

Dated: 8-12-2014

**Subject: Termination of the HSBC Commodity Index Fund (MCF)**

Dear Valued Investor,

We would like to inform you that the Board of Directors of HSBC Commodity Index Fund have decided to close the Fund. The decision was made due to the following reasons:

1. Investors have shown a lack of interest in commodities as an asset class, preferring to invest in local and regional equities. While the Fund raised USD 11.4 Million at launch, Fund AUM since then have declined continuously and currently stand at USD 6.3 million. Given the low AUM in the Fund and continued lackluster interest in commodities as an asset class, the cost of obtaining the performance of the benchmark commodity index is not economical for the Fund and the Fund Manager.
2. Also, given a structural change in the commodity markets over the last couple of years, commodity markets continue to trend down and may not recover substantially from current levels in the near to medium term.

Please note that as per Article 17 (a) of the Investment Funds Regulations (IFRs) issued by the Capital Market Authority, the termination of the Fund will only take place after sixty (60) days from the date of this letter. In that time you could choose one of the following options:

1. Redeem your units in the Fund and your proceeds will be credited to your account.
2. Redeem your units and instruct HSBC to invest the cash proceeds in another Fund of your choice managed by HSBC Saudi Arabia at no subscription cost

**If no action is taken by the end of the time period mentioned above, then the value of your units will be automatically redeemed and credited to your account.**

For further information, please do not hesitate to call our Toll Free Number: 800-124-1212 or 966-1-299-2313

We extend to you our most sincere gratitude and appreciation for your investment in the Funds of HSBC Saudi Arabia Limited.

With best regards,

**HSBC Saudi Arabia Limited**

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Incorporated in Riyadh with limited liability C.R.No. 1010221555, Capital SAR 500 Million (Fully Paid)  
Authorized and regulated by the Capital Market Authority, License No. 05008-37  
Chamber of Commerce Membership No. 168975

**إتش إس بي سي العربية السعودية المحدودة**

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مرخص طبقاً للنظام ولوائح هيئة السوق المالية، رخصة رقم ٥٠٠٨٠٣٧  
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