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**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

**This circular (the “Circular”) is sent to you as a Shareholder of HSBC MSCI USA UCITS ETF (the “Fund”), 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.**

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**HSBC ETFs PLC**

**EXTRAORDINARY GENERAL MEETING  
OF THE SHAREHOLDERS OF  
HSBC MSCI USA UCITS ETF**

**ISIN: IE00B5WFQ436**

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

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Unless otherwise defined herein, all capitalised terms used in this Circular shall bear the same meaning as capitalised terms used in the latest prospectus of the Company dated 17 November 2023 (the “Prospectus”). A copy of the Prospectus and the supplement for the Fund (the “Supplement”) 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 Circular. 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 Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

RE: HSBC MSCI USA UCITS ETF  
ISIN: IE00B5WFQ436

## Notification of an extraordinary general meeting to change the investment objective of the Fund

18 March 2025

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 Circular is to: (i) notify you of an extraordinary general meeting (“**EGM**”) to consider, and vote on, a proposed amendment to the investment objective of the Fund (the “**Material Change**”); and (ii) notify you of certain changes to the Supplement in the event the vote to implement the Material Change is successful, including a change to the name of the Fund (the “**Non-Material Changes**”). Certain Non-Material Changes are not directly linked to the Material Change but, subject to approval of the Material Change, the Non-Material Changes will take effect on the Effective Date (as defined below). For the avoidance of doubt, Shareholders will not be asked to vote on the Non-Material Changes. These will be implemented should the vote on the Material Change be successful.

### 2. MATERIAL CHANGE

#### 2.1 *Index Change*

The current investment objective of the Fund is to replicate the performance of the MSCI USA Index (the “**Index**”). It is proposed to change the Index so that the investment objective of the Fund will be to replicate the performance of the [MSCI USA Sector Neutral Quality Index] (the “**New Index**”).

The New Index is based on the Index and, in the same manner as the Index, includes large and mid-cap US companies. However, unlike the Index, the New Index is designed to represent the performance of securities which exhibit quality characteristics such as high return on equity, stable year-over-year earnings growth and low financial leverage (the “**Quality Factor**”) as determined by the Index Provider. A full description of the New Index can be found at **Appendix I**.

Subject to the Non-Material Changes detailed below, the replacement of the Index with the New Index will have no impact on the manner in which the Fund is managed. The Fund will continue to employ a full replication strategy and may make use of the increased diversification limits available under Regulation 71 of the UCITS Regulations to hold up to 35% of its Net Asset Value in one constituent of the New Index.

**Investors should note that:**

Shareholders shall incur no additional costs arising from the Material Change. The Material Change shall take effect on a portfolio rebalancing date and, so, the only costs shall be transaction costs payable in the ordinary course of portfolio rebalances.

Shareholders will also not bear any additional legal or administrative costs as a result of the proposed Material Change.

As a result of the Material Change, the Total Expense Ratio will be reduced as follows: (i) for unhedged Share Classes, from 0.30% of the Net Asset Value per Share to 0.15% of Net Asset Value per Share; and (ii) for hedged Share Classes, from 0.33% of the Net Asset Value per Share to 0.16% of Net Asset Value per Share.

The anticipated tracking error and the risk profile of the Fund are expected to remain the same if the Material Change is implemented.

Subject to Shareholder approval being obtained, the Material Change will take effect from the date of issuance of an updated Supplement. This is expected to occur on or around 30 May 2025 (the “**Effective Date**”). As further detailed in section 3, below, the Non-Material Changes will also take effect on the Effective Date.

**Rationale:**

The Directors, in consultation with the Management Company, have determined to replace the Index with the New Index for the following reason(s):

- in light of the current low level of assets under management; and
- to offer the Fund at a lower Total Expense Ratio (as further detailed below).

**Recommendation:**

The Directors believe that the resolution relating to the Material Change to be proposed at the EGM is in the best interests of Shareholders of the Fund and, accordingly, the Directors recommend that Shareholders vote in favour of the resolution.

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

In order to obtain Shareholder approval for the Material Change, the Board has decided to convene an EGM which will be held at the registered office of the Company on 15 April 2025 at 12.00pm (Irish time) and at which an ordinary resolution to approve the Material Change will be proposed.

**Please note that you are only entitled to attend and vote at the EGM (or any adjournment thereof) if you are a registered Shareholder. As the Company uses the International Central Securities Depository (ICSD) model of settlement and HSBC Issuer Services Common Depository Nominee (UK) Limited is the sole registered Shareholder of Shares in the Fund, investors in the Fund should submit their voting instructions through the relevant ICSD or the relevant participant in an ICSD (such as a local central securities depository, broker or nominee). If any investor has invested in the Fund through a broker/dealer/other intermediary, the investor should contact this entity to provide voting instructions.**

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

The form of proxy accompanying this Circular should be completed and returned in accordance with the instructions thereon, **so as to be received no later than 48 hours before the time fixed for the holding of the EGM.**

#### 2.4 *Re-convening the EGM*

Should it be necessary to re-convene the EGM, Shareholders should note that the Board has determined that the re-convened meeting would take place on 18 April 2025 at 12.00pm (Irish time).

#### 2.5 *Publication of Results*

The result of the EGM will be announced through the regulatory news service on the London Stock Exchange website and will be published in an appropriate manner in each of the other jurisdictions in which the Shares of the Fund are listed on a stock exchange.

### **3. NON-MATERIAL CHANGES**

#### 3.1 *Name Change*

As a result of the Material Change, it is proposed to change the name of the Fund to [HSBC MSCI USA Quality UCITS ETF] to reflect the name of the New Index in the name of the Fund.

#### 3.2 *Dealing Deadline for Hedged Share Classes*

Following the Material Change, the Fund will no longer need to avail of different Dealing Deadlines between unhedged and hedged Share Classes and so the Dealing Deadline for all Share Classes will be aligned to 16.00 p.m. (Irish time) on each Dealing Day.

#### 3.3 *Distribution Frequency*

As a result of Material Change, the Fund will generally pay dividends quarterly (rather than semi-annually as currently provided for) in January/February, April/May, July/August and October/November.

### **4. REDEMPTION OF SHARES**

Shareholders who do not wish to remain in the Fund following the implementation of the Material Change and/or the Non-Material Changes (if the ordinary 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.

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,



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Director  
for and on behalf of  
HSBC ETFs plc

**Appendix I**  
**Description of the New Index**

The Fund will aim to replicate the net total return performance of the Index.

The Index is an equity index based on the MSCI USA Sector Neutral Quality Index which offers a representation of Large and Mid-Cap stocks in the US equity markets, as determined by the Index Provider.

The Index aims to provide exposure to securities that exhibit strong quality characteristics, relative to their peers within the same GICS sector by identifying stocks with high quality scores based on three main fundamental variables: high Return-on-Equity (ROE), low leverage and low earnings variability (as defined by the Index Provider in the Index methodology and which may be amended from time to time). Each security's weight is determined by its market cap weight in the Parent index and its quality score, however, weights are then re-adjusted to implement sector neutrality i.e., at each rebalance, the weight of each sector in the MSCI USA Sector Neutral Quality Index is equated with the weight of that sector in the Parent index.

The composition of the Index is rebalanced on a semi-annual basis and carried out according to the published rules governing the management of the Index as set out by MSCI Inc.