC 40 ETF, a sub-fund of HSBC ETFs plc (the "Company"). It is important and requires your immediate attention. If you are in any doubt as to the action you should take you should seek advice from your stockbroker, bank manager, solicitor, accountant or independent financial adviser. This Circular and the changes it proposes have not been reviewed by the Central Bank of Ireland (the "Central Bank") and it is possible that changes may be necessary to meet the requirements of the Central Bank. The Directors accept responsibility for the information contained in this Circular.

If you have sold or transferred your shares in HSBC ETFs plc, please pass this document at once to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee as soon as possible.

24 August 2011

Dear Shareholder,

We refer to HSBC CAC 40 ETF (the "**Fund**"), a sub-fund of the Company, of which you are a shareholder.

Proposed Closure of the Fund

The purpose of this notice is to advise you of the closure of the Fund due to take place on 14 October 2011 (the "**Effective Date**"). The total net asset value is currently less than € 6,000,000 and, accordingly, the Directors have decided to terminate the Fund in accordance with the provisions of the Prospectus. This decision has been taken mainly due to the levels of withholding tax suffered by the Fund, which continues to hinder the growth of the Fund.

Action Required

No shareholder meeting or vote is necessary in connection with this matter. Prior to the Effective Date, if you would like to dispose of your shares in the Fund (the "**Shares**") you should contact your broker or an appropriate market participant for further instructions. On the Effective Date, all Shares will be redeemed and cancelled and redemption proceeds, calculated as of the Effective Date, will be sent to remaining Shareholders.

If you have any questions regarding the matters dealt with in this letter, please contact your broker or usual HSBC representative.

Yours sincerely,



Director
For and on behalf of
HSBC ETFs plc