
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This circular (the "Circular") is sent to you as a Shareholder of HSBC MSCI SOUTH AFRICA UCITS ETF, a sub-fund of HSBC ETFs plc. 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.

HSBC ETFs PLC

**EXTRAORDINARY GENERAL MEETING
OF THE SHAREHOLDERS OF
HSBC MSCI SOUTH AFRICA UCITS ETF**

If you have sold or transferred your shares in the Fund, 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.

HSBC ETFs PLC

Registered Office: 25/28 North Wall Quay, I.F.S.C., Dublin 1

Registered in Ireland as an investment company with variable capital and having segregated liability between its funds under registration number 467896

Unless otherwise defined herein, all capitalised terms used herein shall bear the same meaning as capitalised terms used in the latest prospectus of HSBC ETFs plc (the "Company") dated 17 February 2017 (the "Prospectus"). A copy of the Prospectus is available upon request during normal business hours from the Company or from the local representative of the Company in any jurisdiction in which the Company is registered for public distribution.

The Directors of the Company accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

RE: HSBC MSCI SOUTH AFRICA UCITS ETF (the "Fund")

Notification of an extraordinary general meeting to change the investment objective of the Fund and a change in name of the Fund.

6 March 2018

Dear Shareholder,

1. INTRODUCTION

The Company is authorised by the Central Bank as an open-ended investment company with variable capital incorporated under the laws of Ireland as a public limited company pursuant to the Companies Act 2014 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended) (the "UCITS Regulations"). The Company is organised as an umbrella fund with segregated liability between sub-funds and the Fund is a sub-fund of the Company.

The purpose of this letter is to notify you of:

- (i) an extraordinary general meeting ("EGM") to consider, and vote on, a proposed material amendment to the investment objective of the Fund (the "Material Change"); and
- (ii) a change in name of the Fund.

2. MATERIAL CHANGE TO INVESTMENT OBJECTIVE

2.1 *Change to Investment Objective*

The current investment objective of the Fund is to replicate the performance of the MSCI South Africa Index (the "Index").

Recently, a stock within the Index moved to represent a significant proportion of the Index, reaching a level in and around the maximum level permitted under the diversification limits set out in the UCITS Regulations. The weight of the stock within the Index has therefore prompted a review of the Index to ensure that it continues to be suitable for the Fund.

Registered in Ireland. No. 467896
Eimear Cowhey, Peter Blessing, Melissa McDonald (British)
The Company is regulated by the Central Bank of Ireland.

Following the review, it is proposed that the Fund's investment objective be changed such that the Fund will aim to replicate the performance of the MSCI South Africa Capped Index (the "Capped Index").

The Capped Index is based on the Index, and will reflect the changes of the constituent companies in the Index, but stock weightings will be capped such that they will not exceed those permitted by the diversification limits set out in the UCITS Regulations. Further information on the limits applied are provided under the section below entitled Capped Index Description.

Investors should note that:

Subject to Shareholder approval being obtained, this change will take effect from the date of issuance of an updated supplement. This is expected to occur on or around 24 April 2018 (the "Effective Date").

Capped Index Description

This section is a summary of the principal features of the Capped Index and is not a complete description of the Capped Index.

The Capped Index is based on the broader-based MSCI South Africa Index which offers a representation of the South African equity market by targeting all companies with a market capitalization within the top 85% of their investable equity universe, subject to a global minimum size requirement.

The composition of the Capped Index is rebalanced on a quarterly basis and carried out according to the published rules governing the management of the index as set out by MSCI Inc. At each quarterly rebalancing of the Capped Index, if the weight of the largest group entity in the MSCI South Africa Index is greater than 33 per cent, its weight within the Capped Index will be capped to 33 per cent. The weight of the remaining group entities will be increased accordingly, in proportion to their weight prior to the capping.

If the resulting weight of any of the remaining group entities is greater than 18 per cent of the Capped Index, its weight will be capped to 18 per cent, while simultaneously maintaining the weight of the largest group entity at 33 per cent. The remaining group entities are weighted according to their free float adjusted market capitalizations applicable to foreign investors as a percentage of the remaining non-capped weight.

On a daily basis, if the weight of the largest group entity in the Capped Index would increase above 35 per cent, its weight will be capped at 33 per cent. If the weight of any of the remaining group entities increases above 20 per cent, its weight will be capped at 18 per cent.

Any changes in the constituent companies of the MSCI South Africa Index will also be reflected in the Capped Index.

2.2 Notice of EGM to Consider and Vote on the Material Change

In order to obtain approval for the Material Change, the Board has decided to convene an EGM of the Fund at which a resolution to approve the Material Change will be proposed. You will find attached to this letter a notice of EGM ("Notice of EGM") which will be held at the offices of A&L Goodbody, International Financial Services Centre, North Wall Quay, Dublin 1, on 22 March 2018, at 1pm (Irish time). The proposed change can only be introduced with the approval of a simple majority of votes cast by Shareholders attending and voting in person or by proxy at the EGM at which the resolution is proposed.

2.3 *Proxy Form / Shareholders unable to attend the EGM*

The form of proxy accompanying the Notice of EGM should be completed and returned in accordance with the instructions thereon, so as to be received by post to the Company Secretary, c/o Goodbody Secretarial Limited, 25/28 North Wall Quay, IFSC, Dublin 1, Ireland. Alternatively, Shareholders may send their proxies by fax to the Company Secretary at +353 (0) 1 649 2649 for the attention of Jacquie Verner or by email to jverner@algoodbody.com or gsifunds@algoodbody.com, as soon as possible and in any event, not later than 48 hours before the time fixed for the holding of the EGM. Completion and return of a form of proxy will not preclude a Shareholder from attending and voting in person at the EGM.

2.4 *Re-convening the EGM*

Should it be necessary to re-convene the EGM because it is inquorate, Shareholders should note that the re-convened meeting may take place on the 26 March 2018 at 1pm (Irish time).

2.5 *Redemption of Shares*

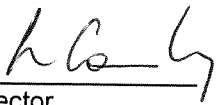
Shareholders who do not wish to remain in the Fund following the implementation of the Material Change (if the resolution is passed) will have the opportunity to redeem their Shares on any Dealing Day prior to the Effective Date by contacting the Administrator so that a written redemption request is received by the Administrator by the Dealing Deadline for the relevant Dealing Day.

3. CHANGE OF NAME OF THE FUND

It is intended to change the name of the Fund to "HSBC MSCI SOUTH AFRICA CAPPED UCITS ETF" to better reflect the investment objective of the Fund once it is amended with shareholder approval.

Should you have any questions relating to these matters, you should either contact us at the above address or alternatively you should contact your investment consultant.

Yours sincerely,



Director
for and on behalf of
HSBC ETFs plc

**HSBC ETFs PLC
(THE "COMPANY")
NOTICE OF EXTRAORDINARY GENERAL MEETING
OF THE SHAREHOLDERS OF
HSBC MSCI SOUTH AFRICA UCITS ETF
(THE "FUND")**

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the course of action to take, you should consult your stockbroker, solicitor, accountant or other professional advisor.

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting ("EGM") of the shareholders of the Fund will be held at the offices of A&L Goodbody, International Financial Services Centre, North Wall Quay, Dublin 1, on 22 March 2018, at 1pm (Irish time) to consider and, if thought fit, pass the resolution set out below as an Ordinary Resolution. Also enclosed is a proxy appointment form in order for you to cast your votes on the matters to be voted on at the EGM. Only those Shareholders registered as shareholders of the Fund as of the date of this notice shall have the right to participate and vote in the EGM for the Fund.

Ordinary Resolution: To approve the amendments to the investment objective of the Fund as detailed in the appendix "Special Business – Ordinary Resolution" attached hereto.



For and on behalf of The Board

Registered Office
25/28 North Wall Quay
IFSC
Dublin 1
Ireland

Company Number 467896

6 March 2018

Notes:

1. The Resolution is proposed as an ordinary resolution. For an ordinary resolution to be passed, not less than 50 per cent. of the total number of votes cast by Shareholders being entitled to vote (by proxy or in person) must be in favour of the resolution.
2. Shareholders of the Fund are entitled to attend and vote at the Extraordinary General Meeting of the Fund. A Shareholder may appoint a proxy or proxies to attend, speak and vote instead of the Shareholder. A proxy need not be a Shareholder of the Fund or the Company.
3. A form of proxy is enclosed for the use of Shareholders unable to attend the meeting. Proxies must be sent to the Company Secretary, c/o Goodbody Secretarial Limited, 25/28 North Wall Quay, IFSC, Dublin 1, Ireland. Alternatively, Shareholders may send their proxies by fax to the Company Secretary at +353 (0) 1 649 2649 for the attention of Jacquie Verner or by email to jverner@algoodbody.com or gsifunds@algoodbody.com. To be valid, proxies and any powers of attorney under which they are signed must be received by the Secretary not less than 48 hours before the time appointed for the holding of the meeting.

**HSBC ETFs PLC
(THE "COMPANY")
FORM OF PROXY
EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS OF
HSBC MSCI SOUTH AFRICA UCITS ETF
(THE "FUND")**

I/We.....
(Block letters)

of.....
being (a) member(s) of HSBC MSCI South Africa UCITS ETF, appoint the Chairperson of the meeting or failing him/her appoint an authorised representative of Goodbody Secretarial Limited OR failing him/her (see note (h))

.....
(Block letters)

of.....

as my/our proxy to vote for me/us and on my/our behalf at the Extraordinary General Meeting of the Fund to be held at the offices of A&L Goodbody, International Financial Services Centre, North Wall Quay, Dublin 1 on 22 March 2018 at 1pm (Irish time) and at any adjournment thereof.

Please indicate with a tick (✓) in the spaces provided how you wish your votes to be cast, otherwise your proxy will vote as he/she thinks fit. In the event that an authorised representative of Goodbody Secretarial Limited is appointed as a proxy, such proxy will vote as indicated above and the shareholder hereby indemnifies the authorised representative of Goodbody Secretarial Limited for any losses or liability such representative of Goodbody Secretarial Limited may suffer as a result of it acting in good faith in the exercise of this proxy.

ORDINARY RESOLUTION	FOR	ABSTAIN	AGAINST
That the investment objective of the Fund be amended as detailed in the appendix "Special Business – Ordinary Resolution" attached hereto.			

Dated:

Name and Address of Shareholder

Signature of Shareholder

Name and Address of Shareholder

Signature of Shareholder

Name and Address of Shareholder

Signature of Shareholder

Name and Address of Shareholder

Signature of Shareholder

Notes:

- (a) A Shareholder must insert his full name and registered address in type or block letters. In the case of joint accounts the names of all holders must be stated.
- (b) If it is desired to appoint some other person as proxy, the name of the proxy must be inserted in the space provided instead of the option provided which should be deleted.

- (c) If either (i) a Shareholder does not propose to exercise all of the voting rights to which the Shareholder is entitled or (ii) a Shareholder proposes to exercise voting rights both for and against a resolution, in order for a proxy to be valid, the proxy must state (i) the name of the Fund in respect of which the Shareholder is exercising voting rights, (ii) the number of Shares in respect of which the votes are being cast and (iii) whether the votes are being cast for or against the resolution.
- (d) The proxy form must:
 - (i) in the case of an individual Shareholder be signed by the Shareholder or his attorney; and
 - (ii) in the case of a corporate Shareholder be given either under its common seal or signed on its behalf by an attorney or by a duly authorised officer of the corporate Shareholder.
- (e) In the case of joint holders the vote of the senior who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding.
- (f) To be valid this proxy form and any power of attorney under which it is signed must reach the Company Secretary, c/o Goodbody Secretarial Limited, 25/28 North Wall Quay, IFSC, Dublin 1, Ireland. Alternatively, Shareholders may send their proxies by fax to the Company Secretary at +353 (0) 1 649 2649 for the attention of Jacquie Verner or by email to jverner@algoodbody.com or gslfunds@algoodbody.com. To be valid, proxies and any powers of attorney under which they are signed must be received by the Company Secretary not less than 48 hours before the time appointed for the holding of the meeting.
- (g) A proxy need not be a shareholder of the Fund or the Company but must attend the meeting in person to represent you.
- (h) In the event that an authorised representative of Goodbody Secretarial Limited is appointed as a proxy, such proxy will vote as indicated above. In the absence of any direction the proxy will vote in favour of the resolutions. The shareholder hereby indemnifies Goodbody Secretarial Limited and its authorised representatives for any losses or liability incurred as a result of acting in good faith in the exercise of this proxy.

Appendix

Special Business – Ordinary Resolution

To consider and, if thought fit, to pass the following as an Ordinary Resolution:

That the investment objective of the Fund be deleted and replaced in its entirety with the following:

The investment objective of the Fund is to replicate the performance of the MSCI South Africa Capped Index (the "Index"), while minimising as far as possible the tracking error between the Fund's performance and that of the Index.