



HSBC ETFs plc (the “Company”)

3 Dublin Landings, North Wall Quay
Dublin 1, Ireland

This document (the “Circular”) is important and requires your immediate attention. If you are in doubt as to the action you should take you should seek advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser. If you have sold or transferred all of your shares in the Fund referred to below, please pass this Circular 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.

This document has not been reviewed by the Central Bank of Ireland (the “Central Bank”) and it is possible that changes may be necessary to meet the Central Bank’s requirements. The board of directors of the Company (the “Directors”) accepts responsibility for the information contained in this Circular.

24 February 2023

Dear Shareholder,

We refer to HSBC MSCI Russia Capped UCITS ETF [IE00B5LJZQ16] (the “**Fund**”), a sub-fund of the Company, of which you are a Shareholder.

Closure of the Fund

The purpose of this letter is to advise you of the closure of the Fund which is due to take place on 24 March 2023 (the “**Closure Date**”).

As set out in the notice dated 2 March 2022, the Directors determined it to be in the best interests of Shareholders to temporarily suspend the issue, redemption and exchange of Shares (the “**Suspension**”). This Suspension was as a result of market conditions created by Russia’s invasion of Ukraine and the impact of those market conditions on the Fund’s investment universe (being large, publicly listed companies in Russia) which, in turn, resulted in an inability of the Fund to dispose of and value the Fund’s investments without prejudicing the interests of the Fund’s Shareholders.

On 9 November 2022, MSCI Inc. (the “**Index Provider**”) confirmed that the MSCI Russia Capped Index (the “**Index**”) would be discontinued with effect from 1 March 2023.

The Directors have discretion to redeem all of the Shares in the Fund and to terminate the Fund in a number of circumstances, in accordance with the provisions of the Company’s prospectus and the articles of association. This includes circumstances where redemption and termination is deemed appropriate because of adverse political, economic, fiscal or regulatory changes affecting the Fund in any way.

Registered in Ireland as an open ended umbrella fund, with segregated liability between sub funds.

Registration Number: 467896

Directors: Eimear Cowhey, Feargal Dempsey, Peter Blessing, Carmen Gonzalez-Calatayud (Spanish), Anthony Jeffs (British), Simon Fryatt (British)

The Company is regulated by the Central Bank of Ireland.

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Having carefully considered the adverse changes affecting the Fund given Russia's ongoing invasion of Ukraine, the resulting and ongoing inability to dispose of, and value, the Fund's investments and the discontinuance of the Index by the Index Provider, the Directors have determined that it is no longer practical nor advisable for the Fund to continue to exist. Consequently, in accordance with the articles of association the Directors have determined it is now appropriate to redeem all of the Shares in and to terminate the Fund on the Closure Date.

Procedure for Closure

On the Closure Date, your ownership of the Shares will cease. The Suspension will remain in place on both the primary and secondary markets until the Closure Date. This means that Shareholders will be unable to redeem Shares and Shareholders will not be able to sell Shares on the secondary market in advance of the Closure Date.

It is not expected that there will be any distribution to Shareholders on the Closure Date as the Russian investments cannot be sold. In the event that it is possible to sell and realise any value from the Fund's investments at a future date, the proceeds arising from the sale shall be paid to Shareholders on a pro-rata basis in accordance with each Shareholder's relevant holding in the Fund. Shareholders should note that the realisation of the Fund's investments and any subsequent payment of redemption proceeds may take place over a number of years or may not take place at all. The administrator will notify shareholders in the event that the realisation of the Fund's investments can occur.

Costs

Shareholders are advised that all legal and administrative costs in relation to the closure of the Fund will be borne by HSBC Global Asset Management Limited and not the Fund.

The management fee for the Fund will continue to be waived, following existing protocol implemented on 2 March 2022.

If you have any queries regarding the matters dealt with in this letter, please contact your sales representative or your professional adviser.

Tax considerations

Given there is currently no value in the underlying assets of the Fund, it is unlikely that there will be any distribution of redemption proceeds hence the redemption of Shares will not give rise to capital gains tax liability. However, should the underlying assets acquire any value in the future, any subsequent disposal will be deemed a disposal for capital gains tax purposes and may give rise to a capital gains tax liability. If you are in any doubt as to the tax consequences, you should contact your financial or tax advisor.

Yours sincerely,

**Director
For and on behalf of
HSBC ETFs plc**

Appendix

	Closure Date	Expected Delisting Date
London Stock Exchange	24 March 2023	29 March 2023
All other exchanges	24 March 2023	23 March 2023

	London Stock Exchange	SIX	XETRA	Borsa Italiana
Tickers	HRUD LN HRUB LN	HRUB SW	H4ZM GY	HRUB IM