

This document 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 investment consultant, tax adviser and/or legal adviser as appropriate.

If you have sold or transferred all of your Shares in any of the sub-funds of 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.

Unless otherwise defined herein, all capitalised terms used herein shall bear the same meaning as capitalised terms used in the latest prospectus for each of the sub-funds of the Company dated 17 February 2017 as may be amended from time to time (the "Prospectus"). A copy of the Prospectus is available upon request during normal business hours from the Company.

The directors of the Company (the "Directors") accept responsibility for the accuracy of 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.

Please note that the Central Bank has not reviewed this letter.

18 April 2018

Dear Shareholder,

RE: HSBC ETFs PLC (the "Company") Notification of Various Amendments

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 "**Regulations**"). The Company is organised as an umbrella fund with segregated liability between sub-funds.

The purpose of this letter is to notify you of:

- (i) the intention to increase the level to which Directors' fees may be paid; and
- (ii) the intention to make certain non-material changes to the investment policies of six sub-funds of the Company.

2. INCREASE IN THE DIRECTORS' FEES

The articles of association of the Company provide that Directors' fees shall not exceed €40,000 per annum per Director unless prior notification is given to Shareholders of any increase in fees. Following consideration of market referenced data and the current level of fees paid to directors of Irish funds, it is considered appropriate to increase the level to which Directors' fees may be paid such that they may not exceed €50,000 per annum per Director. Directors' fees are paid to the independent Directors of the Company and not to the Directors

who are employed by any HSBC entity. This letter serves as notification of the board's intention to increase the level to which Directors' fees may be paid.

3. CERTAIN NON-MATERIAL CHANGES TO THE INVESTMENT POLICIES OF SIX SUB-FUNDS OF THE COMPANY

HSBC Multi Factor Worldwide Equity UCITS ETF
HSBC MSCI AC Far East Ex Japan UCITS ETF
HSBC Economic Scale Worldwide Equity UCITS ETF
HSBC MSCI Emerging Markets UCITS ETF
HSBC MSCI EM Far East UCITS ETF
HSBC MSCI China UCITS ETF
(together the "Amended Funds")

Minor amendments are to be made to the investment policy of each of the Amended Funds to allow them to invest in China A Shares. China A Shares are shares in Chinese companies listed on either the Shanghai Stock Exchange or the Shenzhen Stock Exchange, the prices of which are quoted in Renminbi and which are available to Chinese investors and foreign strategic investors, such as the Amended Funds. The Amended Funds may invest in China A Shares (a) directly via Shanghai-Hong Kong Stock Connect and/or Shenzhen-Hong Kong Stock Connect; (b) indirectly through China A Access Products (CAAPs); or (c) indirectly through Eligible Collective Investment Schemes, including other Funds of the Company or schemes managed by the Investment Manager or its affiliates.

Additional risk factors outlining the risks associated with both direct and indirect investment in China A Shares have been added to the Prospectus. This amendment to the investment policy of each of the Amended Funds does not materially alter the risk profile or investments of any of the Amended Funds. This letter serves as notice of the proposed changes to the Amended Funds as set out above.

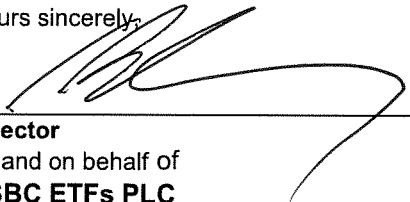
4. EFFECTIVE DATE

The changes in Directors' fees and the non-material changes to the investment policies of the Amended Funds shall take effect upon the noting of a revised Prospectus and supplements for the Company by the Central Bank which is expected to occur on or about 11 May 2018.

5. CONCLUSION

The Directors of the Company consider that the proposed changes are in the best interests of the Shareholders of the Company and the Amended Funds, as the case may be. Should you have any questions relating to these matters, you should contact the Company or the Administrator, HSBC Securities Services (Ireland) DAC, or alternatively you should contact your investment consultant, tax adviser and/or legal adviser as appropriate.

Yours sincerely,



Director
for and on behalf of
HSBC ETFs PLC