

HSBC ETFs plc
18 November 2019

RNS ANNOUNCEMENT

HSBC ETFs plc (the “Company”) – Change of share settlement structure

18 November 2019

This notice is to make you aware that the Company has issued a circular to the shareholders of each sub-fund set out in the schedule hereto (the “**Shareholders**”) for the purpose of convening:

1. a meeting of Shareholders to approve a scheme of arrangement (as described in the circular) (the “**Scheme**”) to effect change to the share settlement structure of the Company (the “**Scheme Meeting**”); and
2. an extraordinary general meeting to approve the Scheme, to authorise the directors of the Company to take such action as they deem necessary or appropriate to implement the Scheme and to adopt new articles of association of the Company (the “**EGM**”).

The Scheme Meeting will be held at the offices of A&L Goodbody, 25/28 North Wall Quay, IFSC, Dublin 1, Ireland on 15 January 2020 at 09:00 a.m. The EGM will be held at the offices of A&L Goodbody, 25/28 North Wall Quay, IFSC, Dublin 1, Ireland on 15 January 2020 at 09:15 a.m.

Background to the proposal to change the share settlement structure of the Company

The sub-funds of the Company are exchange-traded funds and their participating shares are listed on multiple stock exchanges across Europe. Each exchange typically operates its own central securities depository (“**CSD**”) for settlement functions. Trading and settling participating shares under this structure involves moving the participating shares between various CSDs, which is complex, costly and inefficient.

The directors of the Company are of the view that the International Central Securities Depository (“**ICSD**”) settlement model provides a more streamlined centralised settlement structure which they expect will result in improved liquidity and spreads for investors and will reduce risk in the settlement process.

Converting the settlement model of the shares of the sub-funds of the Company to the ICSD model will also bring all of the Company’s sub-funds into one consistent settlement structure which is expected to make navigating the settlement structures for the sub-funds more straightforward.

Further RNS/stock exchange announcements will be made to inform Shareholders of the outcome of the Scheme Meeting and the EGM.

Schedule

Converting Sub-Funds

Converting Sub-Funds	ISIN
HSBC ECONOMIC SCALE WORLDWIDE EQUITY UCITS ETF	IE00BKZG9Y92
HSBC EURO STOXX 50 UCITS ETF	IE00B4K6B022
HSBC FTSE 100 UCITS ETF	IE00B42TW061
HSBC FTSE 250 UCITS ET	IE00B64PTF05
HSBC FTSE EPRA NAREIT DEVELOPED UCITS ETF	IE00B5L01S80
HSBC MSCI AC FAR EAST ex JAPAN UCITS ETF	IE00BBQ2W338
HSBC MSCI BRAZIL UCITS ETF	IE00B5W34K94
HSBC MSCI CANADA UCITS ETF	IE00B51B7Z02
HSBC MSCI CHINA A INCLUSION UCITS ETF	IE00BF4NQ904
HSBC MSCI CHINA UCITS ETF	IE00B44T3H88
HSBC MSCI EMERGING MARKETS UCITS ETF	IE00B5SSQT16
HSBC MSCI EM FAR EAST UCITS ETF	IE00B5LP3W10
HSBC MSCI EM LATIN AMERICA UCITS ETF	IE00B4TS3815
HSBC MSCI EUROPE UCITS ETF	IE00B5BD5K76
HSBC MSCI INDONESIA UCITS ETF	IE00B46G8275
HSBC MSCI JAPAN UCITS ETF	IE00B5VX7566
HSBC MSCI KOREA UCITS ETF	IE00B3Z0X395
HSBC MSCI MALAYSIA UCITS ETF	IE00B3X3R831
HSBC MSCI MEXICO CAPPED UCITS ETF	IE00B3QMYK80
HSBC MSCI PACIFIC ex JAPAN UCITS ETF	IE00B5SG8Z57
HSBC MSCI RUSSIA CAPPED UCITS ETF	IE00B5LJZQ16
HSBC MSCI SOUTH AFRICA CAPPED UCITS ETF	IE00B57S5Q22
HSBC MSCI SAUDI ARABIA 20/35 CAPPED UCITS ETF	IE00BGHHCV04
HSBC MSCI TAIWAN CAPPED UCITS ETF	IE00B3S1J086
HSBC MSCI TURKEY UCITS ETF	IE00B5BRQB73
HSBC MSCI USA UCITS ETF	IE00B5WFQ436
HSBC MSCI WORLD UCITS ETF	IE00B4X9L533
HSBC S&P 500 UCITS ETF	IE00B5KQNG97
HSBC MULTI FACTOR WORLDWIDE EQUITY UCITS ETF	IE00BKZGB098

Notes to editors:

The value of investments and any income from them can go down as well as up and investors may not get back the amount originally invested. Where overseas investments are held the rate of currency exchange may also cause the value of such investments to fluctuate. Investments in emerging markets are by their nature higher risk and potentially more volatile than those inherent in established markets.

Exchange Traded Funds (ETFs) from HSBC Group

HSBC ETFs Plc is an investment company with variable capital incorporated in Ireland as a public limited company and is authorised by the Central Bank of Ireland as a UCITS pursuant to the UCITS Regulations. The Company is constituted as an umbrella fund, with segregated liability between sub-funds. Shares purchased on the secondary market cannot usually be sold directly back to the Company. Investors must buy and sell shares on the secondary market with the assistance of an intermediary (e.g. a stockbroker) and may incur fees for doing so. In addition, investors may pay more than the current Net Asset Value per share when buying shares and may receive less than the current Net Asset Value per Share when selling them. The indicative intra-day net asset value of the sub-funds 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. UK based investors in the Company are advised that they may not be afforded some of the protections conveyed by the Financial Services and Markets Act (2000), (the "Act"). The Company is recognised in the United Kingdom by the Financial Conduct Authority under section 264 of the Act. The shares in the Company have not been and will not be offered for sale or sold in the United States of America, its territories or possessions and all areas subject to its jurisdiction, or to United States Persons. Affiliated companies of HSBC Investment Funds (Luxembourg) S.A. may make markets in the Company. All applications are made on the basis of the current Prospectus of the Company, relevant Key Investor Information Document ("KIID"), Supplementary Information Document (SID) and the relevant Fund supplement, and most recent annual and semi-annual reports, which can be obtained upon request free of charge from HSBC Securities Services (Ireland) DAC by emailing ifsinvestorqueries@hsbc.com, or by visiting www.etf.hsbc.com, or from a stockbroker or financial adviser. Investors and potential investors should read and note the risk warnings in the Prospectus, relevant KIID and Fund supplement (where available) and additionally, in the case of retail clients, the information contained in the supporting SID.

HSBC Global Asset Management

HSBC Global Asset Management should be referred to in full at all times to avoid confusion with any other financial services firms.

HSBC Global Asset Management, the investment management business of the HSBC Group, invests on behalf of HSBC's worldwide customer base of retail and private clients, intermediaries, corporates and institutions through both segregated accounts and pooled funds. HSBC Global Asset Management connects HSBC's clients with investment opportunities around the world through an international network of offices in 26 countries and territories, delivering global capabilities with local market insight. As at 30 June 2019, HSBC Global Asset Management managed assets totalling US\$503bn on behalf of its clients. For more information see www.global.assetmanagement.hsbc.com

HSBC Global Asset Management is the marketing name for the asset management businesses of HSBC Holdings plc.

The HSBC Group

HSBC Holdings plc

HSBC Holdings plc, the parent company of the HSBC Group, is headquartered in London. HSBC serves customers worldwide from offices in 65 countries and territories in our geographical regions: Europe, Asia, North America, Latin America, and Middle East and North Africa. With assets of US\$2,751bn at 30 June 2019, HSBC is one of the world's largest banking and financial services organisations.